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**Title:** CONSIDER RESOLUTION NO. 18-088, AMENDING THE FISCAL YEAR 2017-18 BUDGET IN THE COOPERATIVE AGREEMENT BOND PROCEEDS FUND AND MEASURE R FUND FOR THE WILMINGTON/I-405 INTERCHANGE PROJECT 919 (CITY COUNCIL)

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**Attachments:** 1. Project 919 Budget Amendment, 2. File Summary

Date	Ver.	Action By	Action	Result
7/17/2018	1	City Council		

**Report to Mayor and City Council**

Tuesday, July 17, 2018

Discussion

**SUBJECT:**

**CONSIDER RESOLUTION NO. 18-088, AMENDING THE FISCAL YEAR 2017-18 BUDGET IN THE COOPERATIVE AGREEMENT BOND PROCEEDS FUND AND MEASURE R FUND FOR THE WILMINGTON/I-405 INTERCHANGE PROJECT 919 (CITY COUNCIL)**

**I. SUMMARY**

The Wilmington/Interstate-405 Interchange Project 919 is nearing completion and the various contracts are being closed out. The project was originally approved in FY05-06, but construction activities did not commence until summer 2013. There were numerous changes to the budget both on the cost side and the revenue side since, with the last adjustment made on April 18, 2017, when staff requested a \$5 million budget amendment from redevelopment bond proceeds.

Given the percent completed and the relatively small amount of work remaining to be completed, total project expenditures related to vendor contracts are tracking with the approved budget. There are accounting issues related to estimated revenues, continuing appropriations and booking of internal personnel cost that require an additional appropriation to be able to close out a number of construction contracts.

The requested appropriation of \$2,470,886 does not reflect new costs, but a reconciliation of existing approved costs against revenues received and other accounting changes. Staff desires to complete the vendor payments and will return to Council with a complete reconciliation.

**II. RECOMMENDATION**

ADOPT Resolution No. 18-088, A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2017-18 BUDGET IN THE COOPERATIVE AGREEMENT BOND PROCEEDS FUND AND MEASURE R FUND

**III. ALTERNATIVES**

TAKE another action deemed appropriate by City Council.

**IV. BACKGROUND**

Project 919 includes the construction of a new northbound I-405 on-ramp, the widening of Wilmington Avenue from 223rd Street to 220th Street, the modification of the existing southbound I-405 on-ramp, and the construction of a right-turn lane from Wilmington Avenue northbound to 223rd Street eastbound by widening the existing bridge over the Dominguez Channel. The project also included acquisitions of easements and rights-of-way, and relocation of utility lines and upgrade of rail lines.

Project Expenditures

The following vendor expenditures have been approved for the project:

Vendor	Authorized	Paid per General Ledger	Invoices Owed	Remaining Commitment	Available (Overspent)
OHL	\$26,897,332	\$25,661,113	\$1,139,751	\$96,468	\$0
Hill International	\$4,818,785	\$4,574,098	\$371,195	\$0	\$(126,508)
Parsons	\$2,859,881	\$2,791,777	\$24,586	\$42,753	\$765
ROW Acquisitions	\$840,537	\$887,079	\$1,484	\$23,783	\$(71,809)
Union Pacific Railroad	\$847,352	\$834,527	\$453,832	\$22,125	\$(463,132)
LA County Flood Control	\$712,500	\$111,400		\$632,500	\$(31,400)
SCE utility relocation	\$609,833	\$659,833			\$(50,000)
CalWater utility relocation	\$133,505	\$133,506			\$(1)
LA County Inspections	\$18,000	\$114,718			\$(96,718)
Psomas	\$9,000	\$9,000			\$0
Water Board Permit	\$1,507	\$3,789			\$(2,282)
<b>Subtotals</b>	<b>\$37,748,232</b>	<b>\$35,780,840</b>	<b>\$1,990,848</b>	<b>\$817,629</b>	<b>\$(841,085)</b>
Employee Compensation		\$949,581			
Overhead (printing, etc.)		\$9,504			

<b>Total Expenditures</b>		<b>\$36,739,925</b>			
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As is shown in the above table, project expenditures paid to vendors has tracked closely to the budgeted amount, with the exception of the Union Pacific Railroad, which amount is in dispute. The Finance Department is reconciling the staff time charged to the project, however, which will require an accounting change.

In addition, on September 6, 2016, staff requested a carryover of unspent project appropriations from FY16-17 to FY17-18 in the Bond Proceeds Funds. At the time the request was made, the FY16-17 books were not closed and the calculated available budget of bond proceeds to carryover for Project 919 was \$681,443. Once accounts were reconciled and adjusting entries were prepared to close the FY16-17 books, there was actually \$1,852,329 of available budget remaining. Therefore, \$1,170,886 of the available budget lapsed and was returned to the fund balance of the bond proceeds fund. The \$1,170,886 lapsed appropriation from FY16-17 is one of the two amounts included in the Budget Resolution, summarized below.

Conclusion and Recommendations

Any funding shortfalls for the project noted above would pertain to a missed estimate of revenue or accounting changes related to personnel costs, or the lapsed appropriation noted above. These shortfalls are covered by re-appropriating funds that were originally budgeted but allowed to return to fund balance and shifting a Measure R project to this project. As shown in the table above, there is \$1,990,848 of outstanding invoices to be paid and up to \$817,629 of remaining commitments.

Bond Proceeds Fund	Re-appropriate the budget that was allowed to lapse in FY16-17	\$1,170,886
Measure R Fund	Use the FY17-18 appropriation for the Carson/I-405 and Avalon/I-405 freeway interchange improvements. These proposed improvements included in this project are within the Caltrans right of way. To use City funds in improving other agency's right of way, and be responsible for the maintenance when the project is completed, is not recommended at this time.	\$1,300,000
	<b>Total to appropriate for Project 919</b>	<b>\$2,470,886</b>

**1. V. FISCAL IMPACT**

The proposed resolution is for the new \$2,470,886 in appropriations only. It amends the FY2017-18 Budget because the work was performed last year.

**VI. EXHIBITS**

Resolution No. 18-088, A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2017-18 BUDGET IN THE COOPERATIVE AGREEMENT BOND PROCEEDS FUND AND MEASURE R FUND

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