



6

**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

October 11, 1988

Budget and Finance Committee
Sacramento, California

Honorable Members In Session:

SUBJECT: Morrison Creek Assessment District (PN:01AD) - Appropriation of Unexpended Fund Balance Remaining in the Assessment District

SUMMARY

Appropriation of the interest earnings attributed to the Morrison Creek Assessment District for the purpose of paying additional incidental expenses that were not part of the original estimated incidental expenses is requested. Approval of the additional funding is recommended.

BACKGROUND

The Morrison Creek Assessment District improvements have been completed and accepted by the City. Normally, any excess funds remaining upon completion and acceptance are used to maintain the improvements constructed. This particular assessment district has pending litigation whereby the contractor is claiming extra contract expenses that City staff feels are unwarranted.

The City Attorney's office has retained a private attorney to represent the City in the pending lawsuit. The expenses being incurred by this lawsuit were not anticipated in our original estimate and, therefore, were not included in the original amount budgeted.

FINANCIAL

Currently, in the Morrison Creek fund 641, there is a balance of \$385,000 of unobligated interest earnings attributed to the Morrison Creek Assessment District project. It is requested that \$100,000 be appropriated to pay for anticipated attorney fees and that \$200,000 be appropriated and placed into the contingency account for the Morrison Creek Assessment District to be used for other costs that may occur. The balance of \$85,000 of unappropriated interest earnings remaining will be appropriated at some future date, if necessary.

The funds that are being requested by this appropriation are available in the unobligated fund balance of interest earnings attributed to the Morrison Creek Assessment District.

RECOMMENDATION

It is recommended that the Budget and Finance Committee recommend approval of the request for the proposed appropriation and forward the report to the full City Council for approval of the attached resolution.

Respectfully submitted,



THOMAS M. FINLEY
Engineering Division Manager

Recommendation Approved:

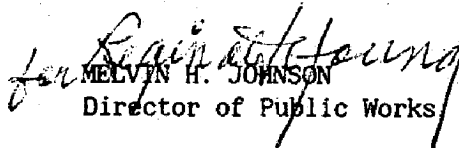


JACK R. CRIST
Deputy City Manager

IM:dek
RE6-01AD.D
09.1488.2

Attachment

Approved:



MELVIN H. JOHNSON
Director of Public Works

October 11, 1988
District No. 6

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AMENDING THE CITY BUDGET FOR
FISCAL YEAR 1988-89 FOR MORRISON CREEK
ASSESSMENT DISTRICT (PN:01AD)

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

1. The City Budget for the Morrison Creek Assessment District for Fiscal Year 1988-89 is hereby amended by appropriating \$100,000 to 641-ASD-01AD-4802 and \$200,000 to 641-ASD-01AD-4414 for the purpose of paying legal fees relating to a pending lawsuit and to pay other cost overruns that may occur.
2. The above appropriation increase is supported by interest earnings in fund 641 which is attributed to the Morrison Creek Assessment District. As of this date the unobligated fund balance is \$385,000 (641-900-9900-3401).
3. The Director of Finance is hereby authorized and directed to expend the sum of \$300,000 for the purpose mentioned in paragraph 1 above.

MAYOR

ATTEST:

CITY CLERK

IM:dek
REG-01AD.D