



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

Date: July 12, 2011

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral: Honorable Betsy Hodges, Chair Ways & Means/Budget Committee

Subject: **Closeout Water Capital Projects**

Recommendation:

Receive and accept final project costs for work completed for Water capital projects for the total amount specified and increase/decrease capital project appropriations as necessary to close projects:

1. All work related to Alternative Reservoir Connection (Project # C5207) for a total of \$540,490.77. This project over-spent appropriations by \$40,490.77. Increase appropriation in 07400-9010950 C5207 by \$40,490.77 by re-appropriating water revenue from MWW Facilities Security Improvement (Project # CWTR14).
2. All work related to Turn Lane Fridley (Project # C5208) for a total of \$86,983.80. This project over-spent appropriations by \$4,142.06. Increase appropriation in 07400-9010950 C5208 by \$4,142.06 by re-appropriating water revenue from MWW Facilities Security Improvement (Project # CWTR14).
3. All work related to 1998 Buildings & Structures (Project # CD5298) for a total of \$28,116,629.15. This project over-spent appropriations by \$46,344.55. Increase appropriation in 07400-9010950 CD5298 by \$46,344.55 by re-appropriating water revenue from MWW Facilities Security Improvement (Project # CWTR14).
4. All work related to 2007 Water Distribution Improvements (Project # CWT712) for a total of \$4,000,368.59. This project over-spent appropriations by \$368.59. Increase appropriation in 07400-9010950 CWT712 by \$368.59 by re-appropriating water revenue from MWW Facilities Security Improvement (Project # CWTR14).
5. All work related to 2008 Water Distribution Improvements (Project # CWT812) for a total of \$4,559,911.78. This project over-spent appropriations by \$59,911.78. Increase appropriation in 07400-9010950 CWT812 by \$59,911.78 by re-appropriating water revenue from MWW Facilities Security Improvement (Project # CWTR14).
6. All work related to MWW Facilities Security Improvement (Project # CWTR14) for a total of \$4,194,549.07. The remaining balance of this appropriation is \$305,450.93. Decrease Water construction capital appropriation in 07400-9010950 CWTR14 by (\$305,450.93). (Water revenue committed to this project is used to offset the over-spending from the five projects above.)
7. All work related to 2009 Water Distribution Improvements (Project # CWT912) for a total of \$7,075,069.54. This project over-spent appropriations by \$2,325,069.54. Authorize use of water revenue of \$2,325,069.54 to balance and close project 07400-9010950 CWT912 for previously incurred expenditures.
8. All work related to Heritage Park Redevelopment (Project # CDA01) for a total of \$1,000,000. There is no remaining appropriation in 07400-9010950 CDA01.

Previous Directives:

All previous capital resolutions regarding projects discussed within.

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Danette McCulley Finance, 673.2458

Approved:

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

Kevin Carpenter, Chief Financial Officer

Presenter: Shahin Rezania, Public Works - Water Treatment & Distribution

Reviews

• Permanent Review Committee (PRC):	Approval	NA	Date
• Civil Rights Affirmative Action Plan	Approval	NA	Date
• Policy Review Group (PRG):	Approval	NA	Date

Financial Impact

- Action requires appropriation increases/decreases to projects in the Capital Budget
 Dept Name: Public Works – Waterworks Division
 Fund Name: 07400 Water Fund
 Fund–Department Project Number:
 07400-9010950 C5207 - \$40,490.77
 07400-9010950 C5208 - \$4,142.06
 07400-9010950 CD5298 - \$46,344.55
 07400-9010950 CWT712 - \$368.59
 07400-9010950 CWT812 - \$59,911.78
 07400-9010950 CWTR14 - (\$305,450.93)
 Net Appropriation Reduction - (\$154,193.18) in 07400-9010950

 07400-9010950 CWT912 - \$2,325,069.54 Adjust project revenue to balance and close project
- There are no other revenue budget changes required for this Action
- Action is within the Business Plan
- Request provided to the Finance Department

Supporting Information

Public Works and the Finance Department have been working cooperatively on officially closing out as many projects as possible. This letter represents our effort to date for the Division of Water Treatment and Distribution services.

All projects on the above list have been physically completed for some time. All financial impacts have been completed and are reflected in the water fund balance.

Item 7 refers to work related to 2009 Water Distribution Improvements (Project # CWT912) The \$2.325 million overage is commensurate with the cost of water main replacement on Marquette Ave S and 2nd Ave S in conjunction with the Marq2 project. The Marq2 project was federally funded as part of an Urban Partnership Agreement grant with the stipulation that all work must be completed and documentation submitted before the end of the 2009 calendar year. The Marq2 project was a fast-track reconstruction of two miles of downtown roadway for transit improvement. Although the 2009 budget had already been approved and commitments had been made with the allocated funds in CWT912, the Marq2 project provided a rare opportunity to upgrade the existing 130 year old water main. Although Public Works made the decision to perform this work using Water Revenue as the funding source, a Council action request for an appropriation increase was not submitted at that time. Expenditures for the water main work have already been incurred and deducted from the Water Fund cash balance.

CC: Mike Abeln, Finance
Lynn Gustafson, Finance
William Schroeder, Finance
Heidi Hamilton, Public Works
Susan Hartman, Public Works
Shahin Rezania, Public Works
Dale Folen, Public Works

RESOLUTION - 2011R-
By W & M Chair Betsy Hodges

Amending the 2011 Capital Budget Resolution (2010R-599), as amended.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by decreasing the appropriation in the Water Enterprise capital fund (07400-9010950-8015) by (\$154,193.18) as part of closing out several water capital projects as detailed in the July 12, 2011 letter to the Transportation and Public Works Committee and Ways and Means/Budget Committee.

As also detailed in the July 12, 2011 letter, authorize the use of water revenue in the amount of \$2,325,069.54 to cover previously incurred expenditures in the 2009 Water Distribution Improvements project by increasing the project revenue in (07400-9010950 CWT912) to balance and close this project.