

Legislation Text

File #: 24-551, **Version:** 1

PRESENTER:

Jennifer Gates, Grants Coordinator

SUBJECT:

Approval of an amendment to the FY 2024 Budget - Airport Fund.

DEPARTMENT: Finance

COUNCIL DISTRICTS IMPACTED: Citywide

BACKGROUND INFORMATION:

The Infrastructure Investment and Jobs Act of 2021 (IIJA), also known as the Bipartisan Infrastructure Law (BIL), was signed into law to support infrastructure needs such as roads, bridges, and airports with \$550 billion in funding to be allocated and awarded on an annual basis to eligible entities during Fiscal Years 2022 through 2026. Of this funding, \$15 billion has been designated for airport infrastructure grants over the span of five years with \$3 billion to be distributed annually, including the Airport Improvement Grant (AIG) program for runways, gates, and taxiways to increase safety and expand capacity.

For the first year of this program, the Federal Aviation Administration (FAA) has allocated up to \$763,000 in reimbursable funding, with a 10% match requirement of \$76,300, for a total of \$839,900 to be utilized by the City of New Braunfels (City) for an eligible project at the New Braunfels National Airport (Airport) until September 30, 2025. AIG grants are managed with the same guidelines as the FAA's Airport Improvement Program (AIP) which requires specific projects to be identified on the sponsor's application. Funding for this program will be administered by the Texas Department of Transportation, Aviation Division.

After evaluating its various needs, City staff is preparing an application packet for the design and engineering (Phase 1) required to install perimeter fencing at the Airport; Phase 2 will consist of bidding, and construction costs that will be identified within a subsequent application packet after the completion of Phase 1. Additional project information, including approval of selected contractors for both phases, will be submitted for future City Council consideration and approval after all applicable procurement requirements have been fulfilled. Fiscal Year 2022 (FY22) BIL AIG funding will be utilized for Phase 1 and a portion of Phase 2, and the remainder of Phase 2 costs will be paid with a portion of the City's FY23 BIL AIG allocation for \$844,000 which will be included within the City's FY 2025 Annual Budget. The City's match for the FY22 BIL AIG grant funds will be paid from savings from the Airport's North Ramp project, currently approved for \$200,000 in the City's FY24 Adopted Budget, as the cost of the North Ramp project was less than previously anticipated.

Therefore, the following amendment to the City's FY 2024 Budget is recommended for City Council approval to incorporate the increased revenue and expenditures for the Airport's perimeter fencing project.

Budget Amendment - Airport Fund

Increase Revenue

- Federal: \$763,000

Decrease Expenditures

- Contribution to North Ramp: \$76,300

Increase Expenditures

- Airport Perimeter Fencing: \$763,000
- Match for Airport Perimeter Fencing: \$76,300

ISSUE:

The grant funding is necessary to complete an important safety project that has been identified within the Airport Master Plan for the New Braunfels National Airport.

STRATEGIC PRIORITY:

Organizational Excellence

FISCAL IMPACT:

The grant will provide funding for 90% of reimbursable costs for any eligible projects such as the installation of perimeter fencing; and the required 10% City match will be paid from cost savings of an approved project in the Airport Fund for FY24. Therefore, sufficient funds will be available to support an eligible improvement project(s) at the New Braunfels National Airport.

RECOMMENDATION:

Staff recommends approval of an amendment to the FY 2024 Budget - Airport Fund.