

Mayor and Council Communication

DATE: 09/17/24

M&C FILE NUMBER: M&C 24-0782

LOG NAME: 20FY24 CAPITAL CLEANUP

SUBJECT

(ALL) Authorize Financial Transactions in Certain Capital Project Funds to Facilitate the Clean-Up and Close-Out of Capital Projects, Adopt Appropriation Ordinances and Amend the Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the General Capital Projects Fund by increasing estimated receipts and appropriations in the Contract Street Maintenance programmable project (City Project No. P00020) in the amount of \$115,580.99 and decreasing estimated receipts and appropriations in the Street Maintenance programmable project (City Project No. P00022) by the same amount;
 2. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the General Capital Projects Fund in the amount of \$1,851,156.64 by increasing estimated receipts and appropriations in the 2023 Asphalt Resurfacing Contract 1 project (City Project No. 104269) and decreasing estimated receipts and appropriations in the Contract Street Maintenance Programmable project (P00020) by the same amount, for the purpose of converting to a static project;
 3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Intergovernmental Contribution Fund, in the amount of \$35,626.00, from available Inter-Local Agreement Services revenue, for the purpose of funding the 2023 Asphalt Resurfacing Contract 1 project (City Project No. 104269);
 4. Adopt the attached appropriation ordinance adjusting appropriations in the 2014 Bond Program Fund, in the amount of \$500,000.00, by increasing appropriations in the Forest Hill Dr. at Royal Crest project (City Project No.103308) and by decreasing appropriations in the 34014 Appropriation Only project (City Project No. U34014) by the same amount;
 5. Authorize the transfer in the amount of \$70,341.00 from the Grant Match Requirement project (City Project No. 103446) within the 2018 Bond Program Fund to the Grant Capital Project Other Fund for the required grant match;
 6. Authorize the transfer in the amount of \$22,575.00 from the Grant Match Requirement project (City Project No. 103446) within the 2018 Bond Program Fund to the Grant Capital Project Other Fund for the required grant match;
 7. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Capital Project Other Fund, subject to the receipt of the grant, in the amount up to \$16,338.00, all of which is non-spendable Transportation Development Credits for the purpose of funding the intersection improvements at North Beach Street and Western Center Boulevard project (City Project No. 104038);
 8. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Street Improvements Fund, in the amount of \$72,248.73, from available proceeds from GO 2012, for the purpose of funding the CFA New Development – 2004 CIP programmable project (City Project No. P00067);
 9. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Street Improvements Fund by increasing estimated receipts and appropriations in the CFA Bucket programmable project (City Project No. P00001) in the amount of \$265,332.86 and decreasing estimated receipts and appropriations in the CFA New Development – 2004 CIP programmable project (City Project No. P00067) by the same amount;
 10. Approve the repurposing of available and future funding of the Pavement Management - Reclamation programmable project (City Project No. P00125) from In-House Reclamation Maintenance to In-House Pavement Maintenance;
 11. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the General Capital Projects Fund in the amount of \$1,526,688.38, from available Pay-Go residuals, for the purpose of funding the Contract Street Maintenance programmable project (City Project No. P00020);
 12. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the General Capital Project Fund by increasing estimated receipts and appropriations in the General Planning Consultant project (City Project No.105288) in the amount of \$445,000.00 and decreasing estimated receipts and appropriations in the Transit Initiatives programmable project (City Project No. P00129) by the same amount, for the purpose of converting to a static project; and
 13. Amend the Fiscal Years 2024-2028 Capital Improvement Program.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to provide for capital project clean-up as identified throughout the Fiscal Year (FY). Items that need clean-up may include but are not limited to actions such as authorizing transfers, balancing receipts and appropriations for primarily completed projects to facilitate closing, providing correcting budget transfers and general ledger entries to prepare for project closure or to balance a project, moving additional or residual receipts and appropriations to the appropriate capital project fund, and other ancillary actions to fulfill capital obligations as needed.

Items addressed in this M&C are as follows:

Recommendation 1 will transfer the residual budget in the Street Maintenance Programmable project (City Project No. P00022) to the Contract Street Maintenance Programmable project (City Project No. P00020) and facilitate the closure of the Street Maintenance Programmable project (City Project No. P00022). Approval of this recommendation will consolidate funds in programmable project P00022, funded with the same purpose of maintaining streets. The funds will be moved to programmable project P00020 for the award of street maintenance contracts.

Funding for this project (P00020) was included in the FY2024-2028 Capital Improvement Program for the year 2024. Accelerated funding is needed for this project due to moving funds from one programmable to the other programmable. The project amount has changed from \$24,186,412.00 to \$24,301,992.99. The action in this M&C will amend the FY2024-2028 Capital Improvement Program as approved in connection with **Ordinance 26453-09-2023, section seven, page 28.**

Recommendation 2 will adjust appropriations between a programmable project and convert the 2023 Asphalt Resurfacing Contract 1 project (City Project No. 104269) into a static capital project. This action is needed as future funding for this project is anticipated from other funding sources and the scope of this project differs from that of the current programmable project.

Funding for this project (P00020) was included in the FY2024-2028 Capital Improvement Program for the year 2024. Decreased funding is needed for this project due to creating a static project. The project amount has changed from \$24,301,992.99 to \$21,786,992.99. The action in this M&C will amend the FY2024-2028 Capital Improvement Program as approved in connection with **Ordinance 26453-09-2023, section seven, page 28.**

| Project | FY2024 Appropriations | Authority | Budget Change | Revised FY2024 CIP Budget |
|--------------|------------------------|---------------------------|-------------------------|---------------------------|
| P00020 | \$28,376,412.00 | M&C 23-0886 | (\$690,000.00) | \$27,686,412.00 |
| P00020 | \$27,686,412.00 | M&C 23-1008 | (\$1,476,388.00) | \$26,210,024.00 |
| P00020 | \$26,210,024.00 | M&C 23-0983 | (\$899,551.00) | \$25,310,473.00 |
| P00020 | \$25,310,473.00 | M&C 23-1081 | (\$1,124,061.00) | \$24,186,412.00 |
| P00020 | \$24,186,412.00 | M&C 24-0227 | (\$1,165,561.00) | \$23,020,851.00 |
| P00020 | \$23,020,851.00 | This M&C Recommendation 1 | \$115,580.99 | \$23,136,431.99 |
| P00020 | \$23,136,431.99 | This M&C Recommendation 2 | (\$1,851,156.64) | \$21,285,275.35 |
| Total | \$28,376,412.00 | | (\$7,091,136.65) | \$21,285,275.35 |

Recommendation 3 will allow Transportation and Public Works (TPW) to properly account for the portion of work completed within Benbrook city limits and balance and close this completed project, 2023 Asphalt Resurfacing Contract 1 project (City Project No. 104269). The scope of work for the 2023 Asphalt Resurfacing Contract 1 project included an asphalt surface overlay on Lakeside Drive from the city limit to Pecan Valley Drive. The City of Benbrook approached the Transportation and Public Works Department requesting the City complete the remaining 250 linear feet of asphalt overlay of Lakeside Drive within Benbrook city limits, up to Winscott Road. TPW agreed to complete the work within Benbrook city limits for a cost of \$35,626.00 and an Interlocal Agreement was administratively executed with the City of Benbrook in the amount of \$35,626.00 (City Secretary Contract No. 59813). The payment was received from Benbrook in August 2023.

Recommendation 4 will appropriate funds that were mistakenly omitted from the original Fiscal Year 2024 CIP appropriation entry. This project includes reconstructing the intersection to create dedicated northbound and southbound left turn lanes for Forest Hill Dr. at Royal Crest project (City Project No. 103308). Traffic signal upgrades include detection, communications, accessible pedestrian signals (APS), signing, striping, utility adjustments and reconstruction of curb ramps to be Americans with Disabilities Act (ADA) compliant.

Recommendation 5 will transfer the Local Participation Funds for an off-system Highway Safety Improvement Program (HSIP) Project with the Texas Department of Transportation (TxDOT) that has been completed and allow this City project to be balanced and closed. On May 19, 2019, Mayor and Council Communication (M&C) C-29106 authorized the execution of an Advanced Funding Agreement (AFA) with the Texas Department of Transportation (CSC No. 52384; CSJ #0902-90-097). The McCart Avenue at Walton Avenue project (City Project No. 103432) included improvements to existing traffic signals at the intersection of McCart Avenue at Walton Avenue and Edgcliff Road which allowed for the total rebuild of the existing signals at the intersections of McCart Avenue at Walton Avenue and Edgcliff Road to bring them up to standards. The project was certified as completed by TxDOT in October 2022.

Recommendation 6 will transfer the Local Participation Funds for an off-system Highway Safety Improvement Program (HSIP) Project with the

Texas Department of Transportation (TxDOT) that has been completed and allow this City project to be balanced and closed. On May 19, 2019, Mayor and Council Communication (M&C) C-29106 authorized the execution of an Advanced Funding Agreement (AFA) with the Texas Department of Transportation (CSC No. 52385; CSJ #0902-90-039). The HSIP Hulen and Trail Lake project (City Project No. 103824) was the construction of a new traffic signal at the intersection of Hulen Street and Trail Lake Drive. The project was certified as completed by TxDOT in August 2021.

Recommendation 7 will allow for the adoption of the correct amount of non-spendable appropriation ordinance in the Grants Capital Project Other Fund to track the City's usage of TDCs. On October 17, 2023, Mayor and Council Communication (M&C) 23-0879 authorized execution of an Advanced Funding Agreement (AFA) with the Texas Department of Transportation (TxDOT) (CSC No. 60493; CSJ #0902- 90-214) for the Intersection Improvements at North Beach Street and Western Center Boulevard project (City Project No. 104038) in the total amount of \$842,143.00 with Local participation in the approximate amount of \$343,828.00. After execution of the AFA, TxDOT provided notice that this project was approved for 100% Federal funding for construction, thereby decreasing Local cash participation for construction by \$51,366.00 by using Transportation Development Credits (TDCs) and M&C 24-0243 approved this amendment on March 26, 2024.

The following table displays the appropriation history for the project:

| Fund | Existing Funding | Additional Funding | Project Total | Notes |
|---|-----------------------|--------------------|-----------------------|----------------------|
| 34027 - 2022 Bond Program Fund | \$412,000.00 | \$0.00 | \$412,000.00 | |
| 31001 - Grants Cap Projects Federal Fund | \$1,028,663.00 | \$0.00 | \$1,028,663.00 | |
| 31003 - Grants Capital Project Other Fund | \$35,028.00 | \$16,338.00 | \$51,366.00 | Non-spendable - TDCs |
| Project Total | \$1,475,691.00 | \$16,338.00 | \$1,492,029.00 | |

The appropriation for non-spendable TDCs was not included in the Fiscal Years (FY) 2024-2028 Capital Improvement Program because the use of TDCs was not authorized at the time of the development of the Capital Improvement Program. The action in this M&C will amend the FY2024-2028 Capital Improvement Program as approved in connection with Ordinance 26453-09-2023.

Recommendation 8 will increase appropriations for the CFA New Development – 2004 CIP programmable project (City Project No. P00067) to match the current receipts in the project. This increase in appropriations is necessary to align receipts with appropriations and ensure proper balance in the CFA New Development – 2004 CIP programmable project (City Project No. P00067).

Recommendation 9 will transfer all receipts and appropriations in the CFA New Development – 2004 CIP project (City Project No. P00067) project to the CFA Bucket project (City Project No. P00001). Approving this recommendation will consolidate funds into project P00001, which is designated for covering CFA inspection fees when developer contributions are insufficient to cover the total cost of inspection services. This will also allow for the closure of the CFA New Development – 2004 CIP project (City Project No. P00067), as it was serving a duplicate purpose.

Recommendation 10 will repurpose the use of available and future funding for the Pavement Management - Reclamation programmable project (City Project No. P00125). Following the repurposing, funding will continue to be utilized under the same project number for its new intended purpose. The Pay-Go P00125 programmable funds were originally defined by a budget package intended for the experimental in-house performance by Street Operations to attempt to self-perform a small amount of full-depth reclamations, a process that is heavy maintenance and was previously only contracted out. After several years of renting equipment to perform this typically contracted procedure in-house, it has been determined to be impractical. Moving forward, staff recommends that the full-depth reclamation procedure should solely be outsourced to contractors due to the following reasons inadequate in-house capabilities, equipment rental challenges, and utility coordination issues. This change is necessary to enhance the efficiency and flexibility of the Street Ops Division in utilizing our funding to maximize the maintenance provided to the City. These funds can be used instead to perform Mill and Overlays (MOL), Crack Sealing, or preventative maintenance which is the current desire of both the Pavement Management and Street Operations groups.

Recommendation 11 The 2022 Downtown Resurfacing Year 1 Project (City Project No. 103452) received appropriations of \$6,428,245.00 but only incurred expenses of \$4,901,556.62. The 2022 Downtown Resurfacing Year 1 Project (City Project No. 103452) was funded through the Pay-Go General Capital Projects Program, which funds various types of street maintenance projects. Approval of Recommendation 10 will appropriate the residual funding to the Contract Street Maintenance Programmable Project (City Project No. P00020) to keep the funds associated with street maintenance projects.

Recommendation 12 will adjust appropriations between the Transit Initiatives programmable project (City Project No. P00129) and convert the General Planning Consultant project (City Project No.105288) into a static capital project. This action is needed as future funding for this project is anticipated from other funding sources and the scope of this project differs from that of the current programmable project.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Street Maintenance project, Contract Street Maintenance Programmable project, FUND 34014 APPROP ONLY project, Grant Match Rqmt project, CFA New Development – 2004 CIP project, Transit Initiatives project and the Unspecified-All Fund project within the General Capital Projects Fund, Intergovernmental Contribution Fund, 2014 Bond Program Fund, 2018 Bond Program Fund, Grants Capital Project Other Fund, Street Improvements Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the General Capital Projects Fund, Intergovernmental Contribution Fund, 2014 Bond Program Fund, 2018 Bond Program Fund, Street Improvements Fund and the Grants Capital Project Other Fund, for the Contract Street Maintenance project, 2023 Asphalt Resurf Contract 1 project, Forest Hill Dr. at Royal Crest project, McCart Avenue at Walton Ave project, HSIP Hulen and Trail Lake project, ARPA N Beach & Western Center project, General Planning Consultant project, CFA Bucket project and the CFA New Development – 2004 CIP project. Prior to any expenditure being incurred, the Transportation & Public Works Department is responsible for validating the availability of funds.

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Expedited