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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

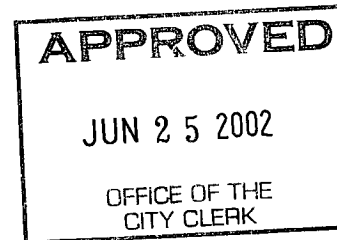
927 10TH STREET
SACRAMENTO, CA
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TECHNICAL SERVICES
DIVISION

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June 10, 2002

City Council
Sacramento, CA



Honorable Members in Session:

SUBJECT: ESTABLISHMENT OF A CAPITAL IMPROVEMENT PROGRAM (CIP) AND APPROPRIATION OF FUNDS TO THE TRENCH CUT FEES PROGRAM

LOCATION/COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report recommends that the City Council adopt the attached Resolution:

- Establishing a new Capital Improvement Program (CIP) for the Trench Cut Fees Program (PN: RK21).
- Appropriating trench cut fees in the amount of \$963,000 to the Trench Cut Fees Program.

CONTACT PERSON:

Jerry Way, Street Manager, 433-6381
Barbara Wendt, Senior Management Analyst, 264-0186

FOR COUNCIL MEETING OF: June 25, 2002

SUMMARY:

The City Council adopted a new Trench Cut Cost Recovery Fee Program in 1997. Fees are now imposed on utility companies and City Departments that cut or trench through City streets. The fees are used to compensate the City for damage caused to the streets.

City Council
Trench Cut Fees Program
June 10, 2002

This report recommends adoption of a Resolution that will establish a new CIP for the Trench Cut Fee Program so that the fees may be used to fund road resurfacing projects where trenching has occurred.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

On September 23, 1997, the City Council adopted an Ordinance amending Chapter 38.03 of the Sacramento City Code to establish new excavation requirements in City streets and a new Trench Cut Cost Recovery Fee Program. The fee is imposed on utilities and City Departments that trench into City streets that are not scheduled for resurfacing or repair. The fee was established to recover a fair share of the cost of mitigating the pavement damage caused to the street surface from excavations. The fees are also intended to provide an incentive for utilities to coordinate their excavations with other utilities and with the City's street resurfacing schedule. The collected fees can only be expended on resurfacing of City streets where excavation has occurred.

A CIP must be established in order to use these fees to fund road-resurfacing projects. Current revenue as well as future revenue will be budgeted directly into the new Trench Cut Fee Program (PN: RK21).

FINANCIAL CONSIDERATIONS:

To date, \$963,000 in trench cut fees has been collected. Establishment of a CIP and appropriation of \$963,000 to the new Trench Cut Fees Program (PN: RK21) will allow for existing and future trench cut fees to be applied to road resurfacing projects where trenching has occurred.

ENVIRONMENTAL CONSIDERATIONS:

Creation of a CIP is not a "project" as defined by the California Environmental Quality Act (CEQA) because it does not involve an activity that will cause a direct or indirect physical change in the environment and does not require further environmental review.

POLICY CONSIDERATIONS:

The proposed action is consistent with City Council Resolution No. 97-537 that established Trench Cut Cost Recovery fees to recover a fair share of the cost of mitigating the pavement damage caused by excavations.

City Council
Trench Cut Fees Program
June 10, 2002

ESBD CONSIDERATIONS:

No goods or services are involved with the proposed action.

Respectfully submitted:



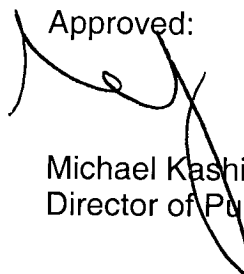
Francesca Lee Halbakken
Project Delivery Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

Approved:



Michael Kashiwagi
Director of Public Works

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RESOLUTION NO. 2002-406

APPROVED
JUN 25 2002
OFFICE OF THE
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING THE ESTABLISHMENT OF A CAPITAL IMPROVEMENT PROGRAM (CIP) AND APPROPRIATION OF FUNDS TO THE TRENCH CUT FEES PROGRAM

THE COUNCIL OF THE CITY OF SACRAMENTO RESOLVES THAT:

1. The Trench Cut Fee Program (PN: RK21) be established as a new Capital Improvement Program (CIP).
2. The FY01/02 CIP be amended by appropriating trench cut fees in the amount of \$963,000 to the Trench Cut Fees Program (PN: RK21) and adjusting the budgets as follows:

FUND	AGENCY	ORG	OBJECT	CURRENT BUDGET	REVISED BUDGET	INCREASE (DECREASE)	ACCOUNTING REFERENCE
211	310	3191	3227	\$0	\$421,000	\$421,000	A
			RB TOTAL	\$0	\$421,000	\$421,000	
211	500	RK21	4820	\$0	\$963,000	\$963,000	B
			EB TOTAL	\$0	\$963,000	\$963,000	

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____