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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

March 31, 1987

OFFICE OF THE DIRECTOR

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Joint Budget and Finance/Transportation and
Community Development Committees
Sacramento, California

MELVIN H. JOHNSON
DIRECTOR
LESLIE M. FRINK
DEPUTY DIRECTOR
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DEPUTY DIRECTOR

Honorable Members in Session:

Subject: **DEFUNDING APPROVED CAPITAL IMPROVEMENT PROJECTS**

SUMMARY

This report recommends that certain currently approved capital improvement projects be defunded.

BACKGROUND

During the preparation of the Capital Improvement Budget for 1987-1992 staff reviewed all currently approved Public Works projects. It was determined that certain projects should be defunded for a variety of reasons. The following list provides a project description and the reason for canceling each project.

Southern Pacific Land Acquisition (VA96) - This project provided \$45,000 of Off-Street Parking funds to acquire property adjacent to parking lot W at 2nd & H Street. This project is being defunded because the City was unable to obtain the property.

Security Guard Key Station (VA26) - This \$10,000 Off-Street Parking project is being incorporated into a comprehensive study to develop various security systems for all parking facilities.

Electrical Directional Signs (VB21) - This project provided \$33,000 of Off-Street Parking funds to install electrical directional signs to direct traffic, improve traffic flow orientation, and direct customers to facility offices. This project will be combined into a proposed request to conduct a study to determine the effective sign type and location.

Gutter Drain Replacement - Phase II (XA31) - This project was originally funded from \$192,000 in the Sewer Fund in Fiscal Year 1984-85 when the Drainage Fund was combined into the Sewer Fund. This project should be funded from the Drainage Fund.

In addition to the projects above, it is necessary to shift the debt financed portion of the East End Parking Garage in the current year's budget to the 1987-92 Capital Improvement Budget. The change is being requested for two reasons. First, moving the appropriations to fiscal year 1987-88 will reflect the proposed timing of the receipt of the debt proceeds. Secondly, due to accounting conventions, if the debt proceeds are not received in the current fiscal year, the year end financial statements would reflect a huge unfavorable variance, which would distort the financial status of the fund. The total amount to be shifted for this project is \$13,553,000.

FINANCIAL

The remaining available funds for the Land Acquisition, Security Station, Electrical Signs, and Gutter Drain Replacement will return to the respective contingency funds (Parking Fund - \$88,000, Sewer Fund - \$192,000). The East End Garage reduces both appropriations and debt proceeds, leaving the fund balance unchanged.

RECOMMENDATION

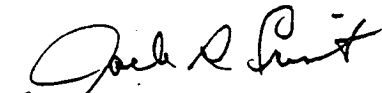
It is recommended that the Joint Budget and Finance/Transportation and Community Development Committees approve the attached resolution and forward to the full Council with a recommendation for approval.

Respectfully submitted,



Michael McGrane
Administrative Services Officer

RECOMMENDATION APPROVED:



FOR SOLON WISHAM, JR.

ASSISTANT CITY MANAGER

APPROVED:



MELVIN H. JOHNSON
DIRECTOR OF PUBLIC WORKS

March 31, 1987

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION AMENDING THE 1986-87 CAPITAL IMPROVEMENT BUDGET BY DEFUNDING CERTAIN CAPITAL PROJECTS

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

1. The 1986-87 Capital Improvement Budget is hereby amended by:

Transferring \$45,000 from the Southern Pacific Land Acquisition project (412-500-VA96-xxxx) to the Parking Fund Contingency (412-710-7012-4999)

Transferring \$10,000 from the Security Guard Key Station project (412-500-VA26-xxxx) to the Parking Fund Contingency (412-710-7012-4999)

Transferring \$33,000 from the Electrical Directional Signs project (412-500-VB21-xxxx) to the Parking Fund Contingency (412-710-7012-4999)

Transferring \$192,000 from the Gutter Drain Replacement - Phase II (414-500-XA31-xxxx) to the Sewer Fund Contingency (414-710-7012-4999)

2. Appropriations totaling \$13,553,000 for the East End Parking Garage be defunded from the current Capital Improvement Budget and expected debt proceeds for the project be reduced correspondingly.