



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Shawn Cox, Deputy City Administrator

Council Meeting Date: Tuesday, September 1, 2026

Agenda Item Wording: **Discussion and possible action regarding The Stephenson and Downtown Parking Lot construction and operations budgets.**

Agenda Item Sponsor: Taline Manassian, Mayor Pro Tem

Summary/Background:

As The Stephenson/downtown parking lot project nears completion, staff, including Parks, IT, Administration and Communications, have begun to plan for the transition from construction project to usable City facility. While Council has been provided the FY 2027 Operational budget for The Stephenson, there are a few items (including IT equipment, wiring, security equipment, etc.) that were not included as a part of the construction budget and are not included in the FY 2027 requests.

The contract for the project included \$447,200 in contingency funds when approved on October 7, 2025. In February 2026, a change order for \$189,681 was approved for audio visual components of the project, not included in the original contract. Approved change orders for the project, including the AV components total \$334,435. Additionally, there is \$54,343 in change orders being reviewed, bringing the total to \$388,779.

As mentioned earlier, there are expenditures which are not included in the construction or operations budget for the project, which total \$52,000. If the project we approved to utilize the remaining contingency funds for these expenditures, a balance of \$6,421 would remain.

	\$
Beginning Contingency	447,200.00
	\$
AV	(189,681.66)
	\$
Approved Change Orders	(144,754.04)
	\$
Pending Contingencies	(54,343.47)
Security/Networking	\$
Request	(52,000.00)
	\$
Balance	6,420.83

The ability to utilize these remaining contingency funds for the security/networking costs also reduces the proposed FY 2027 request to \$23,805, after moving some of the originally requested items to FY 2028. A breakdown of The Stephenson furniture, fixtures & equipment (FFE) costs is attached.

The Debt 2025 Fund has generated \$523,825 in interest of which, \$164,611 can be attributed to The Stephenson/downtown parking lot project. These unencumbered funds may be able to be utilized for FY 2027 & 2028 expenditures, pending an eligibility review of their adherence to the bond language.

Commission N/A
Recommendations:

Recommended The Deputy City Administrator requests permission to utilize project
Council Actions: contingency funds for networking and security expenditures.

Attachments:

- The Stephenson FFE Breakdown
- Project Change Order Tracker

Next Steps/Schedule: