

Agenda Report Reviewed by:
City Manager: 

**CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM**

Meeting Date: October 29, 2019
To: Honorable Mayor and Honorable City Councilmembers
From: Henry Mikus, Engineering Manager
Subject: Approval of Budget Adjustment of \$88,000 for Fund 216 CDBG Funding Shortfall.
Recommendation: Adopt a resolution authorizing a budget adjustment to Fund 216 CDBG ADA Transition Plan.
Funding: Currently Budgeted: Yes No N/A
Net General Fund Cost: \$ 88,000.00
\$88,000 transfer from the General Fund to Fund #216 CDBG.

INTRODUCTION:

Beginning with FY 11-12 continuing through FY 17-18 Sebastopol sought annual grants from the Community Development Commission (CDC) under their Community Development Block Grant (CDBG) program totaling \$315,248 for the City's ADA Transition Program. The aim of this ADA Transition Program was to bring City facilities into ADA compliance to the greatest extent possible.

BACKGROUND:

City Council selected the Ives Pool Facility as the first subject of the ADA Transition Program. During 2015 an architect was hired to prepare plans and specifications. Also, during 2015 the City and the Ives Pool Board agreed to take advantage of efficiency and put an addition onto the Ives Pool House women's locker room (paid for by the Pool Board) in addition to any ADA changes. By Fall 2016 the project was put to bid, but difficult pricing far beyond the project budget resulted in bid rejections. A plan was put forth to rebid the project but in separate projects tied to unique components, such as Path of Travel, Gates & Rails, Doors & Signs, and the Pool House. Rebidding resulted in considerable cost reductions. In December 2017 Council accepted the bid from Kevin Mack construction for the Pool House work at a combined price of \$408,000 divided as \$180,000 for the expansion and \$228,000 for the ADA work.

DISCUSSION:

With money having been spent for the architect, staff project set-up work, and the pathway, doors, and gates, there was a shortfall of \$45,000 in the remaining grant money that was made up via a general fund allocation and some extra Pool money. Work began in 2018 and was completed in Spring 2019, but not without difficulties that resulted in additional costs. In January 2019 staff asked for a mid-year budget adjustment for the project. \$25,000 was approved as that was the amount that was available even though it was likely there would be additional unseen costs.

When the FY 18-19 finances were closed out, the CDBG fund #216 was found to show a deficit of \$88,000. Therefore, staff is requesting a \$88,000 budget adjustment from the General Fund to balance the CDBG fund #216.

The deficit can be attributed to the following factors:

- | | |
|--|---------------------|
| 1. Architect discrepancies and errors | \$10,000 - \$20,000 |
| 2. Pool extra work paid for by the City | \$15,000 |
| 3. Grant reduction (explanation follows) | \$60,000 |
| 4. Extra work unanticipated conditions | \$29,000 |

An audit performed at CDC found that the FY 12-13 grant award of \$60,000 was specific to the Police Station. Due to impending expiration of the grant insufficient time was left to do the work so that grant amount was removed from the total.

RECOMMENDATION:

That the City Council authorize a \$88,000 budget adjustment from the General Fund to Fund #216 CDBG.

ATTACHMENTS:

Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE SEBASTOPOL CITY COUNCIL APPROVING ADJUSTMENT TO THE CITY BUDGET OF FISCAL YEAR 2019/2020

WHEREAS, the City of Sebastopol City Council did, on June 25, 2019, adopt the budget for fiscal year 2019-2020; and

WHEREAS, during the process of year-end close for fiscal year 2018-19, Community Development Block Grant (CDBG) fund showed a deficit of \$88,000; and

WHEREAS, an audit performed at CDC found that the fiscal year 2012-13 grant award of \$60,000 was specific to the Police Station; and

WHEREAS, due to impending expiration of the grant, insufficient time was left to do the work, the grant amount was removed from the total award; and

WHEREAS, the deficit can also be attributed to architect discrepancies and errors, pool extra work paid for by the City, grant reduction (as described above), and extra work unanticipated conditions.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Sebastopol adopts the budget adjustment of \$88,000 from the General Fund to cover CDBG fund shortfall for 2019-20.

IN COUNCIL DULY PASSED, APPROVED AND ADOPTED this 29th day of October 2019.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

APPROVED: _____

NEYSA HINTON
Mayor, City of Sebastopol

VOTE:

AYES:

NOES:

ABSENT:

ABTAIN:

ATTEST: _____

Mary Gourley, MMC, Assistant City Manager/City Clerk

APPROVED AS TO FORM: _____

Larry McLaughlin, City Attorney