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**DEPARTMENT OF
PUBLIC WORKS**

ENGINEERING DIVISION

THOMAS M. FINLEY
ENGINEERING DIVISION MANAGER

CITY OF SACRAMENTO
CALIFORNIA

927 TENTH STREET
ROOM 200
SACRAMENTO, CA
95814-2705

916-449-8220

CONSTRUCTION SECTION
640 BERCUT DRIVE
SUITE B
SACRAMENTO, CA
95814-0131

916-449-5282

May 17, 1988

Budget and Finance Committee
Sacramento, California

Honorable Members In Session:

SUBJECT: Laguna Creek Assessment District (PN:15AD, IP No. 5497) -
Appropriation of Funds

SUMMARY

It is requested that the Budget and Finance Committee recommend approval of the appropriation resolution to transfer funds for the 1987/88 Budget. This transfer of funds will allow the Department of Public Works to acquire and construct improvements in the Laguna Creek Assessment District.

BACKGROUND

On April 12, 1988, the Council adopted several resolutions commencing proceedings for said assessment district which called for bids to be received on May 10, 1988, and set a hearing date for May 24, 1988. The project is being financed jointly by the City contributing \$63,000.00, the County Sanitation District contributing \$539,045.00, County Drainage contributing \$864,300.00 and the property owners being assessed \$13,127,608.00.

If the Initial Engineer's Report is revised to lower expenses, a revised appropriation resolution lowering the requested appropriations will be presented to the City Council for consideration when the final Engineer's Report is adopted.

FINANCIAL

On March 4, 1986, the City Council adopted a resolution which created a revolving account for the purpose of advancing funds to the Laguna Creek Assessment District, of which an estimated amount of \$435,000.00 has been advanced to date. The terms in the resolution states that:

"Said revolving account shall be reimbursed, together with interest thereon at the rate equal to the interest earned by the City's Investment Pool A, from the date of such transfer to the date of such reimbursement, from the assessments to be collected and the proceeds of the bonds to be issued and sold in said proposed special assessment and assessment bond proceedings and from such other lawfully available sources as the City shall hereafter determine."

The City's contribution for this project is in the current Capital Improvement Program budget under Overwidth Pavement Reimbursement Program and \$63,000.00 of Major Street Funds has been reserved for this project. The balance of the funds necessary for this project are forthcoming from: the County Sanitation District, of \$539,045.00; County Drainage, \$864,300.00; projected interest earnings, \$100,000.00; the possible payoffs of the assessment in the 30-day cash collection period; and, proceeds from the sale of the bonds on the unpaid assessments. A summary of the project costs based on our Engineer's estimate are as follows:

Estimated Contract Cost	\$ 8,557,554.00
Acquisition of right-of-way	285,000.00
Acquisition of Existing Sewer Facilities	131,500.00
Contingency	1,284,000.00
Incidental Expenses (Except Bond Discount)	<u>4,042,071.00</u>
Amount to be Budgeted	14,300,125.00
Bond Discount	<u>393,828.00</u>
Total Project Cost	14,693,953.00
Less City Contribution	- 63,000.00
Less County Sanitation District Contribution	- 539,045.00
Less County Drainage	- 864,300.00
Less Projected Interest Earnings	<u>- 100,000.00</u>
Amount to be Assessed to Property Owners	\$ 13,127,608.00

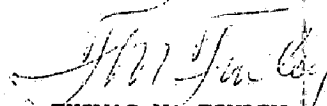
Budget and Finance Committee
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The appropriation resolution and the final Engineer's Report, with necessary revisions, if any, will be presented to Council for consideration at the public hearing on assessment district formation.

RECOMMENDATION

It is requested that the Budget and Finance Committee recommend approval of the appropriation of funds for the Laguna Creek Assessment District and forward the report to the full City Council for adoption of the attached resolution.

Respectfully submitted,



THOMAS M. FINLEY
Engineering Division Manager

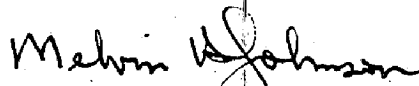
Recommendation Approved:



JACK R. CRIST
Deputy City Manager

RW:dek
RE2-39.D
04.2788.3

Approved:



MELVIN H. JOHNSON
Director of Public Works

May 17, 1988
District No. 7

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AMENDING AND APPROPRIATING FUNDS FOR
THE FY 1987-88 CITY CAPITAL IMPROVEMENT PROGRAM
BUDGET FOR LAGUNA CREEK ASSESSMENT DISTRICT
IMPROVEMENT PROCEEDING NO. 5497

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

1. The following appropriation increase is to be supported by revenue that is forthcoming from the payment of the assessment by the property owners in the 30 day collection period and from the sale of bonds to be issued on all unpaid assessments by a City Contribution from the existing 1987/88 Capital Improvement Program budget for Overwidth Pavement Reimbursement. The 1987/88 Revenue Budget is hereby amended by increasing fund 652-ASD-15AD-3712 Laguna Creek Assessment District by the amounts of \$12,733,780.00 (\$13,127,608.00, the amount charged to property owners minus \$393,828.00 bond discount) and \$100,000.00, respectively and by increasing Fund 652-ASD-15AD-3598 by the amount of \$1,403,345.00.
2. The City Capital Improvement Program budget is hereby amended by appropriating \$14,237,125.00, supported by revenue to be received, and transferring \$63,000.00 from Overwidth Pavement Reimbursement program, TD56 Major Street funds to 2-09-ASD-15AD-4820 Laguna Creek Assessment District.

These amounts are based on our Engineer's estimate and will need to be revised prior to approval by the Council to reflect the actual amounts based on the lowest bid received for the project.

\$ 1,284,000.00	to	652-ASD-15AD-4414
8,494,554.00	to	652-ASD-15AD-4820
131,500.00	to	652-ASD-15AD-4820
1,000.00	to	652-ASD-15AD-4820
63,000.00	to	209-ASD-15AD-4820
285,000.00	to	652-ASD-15AD-4813
1,312,761.00	to	652-ASD-15AD-4852
10,000.00	to	652-ASD-15AD-4213
155,500.00	to	652-ASD-15AD-4321
53,100.00	to	652-ASD-15AD-4287
165,600.00	to	652-ASD-15AD-4802
1,090,810.00	to	652-ASD-15AD-4252
1,153,300.00	to	652-ASD-15AD-4880
<u>100,000.00</u>	to	652-ASD-15AD-XXXX
\$ 14,300,125.00		

These transfers will provide sufficient funds to pay the contractor, Pacific Scene Developers, progress payments for work to be performed and to pay all incidental expenses associated with said assessment district.

3. The Director of Finance is hereby authorized and directed to expend the total sum of \$14,300,125.00. The amount of \$131,500.00 is to be paid to Pacific Scene to acquire a sewer line. The amount of \$8,557,554.00 is to be paid to the contractor to construct improvements in the Laguna Creek Assessment District and the balance of \$5,611,071.00 will be paid as follows: \$1,284,000.00 in Contingency to cover any cost overruns and \$4,327,071.00 to pay the Engineering and other incidental expenses charged to the assessment district.

MAYOR

ATTEST:

CITY CLERK