



AGENDA MEMO

4/7/2020 Agenda

TO: Honorable Mayor and City Council

FROM: Thomas W, Tvardzik, Director of Finance

SUBJECT: CONSIDER AND ACT: on a resolution expressing official intent to seek reimbursement for stormwater construction costs.

BACKGROUND:

The City is about to begin a large-scale construction project to aid the drainage of stormwater in Turtle Creek Basin-A. It is expected the cost of all three phases of this initial project (described as "Area of Interest – 1") will total \$11,230,750. This total is based upon a 3-year timeframe to complete the project, with a construction inflation factor of 5% per year. Phase 1 is the construction of a retention structure at Caruth Park (\$4,600,000). Phase 2 is the installation of large-bore reinforced concrete box culverts under Hillcrest from Marquette to (and including parts of) Southwestern (\$4,095,000). Phase 3 is installation of large-bore feeder lines on Marquette, Colgate and Airline (\$2,535,750).

As this is one of the largest (and potentially most expensive) projects undertaken by the City since the renovation and upgrading of City Hall, its financial aspects and impact on the Capital Improvement Plan were reviewed by both the Finance Advisory Committee (FAC) and the Long-Term Financial Planning (LTFP) Committee. Each of these committees reviewed the scope of the project as well as potential avenues of payment. (It should be noted that a number of other City Advisory Committees have also reviewed this plan.)

Out of an abundance of caution, the FAC and the LTFP Committee recommended that Council adopt a resolution signaling an intent to reimburse project-related expenses, should the City issue debt for this project at a later date. Lacking this resolution, any money spent would come directly from City fund balances.

RECOMMENDATION:

Adopt the resolution expressing the official intent of the City to seek reimbursement of stormwater costs.