



CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

ENGINEERING DIVISION

THOMAS M. FINLEY
Engineering Division Manager

April 29, 1986

Budget and Finance Committee
Sacramento, California

Honorable Members In Session:

SUBJECT: Engineering Division Budget Line Item 4252, Engineering and
Architectural - Appropriation of Additional Funds

SUMMARY

This report recommends that an additional \$800,000 be appropriated to the Engineering Division operating budget to fund the engineering consultants who design private subdivision improvements. The additional funds will be offset by matching revenues from developers.

BACKGROUND

Under current practice, a developer who wishes to construct a subdivision within the City recommends a consultant for the civil engineering portion of the subdivision design and pays the City for the cost of the design work. The City then retains the consultant and makes periodic progress payments. The funds received from the developer are deposited in the General Fund. They are expended through the Engineering Division's operating budget, Line Item 4252 - Engineering and Architectural Professional Services. This means that funds for the consulting agreements must be appropriated annually for this purpose. The budget is based upon estimated development levels. Occasionally, the budget estimate is not adequate when development activity levels are underestimated. This has occurred this year. Both subdivision activity and revenues have substantially exceeded levels anticipated when the Fiscal Year 85-86 budget was prepared. Therefore, an additional appropriation is necessary.

The Division is currently \$332,000 overexpended in Line Item 4252. It is estimated that a total additional appropriation of \$800,000 will be required for the remainder of the year. This appropriation will be matched by increased revenues from developers to the General Fund. If the appropriation is not approved, private subdivision design will need to be stopped.

For your information, Public Works and Finance staffs are currently examining this unique procedure of the City hiring the private developers' engineers. This is being done in conjunction with a review of total Public Works development-related revenues and expenditures. It is anticipated that a report recommending changes to this practice and fee levels will be available in about six weeks.

FINANCIAL

Additional funds need to be appropriated from the General Fund to the Engineering Division to cover current overruns and anticipated expenditures in Engineering and Architectural Professional Services. The total estimated costs for the development engineering consultant agreements for Fiscal Year 1985-86 is \$1,480,000. These expenditures will be offset by the engineering fees collected from developers. The current budgeted amount in Line Item 4252 is \$680,000. The line item is currently overexpended by \$332,000. It is proposed that \$800,000 be appropriated from the Administrative Contingency Fund to cover the current overexpenditure of \$332,000 and anticipated expenditures of \$468,000 in the 1985-86 fiscal year.

RECOMMENDATION

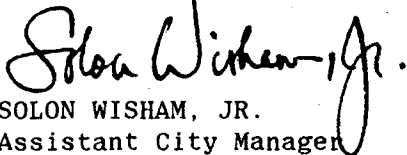
It is recommended that the Budget and Finance Committee approve the appropriation of \$800,000 in additional funding for the Engineering Division's operating budget (Line Item 4252) from the General Fund Administrative Contingency and forward the report to the full City Council for passage of the attached resolution.

Respectfully submitted,



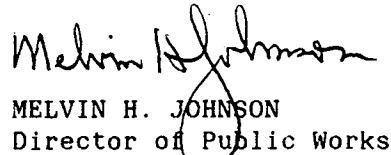
THOMAS M. FINLEY
Engineering Division Manager

Recommendation Approved:



SOLON WISHAM, JR.
Assistant City Manager

Approved:



MELVIN H. JOHNSON
Director of Public Works

GDC:vr
GC510Bd5
04.1586

April 29, 1986
All Districts

Attachment

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION APPROPRIATING ADDITIONAL FUNDS
FOR ENGINEERING DIVISION BUDGET LINE ITEM 4252,
ENGINEERING AND ARCHITECTURAL OBJECT CODE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The increased volume of development activity during Fiscal Year 1985-86 has resulted in an overexpenditure of \$332,000 and an anticipated overexpenditure of \$468,000 in the budget of the Engineering Division of the Public Works Department in the 4252 Object Code, Engineering and Architectural. Funds are needed to offset the current deficit and anticipated FY 85-86 expenditures.
2. The operating budget of the Public Works Department is hereby amended by appropriating \$800,000 from the Administrative Contingency Fund balance (1-01-7012-0000-4599) to the Engineering Division Object Code for Engineering and Architectural (1-01-3131-0000-4252) for the purpose stated in paragraph 1 above.

MAYOR

ATTEST:

CITY CLERK