



Legislation Text

File #: 21-342, Version: 1

CITY COUNCIL AGENDA ITEM

Memo Date: May 3, 2021
Agenda Date: May 11, 2021
Prepared By: Christi Grant, Staff Accountant
Through: Rebecca Bowman, MBA, CGFO, CGFM, Finance Director
Requested Action:

Approval to Reallocate Proceeds from the Water and Sewer System Revenue Bonds, Series 2018B;
Approve a Resolution Amending the FY 2021 Budget, BAF#21-073-A. Approve the current Series 2018B Bond Project Listing.

BACKGROUND:

In October 2018, the City received proceeds from the sale of Water and Sewer System Revenue Bonds, Series 2018B ("Series 2018B W/S Bond"). The bond included a list of projects that the bond proceeds were planned to fund. The City is currently implementing the capital improvement projects funded by the Series 2018B W/S Bond.

In April 2020, the City reallocated the proceeds from the sale of Water and Sewer System Revenue Bonds, Series 2018B ("Series 2018B W/S Bond") in order to fully fund the CCRIP project, taking budget from other projects previously budgeted that either had not been started at that time or had been completed under budget, including the following bond projects: WS0501, WS1201, WS18FB, WS18SW, and WS19SS.

Staff has conducted an audit of the 426 Series 2018B Bond Proceeds Fund and has determined the following corrections are needed:

Interfund transfers in the amount of \$276,677 and \$927,731 were erroneously recorded and need to be reversed.

The interest earned in FY2020 needs to be spent on the bond projects, and as a result Staff is requesting to increase the budget for the Pineda Subaqueous Pipe Project (WS18MI) for amount of the FY2020 earned interest.

The FY2020 cost of investment management fees was not shown as a reduction of funds available for bond projects. Staff is requesting to reduce the budget in Project WS18MI for the investment management fees.

The project budget rollover into FY2021 did not consider the non-capital expenditures. As a result, the project budget for Project WS18MI should be reduced by the non-capital expenditures. Staff is requesting that City Council approve these corrections.

In April 2021, a change order was done to Purchase Order (PO) 76454 for the CCRIP project (WS1404). The change order had a net impact of 0 to the PO, but increased account # 426-4055-536.62-00 by \$18,217.28, increased account # 426-4055-536.63-00 by \$207,529.78, and decreased account # 426-4055-536.64-00 by \$225,747.06. As a result of the change order, the budget in those

accounts needs to be reallocated. Staff is requesting that City Council approve the Budget Adjustment Form (BAF) to correct the budget for the change order 1 to PO 76454.

Council approval of the current bond project listing is also requested. Staff will return to City Council in the near future to request approval to reallocate an additional portion of the bond proceeds to project WS18MI in order to fully fund the Pineda Subaqueous Pipe project using bond proceeds once the actual costs are more fully determined.

STRATEGIC PLAN CONNECTION:

N/A

BUDGETARY IMPACT:

| | |
|--|--------------------------------------|
| Budgeted | Yes, insufficient; to be reallocated |
| If not budgeted, is amendment/transfer attached? | Yes |

Budget Adjustment Form # 21-073-A

Account Name Fund Balance Reserves
Account Number 426-0000-389.99-50
Amount Requested \$276,677

Account Name Interfund Transfer to 421
Account Number 426-4010-581.91-21
Amount Requested \$276,677

Account Name Interfund Transfer From 426
Account Number 421-0000-381.91-26
Amount Requested \$276,677

Account Name Fund Balance Reserves
Account Number 421-0000-389.99-50
Amount Requested (\$276,677)

Account Name Fund Balance
Account Number 421-0000-381.99-50
Amount Requested \$927,731

Account Name Interfund Transfer (426)
Account Number 421-4010-581.91-21
Amount Requested \$927,731
Project WS18MI

Account Name Interfund Transfer From 421
Account Number 426-0000-381.91-21
Amount Requested \$927,731
Project WS18MI

Account Name Infrastructure
Account Number 426-4055-536.63-00
Amount Requested \$383,972
Project WS18MI

Account Name Infrastructure
Account Number 426-4055-536.63-00
Amount Requested \$572
Project WS18MI

Account Name Infrastructure
Account Number 426-4055-536.63-00
Amount Requested (\$57,617)
Project WS18MI

Account Name Building
Account Number 426-4055-536.62-00
Amount Requested \$18,218
Project WS1404

Account Name Infrastructure
Account Number 426-4055-536.63-00
Amount Requested \$207,530
Project WS1404

Account Name Machinery & Equipment
Account Number 426-4055-536.64-00
Amount Requested (\$225,748)
Project WS1404

Account Name Fund Balance Reserves
Account Number 426-0000-389.99-50
Amount Requested (\$600,805)

Source of Funds:

Series 2018B Bonds

PREVIOUS ACTION:

In October 2018, the City received proceeds from the sale of Water and Sewer System Revenue Bonds, Series 2018B ("Series 2018B W/S Bond").

On September 25, 2019, City Council approved resolution No. 2019-085 adopting the FY 2020 budget.

On September 23, 2020, City Council approved resolution No. 2020-207 adopting the FY 2021 budget.

RECOMMENDED MOTION:

Approval to Reallocate Proceeds from the Water and Sewer System Revenue Bonds, Series 2018B; Approve a Resolution Amending the FY 2021 Budget, BAF#21-073-A. Approve the current Series 2018B Bond Project Listing.