CITY CLERK DEPARTMENT
2004 JUN 24 PM 2 29

CITY OF EL PASO, TEXAS
BUILDING & PLANNING SERVICES

MEMORANDUM

TO: The Honorable Mayor & City Council

COPY TO: Jim Martinez, Chief Administrative Officer
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Laura Uribarri, Executive Assistant to the Mayor
Lisa Elizondo, City Attorney
William A. Chapman, Deputy CAO for Financial Services
David R. Almonte, OMB Director
Carmen Arrieta-Candelaria, City Comptroller
Irene D. Ramirez, Interim City Engineer
Teresa Quezada, CIP Administrator
✓ Richarda D. Momsen, Municipal Clerk

FROM: Patricia D. Adauto, Deputy CAO for Building & Planning Services
PDadauto

SUBJECT: City Council Agenda Item, June 29, 2004
Capital Improvements Program, Unallocated Fund Balances

DATE: June 24, 2004

The following items have been scheduled for City Council presentation as noted above.

A. Staff Report on Capital Improvements Program budgeting, reconciliation of general obligation bonds and certificates of obligation bonds fund balances, and recommended use of unallocated fund balances to pay contractually obligated capital projects.

B. Discussion & Action on use of general obligation bonds and certificates of obligation bonds unallocated fund balances to pay contractually obligated capital projects as recommended by the Building & Planning Services Department.

C. Discussion & Action on the Capital Improvements Program to (1) set the process and calendar for reviewing and prioritizing capital projects; and (2) to reaffirm the criterion to be used by the Building & Planning Services Department for recommending priority ranking for capital project submittals.

The Building & Planning Services Department has been working with the Comptrollers, OMB and Financial Services Departments to reconcile fund balances in old issuances of General Obligation

Bonds (GOs) and Certificates of Obligation Bonds (COs) as part of its work on the City's Capital Improvements Program (CIP). Unallocated fund balances occur for a variety of reasons, but primarily due to capital projects having been completed at a savings, a decision made to delete a capital project, or other funding match appropriations received for the same project. Based on the bond issuances, these GOs and COs have been earmarked for specific purposes and the City's ability to reallocate any fund balances is generally restricted. This restriction has been a factor for recommending how these unallocated funds are reprogrammed.

A power point presentation, fully briefing the CIP budgeting process, will be given at the Council meeting. This will include a general summary of the unallocated fund balances and the recommendations for reprogramming, a copy of which is attached for your information. Summarily, the immediate need for these unallocated fund balances is for capital projects contractually obligated with the Texas Department of Transportation (TxDOT). These include payments for (1) change orders on projects underway or completed; and (2) payment of the City's proportionate share (20%) for approved projects utilizing federal highway funding and ready for letting. Because these transportation-related projects are state-managed (TxDOT), the City does not control timing of construction and payments are due upon TxDOT request. Work with the Comptrollers Department continues in order to address negative cash balances in some of these capital project accounts, however the unallocated fund balances as identified on the attachment are conservative estimates.

Formerly, in some cases, GOs and COs were issued for transportation projects and these funding balances are carried under the bond issuances until payments are made and projects are closed. The projects identified in the attachment did not have a funding source identified at the time the contractual obligations were made between the City and TxDOT. It is my understanding that issuance of COs was contemplated when the projects were finally let by the state. Because this is no longer an approved funding mechanism, utilization of unallocated GOs and COs fund balances is absolutely necessary to carry out these projects and make necessary contractually obligated payments to TxDOT.

Should you have any questions or need additional documentation, I may be contacted at 541-4853 or Carmen Arrieta-Candelaria at extension -4293.

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Capital Improvements Program
Unallocated Fund Balances
As of May 31, 2004

Funding Source	$ Available for Reprogramming	Use of Funds per Offering Statement
1994A Certificates of Obligation	$1,176,869.69	Proceeds from the sale of the Series 1994A Certicates will be used to fund the construction of a Fire Department vehicle maintenance facility, the North East Municipal Annex, the Westside Recreation Center, Municipal Zoo improvements and emergency rehabilitaion of city-owned buildings.
1995A Certificates of Obligation	$1,214,476.13	Uses not available. Projects include parks, city facilities and street projects.
1996 Certificates of Obligation	$8,687.92	Proceeds derived from the sale of the Series 1996 Certificates wil be used to fund infrastructure improvements in the Union Plaza area.
1998 Certificates of Obligation	$263,125.32	Uses not available. Projects include parks, city facilities and Civic Center.
1998A Certificates of Obligation	$134,867.96	Uses not available. Projects include parks, health facilities, and fire stations and city facilities.
1998B Certificates of Obligation	$500,490.35	Uses not available. Projects include street projects, TXDOT matches, and environmental work.
2002A Certificates of Obligation	$1,443,162.63	Uses not available. Projects include only landfill projects, health facilities and purchase of Union Pacific Depot.
2003 Certificates of Obligation	$941,275.17	Uses not available. Projects include fire stations, flood control, street, international bridge and TXDOT match projects. Available amount represents balance from Cotton Street Bridge.
Sub-Total Certificates of Obligation	**$ 5,682,955.17**	
1987A General Obligation Bonds	$671,028.31	Street & Flood Control Improvements
1997 General Obligation Bonds	$ 719,978.61	Street Improvements - balance from oldest bond issue for Cotton Street Bridge. Amount per Comptroller's worksheets. BT was proposed to Council for $769,318.22 on 6/15/04
Sub-Total General Obligation Bonds	**$ 1,391,006.92**	

TOTAL UNALLOCATED FUND BALANCE	**$ 7,073,962.09**

Capital Improvements Program
Proposed Use of Unallocated Fund Balances
As of May 31, 2004

Obligated Project	Project Amount	Notes
Traffic Light Synchronization 3,4 & 5	$ 1,509,600.00	LPAFA has been approved. Project is scheduled for letting in August 2004 by TXDOT. Payment due by 7/14/04, otherwise will have to reschedule letting and can run into TXDOT letting cap problems.
Lee Boulevard	$ 992,590.00	Incremental payments for remainder of phase 1 project. City has paid for design and for ROW acquisition for phase 2, 2 outer lanes. The match for construction of the 2 outer lanes is in the 2004 bond program, but this is due within the next 30 days.
Airway Boulevard Final closeout	$ 514,714.90	Amount required above and beyond the amount programmed as part of the FY03 C.O.s. $320,000 will be funded through FY03 C.O.s. BT appropriating this amount was approved on 6/15/04. However, since the funding source is included, the proposed use is also included for purposes of completeness.
Traffic Light Synchronization Phase 5	$ 136,970.57	Received letter on 6/22/04 requesting determination by 7/5/04 if additional funds will be provided. Total budget shortfall is $684,852.86. This amount represents City's 20% match. Traffic Engineering is preparing request to MPO for additional federal monies. This ties into the $1.5 million for phases 3, 4 & 5 as described above.
Change orders for Resler Extension	$ 145,524.09	Change orders approved May 2004. Anticipate final closeout from TXDOT within 60 days.
Change orders for Vehicle Loop Detectors	$ 38,019.54	Change orders approved May 2004. Anticipate final closeout from TXDOT within 6 months.
Change orders for George Dieter	$ 17,366.99	Change orders approved May 2004. Anticipate final closeout from TXDOT within 60 days.
Change orders for Lee Blvd. (not included in incremental payments above.	$ 6,939.82	Change orders approved May 2004. Anticipate final closeout from TXDOT within 6 months.
Alternate Routes	$ 1,071,150.80	City pursuing EDC adjustment. Project is included in TIP. Agreement has not gone to council pending EDC determination & identification of funding source.
Loop 375 Realignment @ Talbot	$ 4,435,000.00	Agreement has not gone to Council pending identification of funding source. City has submitted as funding request thru MPO to reduce match amount to approximately $900,000

Capital Improvements Program
Proposed Use of
Unallocated Fund Balances
As of May 31, 2004

Proposed Uses

Project	Amount	Notes
Paseo del Norte	$ 3,500,000.00	Agreement has not gone to Council pending agreement with property owners for determination of how ROW and design will be procured. Thru TXDOT minute order, City is responsible for the full amount.
TOTAL PROJECTS	**$12,367,876.71**	