



Office of the City Manager
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MEMORANDUM

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CITY MANAGER

CRANDALL O. JONES
CITY MANAGER

TO: Mayor Earnestine Pittman and the City Council

FROM: Crandall O. Jones, ICMA-CM
City Manager

SUBJECT: CAPITAL BUDGET SUBMITTAL

DATE: March 31, 2010

Attached for your review and future deliberation is the proposed Capital Projects Budget for FY 2011. This budget is presented as a starting point for discussion and is based on the following:

- Consideration of the use of MEAG MCT funds that will be received from January 1, 2010 through June 30, 201—approximately \$6 million;
- Use of approximately \$3.2 million of that revenue for capital projects;
- Continued need to be conservative in the use of available revenue as the future effects of the economy, property revaluations and tax collection remain uncertain—current tax collection is approximately \$2 million behind last year;
- Most critical needs identified by department heads that could be reasonably accomplished within the fiscal year (from a capital needs list of over 190 items totaling over \$37 million);
- Significant reduction in Electric Utility revenue due to increased power costs and no PCA to offset it;
- The possible need to utilize MCT revenue to offset General Fund and Electric Utility shortfalls;
- The need to address aging infrastructure issues in the Electric Utility, the City's roads, sidewalk, signage;
- The need to address deficient equipment in the Sanitation, Police and Fire Departments;
- The need to implement a Stormwater Utility Program; and
- The need for critical security upgrades in the City's Water Utility.

The proposed FY 11 Capital Budget is \$3,446,194—93% (\$3,221,194) of which

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is proposed to be funded by the MEAG MCT, the remaining 7% (\$225,000) by revenue from the Water Utility. Implementation of a PCA for the Electric Utility would allow for cost recovery from the Electric Utility and possible funding of some capital project work from revenue generated through operations.

I am also attaching the entire list of over 190 capital project needs for the City identified by staff for Council review. We had previously provided this list to Council for anticipated Council deliberation on capital projects.

I look forward to discussing these and other capital projects of interest to the Council during your budget deliberations.

Attachments

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