



## ITEM SUMMARY

**MEETING DATE:** August 19, 2024

**FROM:** Teri Lea Beiriger, Director of Finance

**SUBJECT:** Ord. No. 2024-21 Budget Adjustment: Chickasaw, Dillman, Gladiator, and Youth Program Building

### BACKGROUND

Council Policy No. 6 requires City Council action to authorize budget adjustments between cost centers, departments, and funds. A budget adjustment is required to account for the unbudgeted re-prioritizing of the Chickasaw Road Improvements project, the Gladiator Lake Enhancement, Dillman Trail Project and the Youth Programs Building.

Chickasaw Road, Gladiator Lake and Dillman effects the Infrastructure Surtax (305) fund. The Youth Program Building effects the 306 American Rescue Plan Fund.

The Chickasaw project was prioritized to 2024 by a budget adjustment 2023-19 on January 8<sup>th</sup>, 2024, for \$3,000,000. After further discussion with the developer and to ensure project stays on schedule Alternate 1 from Bid 24-006 was awarded for \$616,007.50 or \$617,000. Funding will be reimbursed by the developer. Revenue not expected until Budget Year 2025.

In 2020, the City was approved for grant funding from the Division of Emergency Management for the Gladiator Lake Enhancement Project. The bidding process determined the cost of this project exceeded the funding. 2024 brought an increase in funding and a time extension, however through a new bid process the price was still higher than expected by about \$97,855. A budget increase of \$150,000 is needed to cover the difference plus any unexpected cost. The revised grant agreement will cover \$106,449.25 rounded up to \$106,450. Revenue is not expected until May 2025.

In April 2023, a \$90,000 budget adjustment was approved for the Dillman trail project. The \$90,000 was underestimated by \$50,000.

Youth Building Project (306) was budgeted in 2024 for \$7,684,685. Estimates show this project will be around \$11,709,770. To keep this project moving and to have the ARPA funds committed by December 31, 2024, a budget increase is needed for \$4,125,085. The transfer of grant unearned revenue in the amount of \$4,125,085 ARPA funds will bring the net cost effect to zero. Transfer will take place at the time of each expenditure.

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## **ANALYSIS**

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Ordinance 2024-21 is to authorize a budget adjustment for the total amount of \$4,942,085 that documents the movement of the fund balance from the two CIP funds to cover the increase cost of unbudgeted dollars.

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## **FINANCIAL INFORMATION**

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The proposed ordinance increases the budget for the Chickasaw project, Gladiator Lake, Dillman Trail and Youth Program building by \$4,942,085. Net effect on the projects is (\$93,550).

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## **LEGAL**

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The proposed Budget Amendment has been prepared in accordance with the applicable State Statutes and City Code Requirements

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## **STAFF RECOMMENDATION**

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Approval of Ordinance 2024-21.