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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
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OFFICE OF THE DIRECTOR

916-449-5283

June 27, 1989

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: **DEFUNDING CAPITAL IMPROVEMENT PROJECTS AND APPROPRIATING FUNDS TO COVER OVER-EXPENDITURES OF COMPLETED CAPITAL IMPROVEMENT PROJECTS**

SUMMARY

This report recommends that certain approved Capital Improvement Projects be defunded and that the unexpended amounts be returned to the appropriate contingency funds. It is further recommended the Budget and Finance Committee recommend approval of the additional appropriations to cover over-expenditures in completed projects. These activities are necessary so that all of the projects can be closed and removed from the accounting systems.

BACKGROUND

During the preparation of the Capital Improvement Budget for 1989-90, staff reviewed all currently approved Public Works projects. It was determined that certain projects should be defunded for a variety of reasons. The following list provides a project description and the reason for defunding and cancelling each project.

PROJECTS FOR DEFUNDING

35th Avenue Landscape and Parking Lot (WA81)

This project provided \$21,000 of drainage bond funds to landscape along 35th Avenue from the railroad tracks to Corti Brothers Courtyard's parking lot and also provided 250 parking spaces at the west end of the strip. This project is being defunded by \$16,335 as the work was completed by City crews.

Landscape/Paving Sump 132 and 136 (XA81)

This project provided \$20,000 of sewer funds to pave and landscape street frontage areas at two pumping stations to prevent soil erosion and to maintain residential amenities. This project is being defunded by \$20,000 as the work was completed by City crews.

Reconstruct Trash Rack Sump 34D (WB96)

This project provided \$125,000 of drainage funds to replace an inadequate trash rack at Sump 34D located on Freeport Boulevard. This project is being defunded by \$123,113 pending satisfactory usage of a similar rack currently being installed at Sump 154.

Reconstruct Sewers N, R and S (PW - XA26)

This project is virtually complete and has a balance of \$1,333,000. A majority of the work in this project has been completed by developers of infill projects. At this time, \$170,000 is recommended for defunding.

Replacement of Animal Control Shelter (PS - GA06)

Debt for this project will not be issued in current fiscal year. Therefore, the project must be defunded (\$1,849,000). The project is scheduled for review by Council in August 1989. At that time, the appropriate debt will be appropriated.

East End Garage Project (PW - VA66)

This project will not start construction in the current year. Therefore, the project must be defunded (\$13,554,000). The project is scheduled for review by Council in 1989-90. At that time, the appropriate debt will be appropriated.

APPROPRIATION TO COVER OVER-EXPENDITURES

The below list of Capital Improvement Projects have all been completed and accepted by City Council; however, additional funding is needed to close the projects. The over-expenditures are primarily due to the difference between the amount budgeted for indirect labor costs and the amount expended. In all cases, the budget was prepared prior to the passage of the new rate structure for indirect costs.

<u>PROJECT</u>	<u>OVER-EXPENDITURE</u>	<u>FUND</u>
Lot E Maintenance Shop and Office (VB86)	\$ 32,045.92	Fund 412 - Parking
Meadowview/21st Street Signal (SB51)	\$ 12,811.25	Fund 209 - Major Street
Del Paso/Evergreen Signal (SB16)	\$ 20,118.94	Fund 209 - Major Street
W. McClellan Infrastructure Study (XB41)	\$ 20,990.91	Fund 414 - Sewer
Landfill Operator Dispatch Office (YA16)	\$ 18,173.79	Fund 415 - Solid Waste

FINANCIAL

The remaining available funds for 35th Avenue Landscape and Parking Lot, Landscape/Paving Sump 132 and 136, and Reconstruct Trash Racks Sump 34D, will be returned to their respective contingency funds (Storm Drain Fund \$123,112.41, Storm Drain Bond Fund \$16,334.73, and Sewer Fund \$190,000). In addition, it will be necessary to appropriate \$32,046 from Parking Contingency Reserve, which has a fund balance of \$752,936; \$32,930 from Major Street Contingency Reserve, which has a fund balance of \$113,308; \$18,174 from Solid Waste Contingency Reserve, which has a fund balance of \$3,986,606; and \$20,991 from Sewer Contingency Reserve, which has a fund balance of \$695,653, to cover the overages described above. The contingency fund balances are as of June 15, 1989.

The table below provides a recap, by fund, of the financial transactions explained above. The over-expenditures are enclosed with brackets <>. If the total of a fund is in brackets, that amount must be appropriated from contingency. If the total is positive, the funds will be added to contingency.

Recap of Funds

<u>Drainage</u>	<u>Sewer</u>	<u>Parking</u>
<u>425</u>	<u>414</u>	<u>412</u>
\$123,112.41 (WB96)	\$170,000.00 (XA26)	<\$32,045.92> (VB86)
	20,000.00 (XA81)	
	<20,990.91> (XB41)	
<u>\$123,112.41</u>	\$169,009.09	<u><\$32,045.92></u>
<u>Major Street</u>	<u>Solid Waste</u>	<u>Drainage Bond</u>
<u>209</u>	<u>415</u>	<u>737</u>
<\$12,811.25> (SB51)	<\$18,173.79> (YA16)	
<20,118.94> (SB16)		\$16,334.73 (WA81)
<u><\$32,930.19></u>	<u><\$18,173.79></u>	\$16,334.73

POLICY CONSIDERATIONS

There are no policy considerations associated with this item.

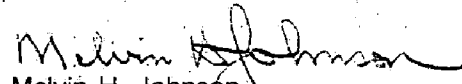
MBE/WBE

None.

RECOMMENDATION

It is recommended that the Budget and Finance Committee forward to the full City Council the attached resolution with a recommendation for approval.

Respectfully submitted,


 Melvin H. Johnson
 Director of Public Works

Recommendation Approved:


 Jack Crist
 Deputy City Manager

June 27, 1989
All District

Contact Person

Bill Farley, Administrative Services Officer
449-2013

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AMENDING THE 1988-89 CAPITAL IMPROVEMENT BUDGET BY DEFUNDING CERTAIN CAPITAL PROJECTS AND APPROPRIATING ADDITIONAL FUNDS TO COVER OVERAGES IN CERTAIN COMPLETED CAPITAL PROJECTS

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

1. The 1988-89 Capital Improvement Budget is hereby amended by:

Transferring \$16,335 from the 35th Avenue Landscape and Parking Lot Project (737-500-WA81-XXXX) to the Storm Drain Bond Contingency Reserve (737-710-7012-4999).

Transferring \$20,000 from the Landscape/Paving Sump 132 and 136 Project (414-500-XA81-XXXX) to the Sewer Contingency Reserve (414-710-7012-4999).

Transferring \$123,113 from the Reconstruct Trash Rack Sump 34D Project (425-500-WB96-XXXX) to the Storm Drain Contingency reserve (425-710-7012-4999).

Transferring \$170,000 from the Reconstruct Sewers N, R and S Streets Project (414-500-XA26-XXXX) to the Sewer Contingency Reserve (414-710-7012-4999).

Appropriate \$32,046 from the Parking Lot Contingency Reserve (412-710-7012-4999) to the Lot E Maintenance Shop and Office (412-500-VB86-4831 for \$21,576 and 412-500-VB86-4820 for \$10,470).

Appropriating \$12,811 from the Major Street Contingency Reserve (209-710-7012-4999) to the Meadowview/21st Street Signal Project (209-500-SB51-4831).

Appropriate \$20,119 from the Major Street Contingency Reserve (209-710-7012-4999) to the Del Paso/Evergreen Signal Project (209-500-SB16-4813 for \$13,844 and 209-500-SB16-4820 for \$6,275).

Appropriate \$20,991 from the Sewer Fund Contingency Reserve (414-710-7012-4999) to the W. McClellan Infrastructure Study (414-500-XB41-4831 for \$7,803 and 414-500-XB41-4880 - \$9,973 and 414-500-XB41-4881 - \$3,215).

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Appropriate \$18,174 from the Solid Waste Contingency Reserve (415-710-7012-4999) to the Landfill Operator Dispatch Office Project (415-500-YA16-4831 for \$10,863 and 415-500-YA16-488 for \$7,311).

Defund Capital Improvement Project GA 06, "Replacement of Animal Control Shelter" by the amount of \$1,849,000.

Defund Capitol Improvement Project VA 66, "East End Garage Project" by the amount of \$13,554,000.00

ATTEST:

MAYOR

CITY CLERK

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