



COUNCIL AGENDA: 09-23-08
ITEM: 2.5

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jennifer A. Maguire
Katy Allen
Albert Balagso

SUBJECT: SEE BELOW

DATE: 09-02-08

Approved

Deanne A. Johnson

Date

9/5/08

SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN VARIOUS FUNDS TO REBUDGET FUNDS TO 2008-2009 TO COMPLETE PROJECTS

RECOMMENDATION

1. Adoption of the following Appropriation Ordinance and Funding Sources Resolution Amendments in the Subdivision Park Trust Fund (Fund 375):
 - a. Increase the Beginning Fund Balance by \$372,000; and
 - b. Increase the Hitachi Turnkey Project Design Review and Inspection appropriation to the Parks, Recreation and Neighborhood Services Department by \$372,000.
2. Adoption of the following Appropriation Ordinance and Funding Sources Resolution Amendments in the Construction Excise Tax Fund (Fund 465):
 - a. Increase the Beginning Fund Balance by \$30,000; and
 - b. Increase the Community Facilities District No. 14 Feasibility Study Project appropriation to the Department of Public Works by \$30,000.

OUTCOME

Approval of this memorandum will allow the timely completion of these projects. These expenditures were anticipated to be completed by the end of 2007-2008, but it is now estimated that expenditures will be completed in 2008-2009.

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 2007-2008 fiscal year, the City Council must re-appropriate, or rebudget, the funds remaining to 2008-2009.

ANALYSIS

The majority of Capital rebudget adjustments will be brought forward once a final reconciliation of all funds is completed as part of the 2007-2008 Annual Report to be published at the end of September 2008. However, as described below, there are two rebudgets that are recommended as part of this memorandum and prior to the 2007-2008 Annual Report to allow continued progress for these specific projects.

Hitachi Turnkey Project Design Review and Inspection

The funding for the Hitachi Turnkey Project Design Review and Inspection project will provide for the design review and inspection costs related to three separate Hitachi park projects: 1) a 5.37-acre neighborhood park, 2) a 10.6-acre community park, and 3) a 1.0-acre neighborhood park associated with future residential development phases for the transit village project. This funding needs to be rebudgeted prior to the Annual Report to allow for continued inspection of the Hitachi Turnkey Park project which is currently under construction. Delay in inspections will delay project completion.

Community Facilities District No. 14 Feasibility Study Project

The Hitachi Corporation is exploring the feasibility of establishing a Community Facilities District (CFD) as a funding mechanism for residential enhanced public infrastructure improvements to be maintained as part of its project at Highway 85 and Cottle Road through the use of a special district. In order to properly evaluate the feasibility of forming this CFD, the City will retain the services of a consultant to be funded by Hitachi. Hitachi is on a very aggressive timeline to complete the project and has indicated a desire to set the consultant agreement and relevant funding in place immediately. Hitachi provided \$30,000 to the City to fund the consultant agreement which was recognized and appropriated in 2007-2008. The approval of this rebudget will provide funding for the award of the consultant contract, which is scheduled for Council consideration on October 7, 2008.

EVALUATION AND FOLLOW-UP

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

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memorandum does not meet any of the above criteria, however, it will be posted on the City's website for the September 23, 2008 City Council agenda.

COORDINATION

This memorandum has been coordinated with the Department of Transportation.

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 it was available to rebudget unexpended funds.

BUDGET REFERENCE

Not applicable.

HONORABLE MAYOR AND CITY COUNCIL
SEPTEMBER 2, 2008

Subject: Adoption of Appropriation Ordinance and Funding Sources Resolution Amendments in Various Funds to Rebudget Funds to 2008-2009 to Complete Projects

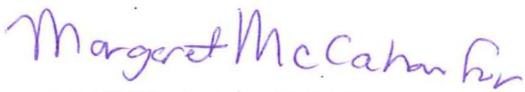
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CEQA

Not a project.


ALBERT BALAGSO
Director, Parks Recreation and
Neighborhood Services


KATY ALLEN
Director, Public Works Department


JENNIFER A. MAGUIRE
Budget Director

I hereby certify that there will be available for appropriation in the designated fund and in the amounts listed below in Fiscal Year 2008-2009 moneys in excess of those heretofore appropriated therefrom:

| | |
|-------------------------------|-----------|
| Subdivision Park Trust Fund: | \$372,000 |
| Construction Excise Tax Fund: | \$30,000 |


JENNIFER A. MAGUIRE
Budget Director

For questions please contact Kenn Lee, Capital Budget Coordinator, at 408-535-8136.

