

***CITY OF THE COLONY  
2009-2010  
ANNUAL BUDGET***

***CAPITAL PROJECTS***

## **CAPITAL PROJECTS AND EXPENDITURES**

A capital project is defined as a capital type item for use in operations that will provide at least a three year useful life following the date of acquisition. The \$5,000 capitalization threshold is applied to individual items as well as to groups of similar items. They may also include the following activities:

- Any major repair, renovation or replacement that extends the useful operational life or expands capacity of an existing facility.
- Any contribution by The Colony to other governmental entities for the purpose of delivering a capital improvement benefiting The Colony and for which the City is responsible for repairs.
- All equipment or enhancements meeting the capitalization threshold.
- Any engineering study or master plan needed for the delivery of a capital project.
- Additions of infrastructure, buildings, land, improvements, etc. meeting the capitalization threshold.

Capital Projects are accounted for and budgeted in various capital funds. While these are prepared, submitted and reviewed at a separate time from the operating budget, they are contained within this report.

The City did not issue debt in 2009 as planned, instead the issuance was delayed to 2010. Five-year debt in the amount of \$1 million will be issued for routine capital expenditures consisting of equipment and enhancements. Twenty-year governmental and enterprise fund debt will be issued in the summer of 2010 for routine and non-routine capital project expenditures. The preliminary budget for the 2010 debt issuance is \$6 million for enterprise projects and \$10 million for governmental projects. Prior year debt issuances continue to fund on-going projects.

The following is a listing of capital projects that are in progress as of October 1, 2009. Sources of funding and annual financial impact to the operating budgets are included to aid readers in assessing the viability of the capital projects.

## Capital Improvement Program: Significant Non-recurring Projects

- Phase IIIC Street Reconstruction:** The Phase IIIC Street Project includes Aztec Dr. from Blair Oaks Dr. to Clover Valley Dr. and Branch Hollow Dr. from Arbor Glen Dr. to South Colony Blvd. These two streets were listed in the order of severity of condition as presented in the Preliminary Design Report completed by Halff Associates, Inc. in August 2003. The streets will be re-constructed to the same width as existing with 6" thick concrete reinforced paving. Sidewalk and driveway returns within street right-of-ways will also be reconstructed. Drainage will be improved as needed. Design services will also include drainage improvements and new water and sanitary sewer lines within the street right-of-way. The design contract will include preliminary surveying, preparation of construction plans and drawings, geotechnical investigation, bidding services, and construction monitoring.

| Description   | Budget       | Inception to Date Expenditures | Budget Balance |
|---------------|--------------|--------------------------------|----------------|
| Engineering   | \$ 99,250    | \$ 95,950                      | \$ 3,300       |
| Construction  | \$ 980,000   | \$ 494,316                     | \$ 485,684     |
| Street Lights | \$ 10,000    | \$ -                           | \$ 10,000      |
| Total         | \$ 1,089,250 | \$ 590,266                     | \$ 498,984     |

**Sources of Funds:** Available Balance from 1999 to 2001 Certificates of Obligation and 2010 Certificates of Obligation.

**Contract Award:** Construction contract awarded May 2009.

**Status:** Planned completion in February 2010.

**Operating Budget Impact:** The two-year maintenance bond on the streets and water lines will free up personnel to work on other street maintenance issues. There is no significant increase in operating costs.

- FM 423 Widening Utility Relocations:** Halff Associates Inc. is preparing plans and specifications for the relocations of utilities and the 24" water transmission line from the Office Creek Pump Station to N. Colony. Halff Associates Inc., will conduct surveying, subsurface utility engineering for field verification of the locations of the existing utilities and right-of-way determination for utilities and construction services. TxDOT will include the relocation work in their roadway construction plan bid.

| Description                 | Budget        | Inception to Date Expenditures | Budget Balance |
|-----------------------------|---------------|--------------------------------|----------------|
| Preliminary Engineering     | \$ 26,948     | \$ 26,948                      | \$ -           |
| Relocations Engineering     | \$ 691,900    | \$ 540,185                     | \$ 151,715     |
| Contingency                 | \$ 58,100     | \$ -                           | \$ 58,100      |
| Attorney Fees               | \$ 25,000     | \$ 25,000                      | \$ -           |
| Reserve                     | \$ 150,000    | \$ -                           | \$ 150,000     |
| Construction (est.)         | \$ 7,026,000  | \$ -                           | \$ 7,026,000   |
| Easement acquisition (est.) | \$ 2,500,000  | \$ -                           | \$ 2,500,000   |
| Total                       | \$ 10,477,948 | \$ 592,133                     | \$ 9,885,815   |

**Source of Funds:** 2006 Certificates of Obligation and other sources.

**Contract Award:** The construction contract is pending.

## Capital Improvement Program: Significant Non-recurring Projects

**Status:** Affected City utilities have been identified based on the approved schematic roadway design.

**Operating Budget Impact:** The two-year maintenance bond on the streets and water lines will free up personnel to work on other street maintenance issues. There is no significant increase in operating costs.

- **Residential Water Main Replacement** – This project is for the replacement of water mains not in the street rehabilitation projects. Phase IB includes Nash St. from the west end (Main St. to John Yates). Future projects include Nash St. east end, King Dr. , Pruitt Dr., Wagner Dr., Wagner Circle, Woodruff Dr., and Kisor Dr.

| Description                | Budget       | Inception to Date Expenditures | Budget Balance |
|----------------------------|--------------|--------------------------------|----------------|
| Engineering - Phase IB     | \$ 66,000    | \$ 51,579                      | \$ 14,421      |
| Construction - Phase IB    | \$ 280,001   | \$ 80,722                      | \$ 199,279     |
| Future Projects - estimate | \$ 2,010,000 | \$ -                           | \$ 2,010,000   |
| Total                      | \$ 2,356,001 | \$ 132,301                     | \$ 2,223,700   |

**Source of Funds:** Phase IB - 2006 and 2010 Certificates of Obligation.

**Contract Award:** Phase IB - construction contract awarded in July 2009.

**Status:** Future streets have been identified.

**Operating Budget Impact:** The two-year maintenance bond on the water lines will free up personnel to work on other water main maintenance issues. There will be savings in maintenance and repair costs to care for the older pipes. The savings cannot be determined at this time.

- **Well #4 at Office Creek Pump Station:** This project is for the construction of a potable water well to be located at the Office Creek Pump Station.

| Description           | Budget       | Inception to Date Expenditures | Budget Balance |
|-----------------------|--------------|--------------------------------|----------------|
| Engineering           | \$ 59,994    | \$ 32,853                      | \$ 27,141      |
| Construction          | \$ 1,553,625 | \$ -                           | \$ 1,553,625   |
| Piping and Electrical | \$ 496,490   | \$ -                           | \$ 496,490     |
| Total                 | \$ 2,110,109 | \$ 32,853                      | \$ 2,077,256   |

**Sources of Funds:** 2010 Certificates of Obligation

**Contract Award:** The construction contract was awarded in June 2009.

**Status:** Coordinating with ONCOR for the new electrical service to feed the new well.

**Operating Budget Impact:** Additional costs are minimal, electrical cost.

- **Wastewater Treatment Plant Improvements:** The proposed improvements include the design of a chemical back-up system for phosphorous removal, addition of variable frequency motor drives, process controls and sludge thickening equipment. Freese and Nichols, Inc. (FNI) were contracted to provide the engineering services.

## Capital Improvement Program: Significant Non-recurring Projects

| Description  | Budget       | Inception to Date Expenditures | Budget Balance |
|--------------|--------------|--------------------------------|----------------|
| Engineering  | \$ 95,000    | \$ 95,000                      | \$ -           |
| Construction | \$ 980,000   | \$ -                           | \$ 980,000     |
| Total        | \$ 1,075,000 | \$ 95,000                      | \$ 980,000     |

**Sources of Funds:** 2006 and 2010 Certificates of Obligation

**Contract Award:** To be determined

**Status:** This project is on hold.

**Operating Budget Impact:** This project will provide enhanced process control and increase the efficiency of the sludge handling process. The savings cannot be determined at this time.

- **Austin Ranch Force Main:** This improvement is approximately 8,100 linear feet of 12" wastewater force main to convey wastewater from the Austin Ranch Development to the City's wastewater treatment plant.

| Description  | Budget     | Inception to Date Expenditures | Budget Balance |
|--------------|------------|--------------------------------|----------------|
| Engineering  | \$ 99,300  | \$ 93,178                      | \$ 6,122       |
| Construction | \$ 465,146 | \$ 395,428                     | \$ 69,718      |
| Total        | \$ 564,446 | \$ 488,606                     | \$ 75,840      |

**Source of Funds:** Economic Development Corporation and developer contribution.

**Contract Award:** Construction began in December 2008.

**Status:** The original contractor filed bankruptcy. A new construction company was contracted in August 2009 and work is back on track.

**Operating Budget Impact:** Cost will be offset by cancelling outsourcing for service.

- **Austin Ranch Lift Station:** This project is a 2.66 million gallons per day (MGD) lift station to convey wastewater from the Austin Ranch Development to the City's wastewater plant via an existing 18" sewer line on Plano Parkway. The 2.66 MGD flow is the initial/interim flow of an ultimate station with a future capacity of 6.98 MGD,

| Description  | Budget       | Inception to Date Expenditures | Budget Balance |
|--------------|--------------|--------------------------------|----------------|
| Engineering  | \$ 123,833   | \$ 111,370                     | \$ 12,463      |
| Construction | \$ 1,276,128 | \$ 347,946                     | \$ 928,182     |
| Total        | \$ 1,399,961 | \$ 459,316                     | \$ 940,645     |

**Source of Funds:** Economic Development Corporation and developer contribution.

**Contract Award:** Construction began in April 2009.

**Status:** This project is anticipated to be substantially completed with final review in December 2009.

**Operating Budget Impact:** Cost will be offset by cancelling outsourcing for service.

- **Austin Ranch Trunk Sewer:** This project provides a gravity trunk line to convey wastewater from the Austin Ranch Development to the Austin Ranch Lift Station.

## Capital Improvement Program: Significant Non-recurring Projects

| Description  | Budget     | Inception to Date Expenditures | Budget Balance |
|--------------|------------|--------------------------------|----------------|
| Engineering  | \$ 157,326 | \$ 149,468                     | \$ 7,858       |
| Construction | \$ 801,098 | \$ 722,724                     | \$ 78,374      |
| Total        | \$ 958,424 | \$ 872,192                     | \$ 86,232      |

**Sources of Funds:** Economic Development Corporation and developer contribution.

**Contract Award:** This project is anticipated to be substantially completed with final review in December 2009.

**Status:** Construction began in October 2008.

**Operating Budget Impact:** Cost will be offset by cancelling outsourcing for service.

- Public Services Complex:** Halff Associates, Inc. is providing engineering and surveying services for a New Public Services Complex to be built on an approximately 14-acre site adjacent to the Wastewater Treatment Plant. Services include topographic and tree surveying, preparing the preliminary and final plats, developing the engineering plans that includes a site plan, development plan, site engineering construction plans and construction phase services. Construction plans will address grading, drainage, water, and wastewater services, paving and fencing.

| Description  | Budget       | Inception to Date Expenditures | Budget Balance |
|--------------|--------------|--------------------------------|----------------|
| Architects   | \$ 459,525   | \$ 133,350                     | \$ 326,175     |
| Engineering  | \$ 74,000    | \$ 25,880                      | \$ 48,120      |
| Construction | \$ 2,225,520 | \$ -                           | \$ 2,225,520   |
| Total        | \$ 2,759,045 | \$ 159,230                     | \$ 2,599,815   |

**Sources of Funds:** 2007 and 2010 Certificates of Obligation

**Contract Award:** To be determined

**Status:** Final plat anticipated in October 2009.

**Operating Budget Impact:** Phase I includes the new Fleet Services building and the complex parking lot. Approximately \$14,000 of additional cost is expected for building maintenance, electricity, water and sewer cost. No additional personnel are anticipated in the first phase. When this project moves further along we will have a better idea of all costs involved.

- Austin Ranch Fire Station:** Halff Associates, Inc. is providing engineering and surveying services for the Austin Ranch Fire Station. The work involves developing and finalizing construction plans for the site engineering at the fire station. Services include topographic and tree surveying, preparing the preliminary and final plats, developing the engineering plans that include a site plan, development plan, site engineering construction plans and construction phase services. Construction plans will address grading, drainage, water, and wastewater services, and paving.

| Description                  | Budget     | Incentive to Date Expenditures | Budget Balance |
|------------------------------|------------|--------------------------------|----------------|
| Architects                   | \$ 232,730 | \$ 73,508                      | \$ 159,222     |
| Engineering Design Phase III | \$ 44,000  | \$ 13,700                      | \$ 30,300      |
| Total                        | \$ 276,730 | \$ 87,208                      | \$ 189,522     |

## Capital Improvement Program: Significant Non-recurring Projects

**Sources of Funds:** 2007 Certificates of Obligation

**Contract Award:** To be determined

**Status:** This project has been placed on hold until the budget can be evaluated.

**Operating Budget Impact:** This project will increase the annual operations budget by approximately \$45,381. New staff has to be added. We will add 9 firefighters by the year 2011, approximately \$634,580 in additional personnel costs. Initial cost for equipment is approximately \$1 million. When this project moves further along we will have a better idea of all costs involved.

- North Colony Municipal Complex Improvements:** Halff Associates, Inc. will provide engineering and surveying services for the expansion of the existing North Colony Municipal Complex and site plan development. Services will include topographic surveying, site engineering, minor plan and site plan preparation, utility layout/design, coordination with architects, and landscape design services for the 18 acre site and adjacent baseball fields. Planned improvements include the expansion of the existing Police and Court building, replacement of the existing playground behind the Parks Department, new concrete parking areas and associated drainage improvements and utilities.

| Description            | Budget       | Inception to Date Expenditures | Budget Balance |
|------------------------|--------------|--------------------------------|----------------|
| Engineering            | \$ 110,400   | \$ 81,000                      | \$ 29,400      |
| Architect              | \$ 691,000   | \$ 275,000                     | \$ 416,000     |
| Construction estimated | \$ 6,837,133 | \$ -                           | \$ 6,837,133   |
| Total                  | \$ 7,638,533 | \$ 356,000                     | \$ 7,282,533   |

**Sources of Funds:** 2007 and 2010 Certificates of Obligation and \$35,093 Community Development Corporation (4B), contribution

**Contract Award:** The civil site construction contract was approved in June 2009.

**Status:** Preconstruction meetings held in June 2009.

**Operating Budget Impact:** When the City moves forward with Phase I of this project, there will be additional operating cost of approximately \$128,000 for building maintenance, electricity and personnel.

- Parks Hike and Bike Trail:** This project is for the construction of the Shoreline, Austin Ranch, and Inner City Trail to promote physical fitness activities and enhance the quality of life for the citizens in The Colony.

| Description     | Budget       | Inception to Date Expenditures | Budget Balance |
|-----------------|--------------|--------------------------------|----------------|
| Engineering     | \$ 315,060   | \$ 297,518                     | \$ 17,542      |
| Construction    | \$ 2,555,210 | \$ 2,143,799                   | \$ 411,411     |
| Trail Amenities | \$ 183,388   | \$ 179,848                     | \$ 3,540       |
| Total           | \$ 3,053,658 | \$ 2,621,165                   | \$ 432,493     |

## Capital Improvement Program: Significant Non-recurring Projects

**Sources of Funds:** Community Development Funds (4B), Future Bond Issuance, and Park Developments Funds.

**Contract Award:** American Civil Constructors, Inc.

**Status:** Near completion

**Operating Budget Impact:** This project will increase annual operating costs in maintenance and equipment, estimated at \$20,000.

- **Enhancements:** Budgets for vehicles, equipment and small projects are included in the Projects and Capital Items for 2009-2010 list with the history of expenditures in the 4-Year Summary of Projects lists. The Comprehensive Improvement Plan and Vehicle Replacement Schedule are utilized in determining which items are addressed each year.

Public safety vehicles remain a priority in the replacement schedule. Backhoes, Tractors and other large equipment are costly and are on schedule for replacement only when absolutely necessary. Computers, software and hardware are upgraded as needed and no significant savings to operations are anticipated. The savings in repairs and maintenance for these replacements are not significant.

### 4-Year Summary of Projects Expenditures

| Description                                       | FY 2006   | FY 2007    | FY 2008    | FY 2009    | Inception to Date |
|---|-----------|------------|------------|------------|-------------------|
| <b>Streets/Drainage</b>                           |           |            |            |            |                   |
| Phase IIIB streets reconstruction                 | 163,400   | 1,145,987  | 4,877,850  | 225,635    | 6,412,872         |
| Phase IIIC streets reconstruction                 | -         | -          | 31,820     | 260,951    | 292,771           |
| Memorial Drive (Blair Oaks to Paige)              | 96,300    | 46,800     | 1,106,320  | 88,491     | 1,337,911         |
| Paige Rd. - (South Colony to North Colony)        | 243,700   | 898,539    | 2,965,031  | 1,341,671  | 5,448,941         |
| Office Creek Erosion Updates                      | -         | -          | -          | 423,330    | 423,330           |
| FM 423 Streetscape                                | -         | -          | -          | 89,328     | 89,328            |
| Subtotal:   | 503,400   | 2,091,326  | 8,981,021  | 2,429,407  | 14,005,154        |
| <b>Buildings</b>                                  |           |            |            |            |                   |
| New Fire Station - Austin Ranch                   | 192,365   | -          | 24,865     | 41,295     | 258,525           |
| Public Services Complex                           | -         | -          | 7,338      | 136,840    | 144,178           |
| North Colony Municipal Complex                    | -         | -          | 220,117    | 867,722    | 1,087,839         |
| Subtotal:   | 192,365   | -          | 252,320    | 1,045,857  | 1,490,542         |
| <b>Parks</b>                                      |           |            |            |            |                   |
| Hike & Bike Trail                                 | 51,756    | 20,500     | 44,034     | 2,760,597  | 2,876,887         |
| Subtotal:   | 51,756    | 20,500     | 44,034     | 2,760,597  | 2,876,887         |
| <b>Enhancements</b>                               |           |            |            |            |                   |
| Vehicles and Equipment                            | 847,512   | 1,434,578  | 754,527    | 602,481    | 3,639,098         |
| Subtotal:   | 847,512   | 1,434,578  | 754,527    | 602,481    | 3,639,098         |
| General Funds Total:                              | 1,595,033 | 3,546,404  | 10,031,902 | 6,838,342  | 22,011,681        |
| <b>Water and Sewer Projects</b>                   |           |            |            |            |                   |
| FM 423 improvements                               | 41,674    | 103,896    | 378,458    | 61,767     | 585,795           |
| Carrollton water line supply line                 | 1,552,347 | 6,607,205  | 118,591    | 102,621    | 8,380,764         |
| Wynnwood elevated storage tank                    | -         | 35,490     | 85,168     | -          | 120,658           |
| Master lift station                               | -         | 178,100    | 696,134    | 1,828,278  | 2,702,512         |
| Well site #3 reconstruction                       | -         | 734        | 116,397    | 1,830,898  | 1,948,029         |
| Northwest trunk line reconstruction               | -         | -          | 66,081     | 445,451    | 511,532           |
| Wastewater treatment plant improvements           | -         | -          | 114,217    | 72,613     | 186,830           |
| Austin Ranch force main, lift station, trunk line | -         | -          | -          | 1,634,654  | 1,634,654         |
| New Water Well, site #4                           | -         | -          | -          | 19,927     | 19,927            |
| Subtotal:   | 1,594,021 | 6,925,425  | 1,575,046  | 5,996,210  | 16,090,702        |
| <b>Enhancements</b>                               |           |            |            |            |                   |
| Vehicles & equipment                              | 60,298    | 174,957    | 366,246    | 307,612    | 909,113           |
| Subtotal:   | 60,298    | 174,957    | 366,246    | 307,612    | 909,113           |
| Enterprise Funds Total:                           | 1,654,319 | 7,100,382  | 1,941,292  | 6,303,821  | 16,999,815        |
| Grand Total:                                      | 3,249,352 | 10,646,786 | 11,973,194 | 13,142,163 | 39,011,496        |

## Projects and Capital Items for the 2010 Debt Issuance

### General Debt

|                                |                     |
|--------------------------------|---------------------|
| Police/Court building          | \$ 7,604,340        |
| Public Services building       | 1,725,520           |
| Fiber optic - FM 423           | 140,000             |
| Fiber optic - One Harris Plaza | 110,000             |
| Light poles - Turner Field     | 69,000              |
| Contingency & debt issue       | <u>200,000</u>      |
| Subtotal:                      | <u>\$ 9,848,860</u> |

### 5-Year Debt (2008-2009 Budget Enhancements)

#### General Fund

|  |                             |
|--|-----------------------------|
| Resurface pool and update markings                               | \$ 20,000                   |
| Renovate racquetball court for classroom and storage             | 32,000                      |
| 3 Thermal imaging cameras  | 40,000                      |
| Ambulance cot  | 13,000                      |
| Outdoor warning siren  | 25,000                      |
| Energy reduction audit and implementation - study                | 200,000                     |
| City Hall and Library carpet replacement                         | 164,000                     |
| Primary data center equipment room - air conditioner replacement | 50,000                      |
| Fork lift  | 35,000                      |
| 5 Patrol vehicles  | 150,000                     |
| Communications console   | 45,000                      |
| 10 Police department toughbook laptops                           | 40,000                      |
| Replace 11 public access computers in the library                | 15,000                      |
| Toughbook laptops for building inspectors                        | 15,000                      |
| Color scanner  | 6,500                       |
| File/Application servers   | 32,000                      |
| Workstations   | 6,000                       |
| VMware Enterprise - disaster recovery                            | 15,000                      |
| VERITAS backup   | 14,000                      |
| UPS monitoring tools   | 5,000                       |
| UPS battery replacement  | 28,000                      |
| Contingency  | <u>49,500</u>               |
| Subtotal:  | <u>\$ 1,000,000</u>         |
| Total General Debt:  | <u><u>\$ 10,848,860</u></u> |

### Utility Debt

|   |                     |
|---|---------------------|
| Master lift station ML #1                     | \$ 1,920,000        |
| Northwest trunk line reconstruction           | 650,000             |
| Phase IIIC streets reconstruction - utilities | 500,000             |
| Well #4                                       | 500,000             |
| Water main replacements                       | 500,000             |
| Phosphorous improvements                      | 980,000             |
| Public Service building                       | 500,000             |
| Contingency                                   | <u>300,000</u>      |
| Subtotal:                                     | <u>\$ 5,850,000</u> |

### 5-Year Debt (2008-2009 Budget Enhancements)

|                                    |                            |
|------------------------------------|----------------------------|
| Printer                            | \$ 7,000                   |
| Sewer inspection van and equipment | 92,000                     |
| Replace 2002 pickup truck          | 26,000                     |
| Contingency                        | <u>25,000</u>              |
| Subtotal:                          | <u>\$ 150,000</u>          |
| Total Utility Debt:                | <u><u>\$ 6,000,000</u></u> |