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**DEPARTMENT OF
PUBLIC WORKS**

ENGINEERING DIVISION

THOMAS M. FINLEY
ENGINEERING DIVISION MANAGER

CITY OF SACRAMENTO
CALIFORNIA

August 15, 1989

927 TENTH STREET
ROOM 200
SACRAMENTO, CA
95814-2705

916-449-8220

CONSTRUCTION SECTION
640 BERGUT DRIVE
SUITE B
SACRAMENTO, CA
95814-0131

916-449-5282

Budget and Finance Committee
Sacramento, California

Honorable Members In Session:

**SUBJECT: Florin-Perkins Road Widening FAU Project (PN:TA06) - Fund
Appropriation**

SUMMARY

Construction has been completed on the Florin-Perkins Road Widening FAU project between Folsom Boulevard and Florin Road. Additional funds are needed to close out this project. Approval and forwarding of this report to the City Council recommended.

BACKGROUND

Construction of the subject FAU project has been completed at a contract cost of \$4,519,356.42. Contract administration and right-of-way acquisition was performed by the County of Sacramento under a cooperative agreement with the City. FAU funds participated in the project funding at a rate of approximately 86% FAU to 14% local funds for all eligible project items.

The County of Sacramento is now closing the project and settlement has recently been reached on a major right-of-way parcel that has been in litigation for a period of four years. This settlement resulted in unanticipated expenses of over \$350,000. Final project costs for right-of-way acquisition and construction activities require that additional funding be appropriated to close the project.

FINANCIAL DATA

A total of \$412,042 is needed to close this project. As of July 12, 1989, the project had a negative balance of \$107,796.

Additional FAU funds in the amount of \$321,464 are anticipated, leaving a shortfall of \$90,578. It is proposed that this amount be funded with Gas Tax funds.

On the adoption of the FY 89-90 CIP Budget, a net total of \$140,896 has been returned to the Gas Tax Contingency Reserve from the miscellaneous projects which are defunded at the close of the fiscal year, leaving a balance of

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\$212,896 in the contingency reserve as of July 13, 1989. It is proposed that \$90,578 be appropriated to the Florin-Perkins Road Widening project (TA06).

There may be a future City funding liability should the Federal Highway Administration determine that the negotiated right-of-way settlement is not reimbursable for the full amount ordered by the court. The amount of this obligation could approach \$125,000. The Federal Highway Administration's audit of this project is not expected to occur for several years. If an audit results in additional City obligations, these obligations would be managed in the context of the CIP budget at that time.

POLICY CONSIDERATION

None.

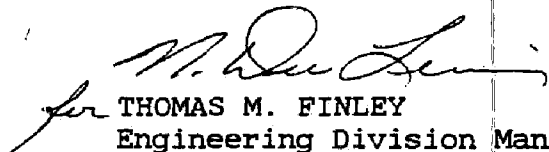
MBE/WBE EFFORTS

Not applicable.

RECOMMENDATION

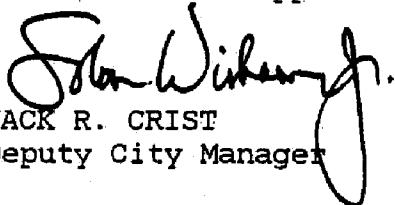
It is recommended that the Budget and Finance Committee recommend approval of the fund appropriation and forward this report to the full City Council for passage of the attached resolution.

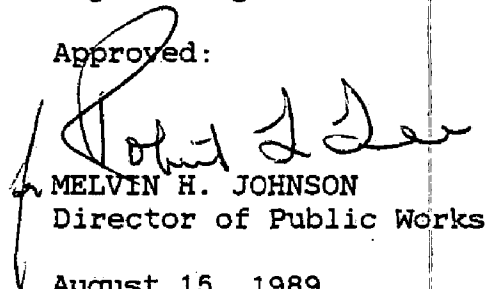
Respectfully submitted,


THOMAS M. FINLEY
Engineering Division Manager

Recommendation Approved:

Approved:


JACK R. CRIST
Deputy City Manager


MELVIN H. JOHNSON
Director of Public Works

August 15, 1989
District No. 6

CONTACT PERSON

N. Dee Lewis, Supervising Engineer
(916) 449-8230

NDL:vr
ED3-10.E
08.0489.10

Attachment

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AMENDING THE 1989/90
STREETS CIP PROGRAM AND APPROPRIATING FUNDS FOR
THE FLORIN-PERKINS ROAD WIDENING FAU PROJECT
(PN:TA06)

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

That the 1989/90 Streets CIP Program for the Florin-Perkins Road FAU Project (PN:TA06) is hereby amended as follows:

1. Additional Capital Grants (Fund 248) revenue in an amount of \$321,464 are hereby recognized from FAU funds (248-500-TA06-3596).
2. Additional funds are appropriated to the subject project from the Capital Grants Fund (Fund 248) and the Gas Tax Contingency Reserve (202-710-7012-4999) as follows:

248-500-TA06-4813	\$321,464
202-500-TA06-4813	49,578
202-500-TA06-4820	<u>41,000</u>
TOTAL	\$412,042

MAYOR

ATTEST:

CITY CLERK

ED3-10.E

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____