



Request for City Council Committee Action From the Department of Public Works

Date: September 26, 2006
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Paul Ostrow, Chair Ways & Means/Budget Committee

Subject: Closing 1998 – 2004 Parkway Paving Programs and reallocation of excess bond proceeds to 2006 Parkway Paving Program

Recommendation:

- a. Receive and accept final costs of all paving related work for the 1998 Parkway Paving Program with a total cost of \$400,530.67. Closeout all remaining 1998 Parkway Paving Program (98PKY) appropriations from Resolution 1997R-393. Paving Construction capital appropriation in 4100-937-9372 project (98PKY) should be decreased by \$49,348.26 and close the project.
- b. Receive and accept final costs of all paving related work for the 1999 Parkway Paving Program with a total cost of \$730,940.79. No appropriation adjustment is required. Closeout all remaining 1999 Parkway Paving Program (99PKY) appropriations from Resolution 1998R-469 and close the project.
- c. Receive and accept final costs of all paving related work for the 2000 Parkway Paving Program with a total cost of \$1,203,854.26. Close out all remaining 2000 Parkway Paving Program (00PKY) appropriation from Resolution 1999R-426. Paving Construction capital appropriation in 4100-937-9372 project (00PKY) should be decreased by \$468,326.02 and close the project.
- d. Receive and accept final costs of all paving related work for the 2001 Parkway Paving Program with a total cost of \$953,257.81. Close out all remaining 2001 Parkway Paving Program (01PKY) appropriation from Resolution 2000R-536. Paving Construction capital appropriation in 4100-937-9372 project (01PKY) should be decreased by \$146,742.19 and close the project.
- e. Receive and accept final costs of all paving related work for the 2002 Parkway Paving Program with a total cost of \$1,044,166.04. Close out all remaining 2002 Parkway Paving Program (02PKY) appropriation from Resolution 2001R-507. Paving Construction capital appropriation in 4100-937-9372 project (02PKY) should be decreased by \$55,833.96 and close the project.
- f. Receive and accept final costs of all paving related work for the 2003 Parkway Paving Program with a total cost of \$710,748.01. No appropriation adjustment is required. Close out all remaining 2003 Parkway Paving Program (03PKY) appropriations from Resolutions 2002R-476 & 2004R-494 and close the project with no appropriation decrease required.
- g. Receive and accept final costs of all paving related work for the 2004 Parkway Paving Program (PV001) with a total cost of \$660,611.43. Close out all remaining 2004 Parkway Paving appropriations from Resolution 2003R-612. Paving Construction capital appropriation in 4100-937-9372 project (PV001) should be decreased by \$28,826.67 and close the project.
- h. As a result of the above project closeout \$399,077.10 of Net Debt Bonds (NDB) will become available. Request the City Council reallocate the excess Net Debt Bonds to the project listed below with the Capital appropriation increase and revenue budget increase to the Capital appropriation Resolution 2005R-658 as follows:

- \$399,077.10 increase to Fund/Agency/Org: 4100-937-9372-PV601 and revenue source Fund/Agency/Org: 4100-937-9372-3846 (2006 Parkway Paving)
- i. Request the concurrence of the Board of Estimation and Taxation in the reallocation of already issued Net Debt Bonds of \$399,077.10 from the 2004 Parkway Paving Program (PV001) 4100-937-9372 and 2003 Parkway Paving Program (03PKY) 4100-937-9372 to 2006 Parkway Paving Program (PV601) (4100-937-9372).

Net Debt Bond Funding Sources:

Capital Project	Bond Fund	Bond Project	Sub-Project	Amount
03PKY	4A50	4A5FD	V02	106,411.67
03PKY	4A60	4A6FD	V01	100,000.00
PV001	4A60	4A6FD	V02	92,665.43
PV001	4A70	4A7FD	V01	<u>100,000.00</u>
Total				<u>399,077.10</u>

Previous Directives:

- All previous capital resolutions regarding projects discussed within.

Prepared by: Larry Matsumoto, Project Manager 673-5630

Approved by: _____
Patrick Born, City Finance Officer

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Paul W. Ogren, P.E., Director Field Services 673-2456
Larry Matsumoto, Project Manager, Field Services 673-5630

Permanent Review Committee (PRC) Approval _____ Not applicable X
Policy review Group (PRG) Approval _____ Not applicable X

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan: X Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Not Applicable
City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city
Comprehensive Plan: Not Applicable
Zoning Code: Not Applicable

Background/Supporting Information

The 1998 to 2004 Parkway Paving Program has been completed with a total cost of \$5,704,109.01 for parkway paving. Projects since 1998 have included Saint Anthony Phase 1, Minnehaha Parkway Phase 1, Theo Wirth Phase 1, Theo Wirth Phase 2, West Lake Calhoun, Dean Parkway, Saint Anthony Phase 2, Minnehaha Parkway Phase 2, East River Road at 27th Street, Minnehaha Parkway Phase 3, Victory Memorial Parkway, Minnehaha Parkway Phase 4, East River Road, Minnehaha Parkway Phase 5, Minnehaha Parkway Phase 6, West Nokomis Parkway, East Nokomis Phase 1, East Nokomis Phase 2.

These projects were completed under budget leaving a significant amount of Net Debt Bonds unspent. The reason for this under-spending is that the individual parkway segments were divided into multiple phases of work, and based on the engineer's estimate, the work proceeded to complete one phase or an individual segment and not overrun the total annual parkway budget. Public Works has been working closely with the Finance Department to identify parkway projects needing additional Net Debt Bonds. Public Works and Finance's recommendation is to reallocate excess 2003 and 2004 Parkway Paving Program Net Debt Bonds to the 2006 Parkway Paving Project (PV601) as well as request the concurrence of the Board of Estimation and Taxation in the reallocation of the Net Debt Bonds from the 2003 and 2004 Parkway Paving Projects.

The 2006 Parkway Paving Project is short-funded by \$399,077.10; therefore we are requesting the reallocation of the unspent Net Debt Bonds. The reason that the 2006 Parkway budget was short-funded is that the total budget for the work on Lake Nokomis was planned to take three phases in three years. The final phase of work this year was short-funded, but with the expectation of reallocation of excess Net Debt Bonds to this project to make the funds whole. Therefore, this additional funding will allow Public Works to complete Parkway Paving on Nokomis Parkway.

The 1998 – 2004 Parkway Paving Program appropriations are to be closed out by reducing capital appropriations and reallocating excess bond proceeds to 2006 Parkway Paving (4100-937-9372-PV601) in the Public Works Paving Construction Capital. Also these projects have been completed and financially the revenues equal the expenses, therefore the above-mentioned projects should be closed.

cc: Jack Qvale, Board of Estimation and Taxation
William Schroeder, Finance
Mike Abeln, Finance
Dick Smith, Public Works
Paul Ogren, Public Works
Rhonda Rae, Public Works