

Mayor and Council Communication

DATE: 08/13/24

M&C FILE NUMBER: M&C 24-0658

LOG NAME: 21CAP CLEANUP / ADD FUNDS - ALLIANCE MAINTENANCE FACILITY FUND

SUBJECT

(CD 10) Adopt Appropriation Ordinances Authorizing Fiscal Year 2024 Budget Adjustments in the Alliance Maintenance Facility Fund in the Amount of \$370,478.00, Reducing Appropriations in the General Capital Projects Fund in the Amount of \$760,000.00 and Reversing Transfers to the Alliance Maintenance Facility Fund by the Same Amount, Amend the Fiscal Year 2024 Alliance Maintenance Facility Fund Operating Budget, and Amend the Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Alliance Maintenance Facility Fund in the amount of \$370,478.00, from available fund balance, for the purpose of covering unexpected repairs and maintenance needed throughout the facility;
2. Adopt the attached appropriation ordinance reducing estimated receipts and appropriations in the General Capital Projects Fund in the amount of \$760,000.00 from available funds in the Alliance Maintenance Facility Repair Project (City Project No. P00081) and reverse transfers to the Alliance Maintenance Facility Fund in the same amount;
3. Adopt the attached ordinance reallocating appropriations in the Alliance Maintenance Facility Fund of the Property Management Department by decreasing appropriations in the Transfers & Other category in the amount of \$760,000.00, and increasing appropriations in the General Operating and Maintenance category by the same amount, for the purpose of covering costs of deferred maintenance expenses, as well as an assessment of deferred maintenance needs at the Alliance Maintenance Facility; and
4. Amend the Fiscal Year 2024 Alliance Maintenance Facility Fund Operating Budget and Amend the Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to appropriate additional funds to cover unexpected repairs and maintenance at the Alliance Maintenance Facility, transfer Fiscal Year (FY) 2024 funding from the General Capital Projects Fund back to the Alliance Maintenance Facility Fund and reallocate funding within the Alliance Maintenance Facility Fund.

Per Ordinance No. 26453-09-2023 Section 2, the FY2024 adopted budget for the Alliance Maintenance Facility Fund was \$8,237,763.00. This M&C recommends an increase in appropriations of \$370,478.00 for an adjusted FY2024 budget of \$8,608,241.00.

In FY2023, M&C 23-0370 authorized the execution of a lease agreement with MTU Maintenance Dallas, Inc. (MTU) which included an appropriation of \$860,000.00 for completion of deferred maintenance to the space occupied by MTU. However, only \$200,192.70 was spent in FY2023 because the deferred maintenance work needed to coincide with other tenant improvements that were not completed in FY2023. The remaining \$659,807.30 was used to cover the cost of other unexpected expenses at the Alliance Maintenance Facility in FY2023 such as boiler and pump maintenance, electrical outage and fire system repairs, and other contractual increases including additional staffing. Per the operating lease agreement with MTU, \$659,807.30 in additional deferred maintenance expenses must be spent in FY2024.

The FY2024 Adopted Budget for the Alliance Maintenance Facility Fund included a total of \$760,000.00 in capital transfer out appropriations for various capital projects at the Central Utility Plant. However, after reassessing capital needs, it has been determined that the capital projects can be completed at a later time. Therefore, \$659,808.00 of the \$760,000.00 originally budgeted for capital expenditures will be transferred to the Operating and Maintenance category to address the pending deferred maintenance for the space occupied by MTU.

The remaining \$100,192.00 will also be transferred to the Operating and Maintenance category to cover the cost of an assessment of deferred maintenance needs at the Alliance Maintenance Facility completed in FY2024.

This M&C will also increase expenditure appropriations in the General Operating and Maintenance accounts by \$370,478.00 for potential unforeseen repairs and maintenance needed through the Alliance Maintenance Facility in FY2024.

Funding is available for appropriation in the fund balance of the Alliance Maintenance Facility Fund. The fund balance as of May 31st, 2024 was \$2,292,144.00. The new fund balance amount after this M&C will be \$1,921,666.00. Also funding is budgeted in the Alliance Maint Facility Repair project within the General Capital Projects Fund.

The action in this M&C will amend the Fiscal Year 2024 Adopted Budget as approved in connection with Ordinance 26453-09-2023, Section 2, as listed on page 5. Funding for the capital projects was included in the FY2024-2028 General Capital Projects Fund Capital Improvement Program for year 2024. Therefore, the action in this M&C will also amend the FY2024-2028 Capital Improvement Program as approved in connection with Ordinance 26453-09-2023.

Fund/Department Budget Category	FY2024 Adopted Budget	Authority	Budget Change/Increase	Revised FY24 Budget
Revenues				
Charges for Services	\$443,794.00		\$0.00	\$443,794.00
Use of Money and Property	\$3,121,261.00		\$0.00	\$3,121,261.00
Other Revenue	\$4,397,805.00		\$0.00	\$4,397,805.00
Use of Fund Balance	\$274,903.00	This M&C Rec 1	\$370,478.00	\$645,381.00
Total Revenues	\$8,237,763.00		\$370,478.00	\$8,608,241.00
Expenditures				
Property Management	\$7,477,763.00	This M&C-Rec 1 & 2	\$1,130,478.00	\$8,608,241.00
Transfer to Capital Fund	\$760,000.00	This M&C Rec 2	(760,000.00)	\$0.00
Total Expenditures	\$8,237,763.00		\$370,478.00	\$8,608,241.00

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Alliance Maint Facility Repair project within the General Capital Projects Fund and in fund balance in the Alliance Maintenance Facility Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Alliance Maintenance Facility Fund. Prior to an expenditure being incurred, the Property Management Department has the responsibility of verifying the availability of funds.

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