



AGENDA MEMO

11/5/2019 Agenda

TO: Honorable Mayor and City Council

FROM: Thomas W. Tvardzik, Director of Finance

SUBJECT: Resolution establishing the FY2020 Capital Projects Budget

BACKGROUND:

City staff met with the Capital Projects Review Committee (CPRC) on October 14, 2019 to review and approve the list of upcoming Capital Projects. The FY2020 budget is the first year of the Capital Improvements Program, which is a 5-year summary of upcoming and “in-progress” capital projects.

At the end of the fiscal year, unspent funds from open projects should be “rolled” to the next budget year in a manner similar to the budgetary encumbrance process. Rolling unspent funds results in a more accurate calculation of working capital and budget-to-actual performance over the life of the individual projects.

At the close of the meeting, the CPRC recommended that the City Council approve the FY2020 project budget (and FY2019 rollover), as summarized in the following tables:

FY2019	Amended FY2019 Budget	Budget Rollover	Final Amended FY2019 Budget
I/T projects	\$760,852	(\$118,852)	\$642,000
Parks projects	1,057,867	(716,950)	340,917
Public safety projects	1,950,000	(100,000)	1,850,000
Public works projects	18,192,386	(10,013,416)	8,178,970
Unplanned projects	300,000	-	300,000
Total project expends	\$22,261,105	(\$10,949,218)	\$11,311,887

FY2020	New Projects FY2020 Budget	Budget Rollover	Recommended FY2020 Budget
I/T projects	\$485,000	\$118,852	\$603,852
Parks projects	630,000	716,950	1,346,950
Public safety projects	752,425	100,000	852,425
Public works projects	9,011,000	10,013,416	19,024,416
Unplanned projects	300,000	-	300,000
Total project expends	\$11,178,425	\$10,949,218	\$22,127,643

SUBSEQUENT EVENT:

Approximately two weeks after the Capital Project Review Committee meeting noted above, the City Manager requested \$500,000 be added to the FY2020 budget to cover potential costs of converting the property at the corner of Lovers and Preston into a city park. While the City anticipates a private party will donate the property for that use, it does not yet have an estimate of how much (if any) of the conversion costs will be paid by the donor.

Adding the \$500,000 placeholder to the Parks Department increases the FY2020 Parks Budget to \$1,130,000, the overall New Projects Budget to \$11,678,425, and the Recommended FY2020 Budget to \$22,627,643.

RECOMMENDATION:

Approve the resolution adopting/amending the FY2020 Capital Project budget, including the additional placeholder of \$500,000 related to the property at Lovers/Preston.

ATTACHMENTS:

- Resolution adopting/amending the FY2020 Capital Budget (including additional \$500,000 placeholder).
 - Five-year Capital Improvements Program Summary.
 - Five-year Detail Capital Projects Plan.
- (Please note: Each of the two schedules above are attached as presented and reviewed by the CPRC. These schedules DO NOT include the \$500,000 placeholder at this time.