



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: August 21, 2024
PREPARED BY: Frank T. Phelan P.E.
DEPARTMENT: City Engineer

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on selecting the FY 2024 CIP project option for 2023 Certificates of Obligation funding and commencement.

BACKGROUND/SUMMARY:

In late November of 2023, the City of Manor issued the Series 2023 Certificates of Obligation to fund various land purchases and infrastructure projects. Proceeds from the issuance, amounting to \$40,000,000, were deposited into the construction fund. Of these proceeds, \$11,180,980 was allocated for the Parks portion of the CAYSA property, \$22,569,000 was designated for Water, Wastewater, Drainage, Road, and Infrastructure, and \$6,250,000 was slated for the purchase of the Timmerman and St. Mary’s properties.

At the City Council meeting on February 21, 2024, the commencement of the Wilbarger Creek Wastewater Treatment Plant (WWTP) Expansion project was authorized. This project, part of the planned FY 2023 Certificates of Obligation (CO) project list, was budgeted at \$16,900,000. Following the allocation of funds for the Wilbarger WWTP Expansion project, approximately \$5,669,000 (exclusive of accrued interest) of the CO proceeds remain available for other water, wastewater, and roadway infrastructure improvements.

Since the February City Council meeting, the Capital Committee has convened five times to review CIP projects and provide options for the City Council's consideration. The projects evaluated by the Committee were drawn from the existing Community Impact Fee (CIF) Capital Improvements Plan (CIP) project list, priority projects from the draft Water and Wastewater Master Plans, and an identified priority roadway project. The Capital Committee members reviewed each project, including its need, benefit, budget, funding source, and priority. From all considered projects, seven were selected as the highest priority to be funded with the remaining Series 2023 CO proceeds. Four projects were from the original list of projects for the FY 2023 CO issuance and include three water projects and one roadway project. Two water projects were selected from the Water Master Plan draft, and one wastewater project was selected from the Wastewater Master Plan draft. Details for each priority project, including location, description, need, cost, and funding sources, are contained in the respective project charter pages in the FY2024 CIP plan (attached).

From the discussions, three combinations of project lists/budgets were derived as Options 1, 2, and 3 in the attached FY 2024 Capital Improvement Program package. Project Options are slated to fund two years’ worth of project costs from the Series 2023 CO proceeds. The two-year totals for the three options are as follows:

- Option 1 - \$4,775,905
- Option 2 - \$5,245,000
- Option 3 - \$5,655,905

All three options are fundable with the remaining Series 2023 Certificate of Obligation proceeds. The Capital Committee recommends Option 2 in the amount of \$5,245,000, with the caveat that if a project were to be removed from the list for budgetary purposes, it should be 6B, CP-WW-0003 the Llano and Lampasas Street Interceptors.

The City Council and members of the Capital Committee held a workshop on August 5th. During this meeting, the Council directed staff to include a proposed waterline extension from the existing water main at the Manor Heights Development to the 236-acre E. Manor Development #1 (formerly Caysa Tract – see attached charter and map), which will allow for the accelerated economic development of the tract in the eastern portion of the City. This project is to be considered as an alternative in conjunction with the three previous options. This alternative, now considered Option 4, will total approximately \$1,500,000.

When considering Option 4, evaluation of the projects listed in Options 1-3 could consider delaying of a project that will have the least detrimental affect on the implementation of priority capital projects. Delay of the construction of the Bois de Arc water line would make available \$1,184,000 of the current proceeds for the E. Manor Development Water Line. Economic development funds could used to fund the remaining \$316,000 of costs to complete the E. Manor Development Water Line Project.

Given that FY24 is nearing 80% completion, project timings will need to be adjusted. All FY 2024 projects can be initiated in FY 2024 if authorized by Council action in August. These projects will roll into FY 2025. FY 2025 projects can still be initiated in FY 2025.

- LEGAL REVIEW:** No
- FISCAL IMPACT:** Yes – Projects will utilize the remaining Series 2023 Certificates of Obligation proceeds
- PRESENTATION:** Yes
- ATTACHMENTS:** Yes

- FY 2024 Capital Improvement Program Packet
- Charter and Map for E. Manor Development #1 Offsite Water Line

STAFF RECOMMENDATION:

City staff recommends that the City Council approve and select an option for the FY 2024 CIP Project for 2023 Certificates of Obligation funding and commencement.

| | | | | |
|--|----------|--------------------|-------------|------|
| PLANNING & ZONING COMMISSION: | N/A X | Recommend Approval | Disapproval | None |
|--|----------|--------------------|-------------|------|
