



MEMORANDUM

Council Agenda
Item No. IX.AY.
4/9/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Receive Resolution of the McGee Creek Authority adopting their Fiscal Year 2025 budget, capital improvement projects, and pay plan; and directing the General Manager to implement and administer the budget and capital improvement projects, including but not limited to development of plans, specifications, bid solicitations, bid evaluations, contract negotiations, and award recommendations in accordance with the McGee Creek Authority Purchasing Policy and Procedures; and delegating to the Chairman the authority to award and execute contracts as needed, which comply with applicable law and do not exceed the funds available in the McGee Creek Authority Fiscal Year 2025 budget, pursuant hereto for ratification by the Trustees.

Background:

The proposed Fiscal Year (FY) 2025 budget of \$10,492,000 (Attachment "A") represents an increase of \$5,089,000 from the FY2024 amended budget primarily due to timing of capital project awards and projection completion timeline.

Section I: Sources – Total \$8,886,000

The budget includes water sales of \$578,000 to Rural Water District No. 4. This is an increase of five percent more than the FY2024 due to anticipated rate adjustments and increased water consumption.

Remaining sources include Bureau of Reclamation (BOR) reimbursements of \$70,000 to McGee Creek Authority (MCA) for spillway maintenance, and \$2,000 in interest earnings in the MCA operating account.

Section II: Uses – Total \$8,886,000

Operations - Total \$1,434,000

Personnel Services will increase five percent over FY2024 to be consistent with Oklahoma City employee pay increases.

Contracts and Services decreased by two percent and Equipment and Supplies increased by three percent.

Capital Improvements - Total \$8,763,000

The proposed capital budget includes recommended BOR inspection repairs of \$150,000, technology enhancements of \$109,000, engineering and construction costs for pump station and pipeline facilities improvement totaling \$5,200,000, and funding for MCA headquarters and residence of approximately \$3,800,000, which includes \$786,000 from the FY2024 budget and \$3,050,000 from the proposed FY2025 budget. Additionally, equipment replacement expenses of \$254,000 includes a slope mower, zero-turn mower, and flail mower.

Reserve - Total \$300,000

The Operating and CIP reserve budget of \$300,000 provides resources for unforeseen operating expenditures or capital emergency repairs.

Staff recommends adopting the Resolution to provide authorization to conduct the ongoing business of MCA between meetings.

A loan agreement with the Oklahoma City Water Utilities Trust is included in this agenda to cover the remaining estimated \$3,280,000 necessary to fund the MCA budget.

Review:

Utilities

Recommendation: Resolution be received.