

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Margaret McCahan

SUBJECT: SEE BELOW

DATE: August 27, 2018

Approved



Date

8/28/18

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING
SOURCES RESOLUTION AMENDMENTS IN VARIOUS FUNDS TO
REBUDGET FUNDS TO 2018-2019 FOR COMPLETION OF PROJECTS**

RECOMMENDATION

- (a) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes:
 - (1) Increase the Beginning Fund Balance by \$41,035; and
 - (2) Increase the Turnout Cleaning appropriation to the Fire Department by \$41,035.
- (b) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the Subdivision Park Trust Fund:
 - (1) Increase the Beginning Fund Balance by \$403,000;
 - (2) Increase the North San Pedro Area Parks Master Plans appropriation to the Parks, Recreation and Neighborhood Services Department by \$390,000; and
 - (3) Increase the Communications Hill Turnkey Park Design Review and Inspection appropriation to the Parks, Recreation and Neighborhood Services Department by \$13,000.
- (c) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the Parks and Recreation Bond Projects Fund:
 - (1) Increase the Beginning Fund Balance by \$22,000; and
 - (2) Increase the Arcadia Softball Facility appropriation to the Parks, Recreation and Neighborhood Services Department by \$22,000.
- (d) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Maintenance Yards Purposes:
 - (1) Increase the Beginning Fund Balance by \$188,000; and
 - (2) Increase the Arcadia Softball Facility appropriation to the Parks, Recreation and Neighborhood Services Department by \$188,000.

(e) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the Construction Tax and Property Conveyance Tax Fund: City-wide Parks Purposes:

- (1) Increase the Beginning Fund Balance by \$39,000; and
- (2) Increase the Arcadia Softball Facility appropriation to the Parks, Recreation and Neighborhood Services Department by \$39,000.

(f) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5:

- (1) Increase the Beginning Fund Balance by \$95,000; and
- (2) Increase the Alum Rock Avenue and 31st Street Park Phase 2 appropriation to the Parks, Recreation and Neighborhood Services in the amount of \$95,000.

OUTCOME

Approval of this memorandum will allow the timely completion of projects identified in this memorandum.

BACKGROUND

At the end of each fiscal year, all appropriations lapse and any unspent funds become part of the following year's beginning fund balance. In order to complete projects not completed at the end of the 2017-2018 fiscal year, remaining funds must be re-appropriated, or rebudgeted, to 2018-2019. Usually, any funds that are not rebudgeted as part of the 2018-2019 Adopted Budget are brought forward as part of the 2017-2018 Annual Report scheduled for City Council consideration in October 2018. However, due to the urgency to complete projects, the Administration is recommending to rebudget certain funds at this time.

ANALYSIS

To avoid delays in projects identified in this memorandum, several rebudget adjustments are recommended. The individual projects are described below.

Turnout Cleaning

The rebudgeting of funds in the amount of \$41,035 in the Fire Construction and Conveyance (C&C) Tax Fund is necessary for the Fire Department to maintain turnout cleaning services for the sworn Fire personnel. As a result of a delay in awarding a new vendor, the existing purchase order was extended. This early rebudget would secure funds needed for Purchasing to award the new contract starting on October 1, 2018.

North San Pedro Area Parks Master Plans

The rebudgeting of funds in the amount of \$390,000 in the Subdivision Park Trust Fund is necessary for the Parks, Recreation and Neighborhood Services (PRNS) Department to secure sufficient funding for the master planning process for North San Pedro Area Parks. The contractor, Sasaki Walker Associates (SWA) is currently working on the master plan, and the project manager anticipates invoices to be submitted by the contractor at the early September 2018. The funds for the contract were supposed to be encumbered in Fiscal Year 2017-2018, but that did not occur due to the service order issues.

Communications Hill Turnkey Park Design Review and Inspection

The rebudgeting of funds in the amount of \$13,000 in the Subdivision Park Trust Fund is necessary for the PRNS Department to fund the cost associated with the post construction inspections for the Communications Hill Turnkey Park Design Review and Inspection, which is anticipated to be completed by October 2018. The rebudgeted funds will be used for Public Works the labor and inspection costs. There is currently no budget for this project in the 2018-2019, and \$13,000 would provide the necessary budget for post construction inspections.

Arcadia Softball Facility

The rebudgeting of funds in the amount of \$22,000 in the Parks and Recreation Bond Projects Fund is necessary to pay the contractor for the portion of the work completed at the Arcadia Softball Facility. At the conclusion of the 2017-2018 fiscal year, approximately \$22,000 remained unspent in the Arcadia Softball Facility appropriation that the department could use in 2018-2019 to pay for the invoices already received from the contractor.

Arcadia Softball Facility Maintenance Yard

The rebudgeting of funds in the amount of \$188,000 in the Construction Tax and Property Conveyance Tax Fund: Parks Maintenance Yards Purposes is necessary to pay the contractor for the portion of the work completed at the Arcadia Softball Facility Maintenance Yard. At the conclusion of the 2017-2018 fiscal year, approximately \$188,000 remained unspent in the Arcadia Softball Facility Maintenance Yard appropriation that the department could use in 2018-2019 to pay for the invoices already received from the contractor.

Arcadia Softball Facility

The rebudgeting of funds in the amount of \$39,000 in the Construction Tax and Property Conveyance Tax Fund: City-wide Parks Purposes is necessary to pay the contractor for the portion of the work completed at the Arcadia Softball Facility. At the conclusion of the 2017-2018 fiscal year, approximately \$39,000 remained unspent in the Arcadia Softball Facility appropriation that the department could use in 2018-2019 to pay for the invoices already received from the contractor.

Alum Rock Avenue and 31st Street Park Phase II

The rebudgeting of funds in the amount of \$95,000 is necessary to fund the cost associated with the Alum Rock Avenue and 31st Street Park Phase II project. At the conclusion of the 2017-2018 fiscal year, approximately \$95,000 remained unspent in the appropriation that the department could use to pay for the Total Phase 2B Project Costs in the 2018-2019 fiscal year. The appropriation language for this early rebudget had been included in the 31st & Alum Rock - Phase 2B council memo that was approved by the City Council on August 21, 2018 (item 4.1). However, the Council Agenda language for that meeting inadvertently omitted the appropriation language, and it is now being brought forward as part of this action.

EVALUATION AND FOLLOW-UP

No additional follow up actions with the City Council are expected at this time.

PUBLIC OUTREACH/INTEREST

This memorandum will be posted on the City's website for the September 11, 2018, City Council agenda.

COORDINATION

This memorandum has been coordinated with the Fire Department and the Parks, Recreation and Neighborhood Services Department.

COMMISSION RECOMMENDATION

This item does not have input from any board or commission.

FISCAL/POLICY ALIGNMENT

This memorandum is consistent with the City Council-approved Budget Strategy to continue with capital investments that spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

A year-end reconciliation was completed for each of the projects recommended in this memorandum to ensure that unexpended funds are available to rebudget. There is no net increase in total project costs.

BUDGET REFERENCE

The table below identifies the funds and appropriations recommended to be modified.

Fund #	Appn #	Appn. Name	Current Total Appn.	Rec. Budget Action	2018-2019 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
392	R999	Beginning Fund Balance	\$7,821,277	\$41,035	p. 554	6/19/2018, 78671
392	5856	Turnout Cleaning	\$220,000	\$41,035	p. 580	6/19/2018, 30124
375	R999	Beginning Fund Balance	\$73,408,399	\$403,000	p. V-481	6/19/2018, 78671
375	403L	North San Pedro Area Parks Master Plans	\$125,000	\$390,000	p. V-486	6/19/2018, 30124
375	7787	Communications Hill Turnkey Park Design Review and Inspection	NA	\$13,000	p. V-486	6/19/2018, 30124
471	R999	Beginning Fund Balance	\$15,113,365	\$22,000	P V-532	6/19/2018, 78671
471	7774	Arcadia Softball Facility	\$1,009,000	\$22,000	p. V-533	6/19/2018, 30124
398	R999	Beginning Fund Balance	\$3,388,514	\$188,000	p. V-458	6/19/2018, 78671
398	400C	Arcadia Softball Facility Maintenance Yard	NA	\$188,000	p. V-459	6/19/2018, 30124
391	R999	Beginning Fund Balance	11,937,726	\$39,000	p. V-411	6/19/2018, 78671
391	7774	Arcadia Softball Facility	\$865,000	\$39,000	p. V-414	6/19/2018, 30124
382	R999	Beginning Fund Balance	\$3,897,843	\$95,000	p. V-330	6/19/2018, 78671
382	401I	Alum Rock Avenue and 31 st Street Park Phase 2	\$1,166,000	\$95,000	p. V-334	6/19/2018, 30124

* The 2018-2019 Capital Budget was adopted June 19, 2018.

CEQA

Not a Project, File No. PP10-067(b), Appropriation Ordinance.


MARGARET MCCAHAN
Budget Director

HONORABLE MAYOR AND CITY COUNCIL

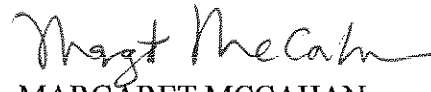
August 27, 2018

Subject: Rebudgeting of Funds to 2018-2019 to Complete Projects

Page 6

I hereby certify that there will be available for appropriation in the designated fund and in the amounts listed below in Fiscal Year 2018-2019 moneys in excess of those heretofore appropriated therefrom:

Construction Tax and Property Conveyance Tax	\$41,035
Fund: Fire Protection Purposes	
Subdivision Park Trust Fund	\$403,000
Parks and Recreation Bond Projects Fund	\$22,000
Construction Tax and Property Conveyance Tax	
Fund: Parks Maintenance Yards Purposes	\$188,000
Construction and Conveyance Tax Fund:	
City-wide Parks Purposes	\$39,000
Construction Tax and Property Conveyance Tax	
Fund: Parks Purposes Council District #5	\$95,000



MARGARET MCCAHAH

Budget Director

For questions please contact Margaret McCahan, Budget Director, at 408-535-8142.