



UNIVERSITY PARK CITY COUNCIL AGENDA MEMO

Meeting Date:
12/2/2025

Item Type:
Action Item

Subject: Transfer of \$3,000,000 from Fund 02 to Fund 42 for FY2026 Mile-Per-Year program

Prepared By: Thomas W. Tvardzik, Finance Director

Background:

The City's Mile-Per-Year (MPY) water and sanitary sewer replacement initiative is a central component of the City's infrastructure reinvestment strategy, and is designed to maintain reliable service and reduce long-term maintenance costs. For FY2026, the planned MPY Project (#2026402) is expected to cost \$6,695,000, as reflected in the adopted capital plan.

However, in accordance with the recent changes to capital budgeting strategy (requiring funding to be identified before a project is commenced), the FY2026 MPY project cannot be scheduled because it would cause the balance of Fund 42 to fall approximately \$2,964,501 below zero, as only \$3,730,499 is currently available in the fund to support it.

Current market conditions indicate that FY2026 is expected to be the last year of favorable pricing on this project, prior to anticipated cost escalation driven by regional labor and construction pressures. Advancing the full MPY project FY2026 therefore presents a time-sensitive opportunity to secure lower pricing for this essential infrastructure work.

To complete the MPY program planned for FY2026, additional funding is required.

Accordingly, staff recommends a \$3,000,000 transfer from the Water and Sewer Fund (Fund 02) to the Utilities Capital Projects (Fund 42). This transfer will enable the full FY2026 MPY segment to proceed as scheduled.

Fiscal Impact:

- ☐ Not Applicable
- ☒ Budget Amendment Required
- ☐ Proposed Revenue
- ☐ Proposed Expenditure

Funding Source:

Master Plan Goal:

Please check the associated Theme and provide the corresponding action item number.



	Theme	Action Item(s)
<input type="checkbox"/>	Affirming Sense of Place	
<input type="checkbox"/>	Assuring Connectivity	
<input type="checkbox"/>	Innovative Governance	
<input type="checkbox"/>	Technological Integration	
<input type="checkbox"/>	Preparing for the Future	
<input type="checkbox"/>	Not Applicable	

Recommendation:

Staff recommends approving the attached ordinance amending the FY2026 budget and authorizing the requested transfer.

Committee Review (*optional*):

At their October 27, 2025 meeting, the Capital Projects Review Committee expressed their approval of the FY2026 MPY project plan, subject to adequate funding being secured for its completion.

Attachments:

- Ordinance amending the FY2026 Budget.