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Staff Report on Unfunded General Fund High Priority Capital Improvement Projects, for Fiscal Years 2013-2014 and 2014-2015

SUMMARY AND RECOMMENDATIONS

This report provides background information on four proposed high priority Capital Improvement Program projects for the City Council’s consideration during the review of the 2013-2014/2014-2015 biennial budget. Staff recommends that \$275,000 from the General Fund be allocated to these projects for each budget year (total amount of \$550,000 for the 2013-2015 budget).

BACKGROUND

At the March 25, 2013 City Council Work Session, four Capital Improvement Program (CIP) projects were presented by staff. These projects are of critical importance and should be considered for funding in the 2013-2015 budgets. Due to either the nature or location of these four projects, they do not qualify for grant funds, and therefore, only qualify for General funds.

Analysis

The four projects considered high priority are described below:

Miscellaneous Engineering Studies (\$50,000 per year)

To provide quick responses to a variety of issues without prior appropriated funds. These funds would be used for situations where timing is critical and the City’s standard appropriation schedule would be insufficient.

This project involves the use of in-house or outside services to: perform small engineering studies,

such as design studies and documents; complete grant applications; provide support services for emergency work; respond to City Council or City Manager requests; and perform department services not chargeable to existing CIP projects.

Grant applications have short application periods and often require extensive research and staff time to complete. Engineering and Transportation staff has successfully obtained grant funding after extensive effort during the application process, which sometimes require outside services. In the past three years, the City has received \$10.1million in grant funding. Without the requested funding, our capacity to complete successful grant applications will be severely restricted, which could have a negative effect on bringing grant funds to the City.

Public Works Services Maintenance Projects (\$100,000 per year)

Over the past six years Engineering and Transportation and Public Works Services staff have worked on projects too small to qualify as CIP projects. Though comparatively small, these projects were of equal engineering complexity as our more costly projects. These projects rectify complaints, solve safety issues, or correct ongoing maintenance issues to reduce long term costs. Examples of these projects include storm drain modifications to correct localized flooding issues and relocation of traffic signal poles or equipment often damaged by trucks.

Currently there are six projects that require funding, and new projects are anticipated to be added each year. Without funding, these projects cannot be undertaken.

ADA Transition Plan Construction (\$75,000 per year)

In November 2010, the City adopted an ADA Transition Plan (Plan). This plan outlined the needs and a strategy for improving the more than 1,800 identified ADA issues and/or items for improvement in City buildings and other public facilities. These improvements, estimated to cost \$1.8 million, were prioritized and programmed for implementation over the succeeding 15 years.

While the Plan allows for year-to-year flexibility in execution, the Plan recognized that a yearly effort must be maintained to address all the issues in a timely manner. In the past two budget years, \$150,000 has been provided for this effort with a combination of CDBG and General funds. CDBG funds are now limited due to Federal sequestration, reducing funding from \$55,000 to \$20,660 in 2013-2014; with further reductions expected for 2014-2015. Without General Fund support, the program in 2013-2014 and 2014-2015 will be ineffective; it will place additional pressure on future budget years; and will lead to higher costs as work is delayed.

The Plan fulfills part of the City's responsibility to provide access to City programs and services to persons with disabilities. If this project were not funded, it could be found that the City was not implementing its adopted Plan; it may increase our legal risk of exposure and liability in ADA lawsuits; and it may jeopardize access to and award of federal grant funds.

Annual Repair of Walkways on City Properties (\$50,000 per year)

The construction and maintenance of sidewalks and walkways within the public right of way is funded through various funds, including Measure B and Gas Tax, in addition to payments from adjacent property owners. However, sidewalks within City owned property, including parks, buildings, plazas,

and parking lots, are the responsibility of the City and cannot be maintained using grant funds. Not maintaining these sidewalks increases the City's legal risks, especially in "trip and fall" cases because of broken and displaced concrete. Litigation and/or settlement costs from a single incident can be thousands of times more expensive than the original cost to repair the concrete.

The proposed budget is an allowance to be funded annually. These funds would be used to inspect sidewalks on City property on a regular basis and repair or replace damaged areas. Work would be incorporated into the Annual Sidewalk Repair Program each year.

Fiscal Impacts

These projects will cost \$275,000 per year, which requires increasing the appropriation of General fund monies for both FY 2013-2014 and FY 2014-2015 equally. The source of the \$550,000 appropriation is the General Fund unrestricted reserve.

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