

# Mayor and Council Communication

DATE: 01/11/22

M&C FILE NUMBER: M&C 22-0002

LOG NAME: 03FY22 CAPITAL CLEANUP Q1

## **SUBJECT**

(ALL) Authorize Financial Transactions in Certain Capital Project Funds to Facilitate the Clean-Up and Close-Out of Capital Projects, Adopt Attached Appropriation Ordinances, and Amend the Fiscal Years 2022-2026 Capital Improvement Program

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance decreasing estimated receipts and appropriations in the General Capital Projects Fund in the amount of \$2,431.00, from the William McDonald (SE) YMCA project (City Project No. 102349) for the purpose of returning funds to the General Fund;
2. Adopt the attached appropriation ordinance adjusting appropriations in the Park and Recreation Department of the General Fund, by decreasing Transfer Out category, in the amount of \$2,431.00, transferred back from the General Capital Projects Fund, and increasing in the General Operating & Maintenance category by the same amount;
3. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water and Sewer Fund by increasing estimated receipts and appropriations in the Water and Sewer Outlay Programmable project (City Project No. P00087) in the amount of \$5,121,000.00 and decreasing the Water FY22 Non-Fleet Equipment project (City Project No. 103484) in the amount of \$615,000.00, decreasing the Sewer FY22 Non-Fleet Equipment project (City Project No. 103485) in the amount of \$595,000.00, decreasing the Water FY22 Vehicles/Heavy Equipment project (City Project No. 103482) in the amount of \$1,935,000.00, and decreasing the Sewer FY22 Vehicles/Heavy Equipment project (City Project No. 103483) in the amount of \$1,976,000.00;
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Risk Financing Fund, in the amount of \$703,673.58, decreasing net position, for the purposes of transferring to the General Capital Projects Fund;
5. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the General Capital Projects Fund in the amount of \$703,673.58, transferred from the Risk Financing Fund, for the purposes of funding the 2016 Hail Storm Programmable Project (City Project No. P00079); and
6. Amend the Fiscal Years 2022-2026 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. 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, provide correcting budget transfers and general ledger entries to prepare for project closure or to balance a project, move additional or residual receipts and appropriations to the appropriate capital project fund, and other ancillary actions to fulfill capital obligations as needed.

As the City of Fort Worth (City) has enhanced budgetary and expenditure controls, these requested items seek approval for transparency and control purposes. To the extent possible, each request has been reviewed by the Budget Division in conjunction with the participating departments for accuracy and completeness.

Items addressed in this M&C are as follows:

### **Park and Recreation -General Fund:**

The City makes two payment types for the YMCA contract each year. Payment 1 is an operating subsidy, which increases by 2% each year and is budgeted in the Park & Recreation Department (PARC), General Fund operating budget. For Fiscal Year (FY) 2022, the operating subsidy was budgeted at \$60,180.00, which was the FY2020 subsidy amount. As part of the FY2022 budget, an additional \$2,431.00 was added to satisfy the 2% increase required for FY2021 and FY2022, for a total operating subsidy of \$62,611.27. Due to an administrative oversight, the 2% annual YMCA subsidy increase of \$2,431.00 was included in the amount transferred to the General Capital Projects Fund as part of the long-term maintenance reserve funding for the William McDonald (SE) YMCA project.

Recommendation #1 would authorize the transfer of \$2,431.00 from the General Capital Project Funds back to the General Fund, PARC operating budget and allow the department to submit subsidy payments to the YMCA and properly account for budget and expenses paid to the YMCA.

Payment 2 is a long-term maintenance reserve contribution of \$12,000.00 annually and is budgeted in PARC's General Fund operating budget and transferred to the capital project William McDonald (SE) YMCA (City Project No. 102349).

Funding for this project was included in the FY2022-2026 Capital Improvement Program for year 2022. The project amount has changed from \$14,431.00 to \$12,000.00 due to a correction in funding appropriations for the YMCA subsidy portion. The action in this M&C will amend the FY2022-2026 Capital Improvement Program as approved in connection with Ordinance 25073-09-2021.

**Water Department - Water and Sewer Fund:**

During the FY2022 budget process for the Capital Improvement Program, appropriations were made to separate projects for various Water and Sewer capital outlay purchases. The department would like to move the appropriations from these projects (Water FY22 Non-Fleet Equipment project, the Sewer FY22 Non-Fleet Equipment project, the Water FY22 Vehicles/Heavy Equipment project, and the Sewer FY22 Vehicles/Heavy Equipment project) to the Water and Sewer Outlay Programmable project to allow the utility to make better use of cost fluctuations in capital purchases.

Funding for the programmable project was not included in the FY2022-2026 Capital Improvement Program due to an administrative oversight which appropriated budget into separate projects. The action in this M&C will amend the FY2022-2026 Capital Improvement Program.

**Human Resources - Risk Financing Fund:**

On March 17, 2016, multiple City properties were damaged due to a hail storm. On June 14, 2016, Mayor and Council Communication G-18757 authorized appropriations and payment for repairs to multiple City properties in an amount up to \$13,000,000.00.

All city facilities damaged during the 2016 hail storm have been repaired and no further expenses will be incurred.

Recommendations 4 and 5 will balance and close the 2016 Hail Storm Programmable project. Funding appropriations include the \$250,000.00 deductible the City is responsible for applying towards the costs of damages.

Funding for this project was not included in the FY2022-2026 Capital Improvement Program due to an additional payment for a roof replacement that was negotiated with the Fort Worth Zoo based on final invoice. All real property located at the Fort Worth Zoo is owned by the City of Fort Worth and managed by the Zoological Association. The action in this M&C will amend the FY2022-2026 Capital Improvement Program as approved in connection with Ordinance 25073-09-2021.

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

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the William McDonald (SE) YMCA project within the General Capital Projects Fund, the Water FY 22 Vehicles/Heavy Eqm project, Sewer FY 22 Vehicles/Heavy Eqm project, Water FY 22 Non-Fleet Eqmt project and the Sewer FY 22 Non-Fleet Eqmt project within the W&S Capital Projects Fund and net position within the Risk Financial Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the General Fund under General Oper & Maint category, the W&S Capital Projects Fund for the Water and Sewer Outlay programmable project and the General Capital Projects Fund for the 2016 Hail Storm programmable project. Prior to an expenditure being incurred, the Park and Recreation, Water and Human Resources Departments have the responsibility of verifying the availability of funds.

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**Additional Information Contact:**

Expedited