

**RESOLUTION NO. 2023-14**

**RESOLUTION TRANSFERRING FUNDS TO COMPLETE FUNDING FOR THE CONSTRUCTION OF THE DEVELOPMENT SERVICES ANNEX (DSA) AND THE REMODEL OF CITY HALL (CH) AND REDUCING BUDGETED EXPENDITURES WITHIN THE GENERAL FUND DUE TO REDUCED TRANSFERS TO THE GENERAL FUND FOR FISCAL YEAR 2022-23**

**WHEREAS**, the DSA/CH projects costs are higher than originally budgeted by and additional funding is required to complete the project; and

**WHEREAS**, the additional funding has been identified and some transfers of appropriations within various funds are required so the project has sufficient budgeted appropriations to complete the project; and

**WHEREAS**, the Council is being asked to approve those recommendations so the funds can be spent.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:**

**Section One.** In the American Rescue Plan (ARP) Fund, Development Services Annex Capital Outlay appropriations (expenditure line item 2901200 7205) are increased by \$192,000 and Transfers to General Fund appropriations (expenditure line item 2901200 8200) is decreased by \$192,000. Total ARP Fund Transfers to General Fund appropriations are reduced to \$46,236, total ARP Fund Capital Outlay appropriations are increased to \$3,445,492, and total ARP Fund appropriations remain unchanged at \$4,701,228.

**Section Two.** In the Building Permits Fund, Transfers to Other Funds appropriations (expenditure line item 2053200 8250) is increased by \$24,000 and Contingency appropriations (expenditure line item 2053200 8300) is reduced by \$24,000. Total Building Permits Fund appropriations remain unchanged at \$1,763,796.

**Section Three.** In the Water Fund, Transfers to Other Funds appropriations (expenditure line item 6305300 8250) is increased by \$12,000 and Contingency appropriations (expenditure line item 6305300 8300) is reduced by \$12,000. Total Water Fund appropriations remain unchanged at \$7,096,916.

**Section Four.** In the Sewer Fund, Transfers to Other Funds appropriations (expenditure line item 6205400 8250) is increased by \$6,000 and Contingency Appropriations (expenditure line item 6205400 8300) is reduced by \$6,000. Total Sewer Fund appropriations remain unchanged at \$2,622,184.

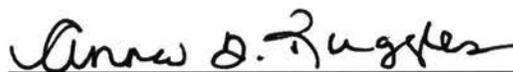
**Section Five.** In the Major Maintenance Fund, Transfers from Other Funds (revenue line item 3401200 4855) is increased by \$42,000 and Development Services Annex appropriations (expenditure line item 3401200 7005) is increased by \$42,000. Total Major Maintenance Fund appropriations are increased to \$2,468,883.

**Section Six.** In the General Fund, Transfers from Other Funds (revenue line item 1001200 4855) is reduced by \$67,000 and Administrative Services Regular Wages appropriations (expenditure line item 1001200 5000) is decreased by \$67,000. Total General Fund Administrative Services appropriations are reduced to \$4,180,529 and total General Fund appropriations are reduced to \$25,037,183.

**Section Seven.** In the General Fund, Transfers from Other Funds (revenue line item 1002100 4855) is reduced by \$125,000 and Police Department Regular Wages (expenditure line item 1002100 5000) is decreased by \$105,000 and Police Department Intergovernmental Services (expenditure line 1002100 6200) is reduced by \$20,000. Total General Fund Police Department appropriations are reduced to \$7,178,605 and total General Fund appropriations are reduced to \$24,912,183.

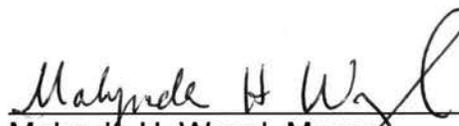
**Section Eight.** This resolution is effective immediately upon its enactment by the City Council.

**PRESENTED AND PASSED** this 24<sup>th</sup> day of April, 2023.



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Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 24<sup>th</sup> day of April, 2023.



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Malynda H. Wenzl, Mayor



<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>F. 5.</u>
MEETING DATE:	<u>04.24.2023</u>
FINAL ACTION:	<u>RESO 2023-14</u>

**CITY COUNCIL STAFF REPORT**

**TO:** *City Council*

**FROM:** *Jesse VanderZanden, City Manager*

**MEETING DATE:** *April 24, 2023*

**PROJECT TEAM:** *Paul Downey, Assistant City Manager/Finance Director*

**SUBJECT TITLE:** *DSA/City Hall Remodel Costs and Funds Transfers Needed*

**ACTION REQUESTED:**

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input checked="" type="checkbox"/>	X	Resolution	<input type="checkbox"/>	Motion	<input type="checkbox"/>	Informational
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*X all that apply*

**ISSUE STATEMENT:**

The DSA/City Hall Remodel project is nearing completion as the remaining staff at temporary locations are moving back to City Hall this week. The total project costs are estimated to be \$8,959,000. The City has paid cash for the entire project out of existing resources from several different funds. Due to unanticipated changes and some unknown conditions, the project needs an additional \$291,000, above what was originally approved, in funding to complete known changes that have occurred during the project. Additionally, staff would like an additional \$35,000 in available funds to cover any remaining unanticipated costs as staff moves back into the building. Staff has identified funding sources for the \$336,000 (approximately 3.7% over the estimated and approved amount) needed to complete the project and has prepared a resolution for Council consideration to transfer funding to complete the project based on those recommendations.

**BACKGROUND:**

The projects costs reported above include all costs incurred on the project from design, construction, low voltage cabling, furniture, testing, temporary office rental, moving costs, and various fees. The project incurred unexpected costs during the project that were above the guaranteed maximum price (GMP) which was based on construction drawings and certain known conditions. Examples of major unanticipated costs: 1) tank removal cost more than budgeted due to additional tanks found on the site and soil remediation cost more than contracted allowance; 2) foundation depth and conditions of the neighboring buildings' foundations caused the foundation to have to be redesigned which delayed the project a few weeks; and 3) the replacement of the ducting system in City Hall was not included in the construction drawings and had to be added during the project.

As stated above, staff is requesting \$291,000 to complete known remaining costs and \$35,000 to pay for costs that could be incurred during move-in. Staff has identified the \$336,000 in funding sources to pay for these additional costs. Staff is proposing the following funding sources:

Funding Sources		
ARPA Capital Outlay from Other Projects	69,000.00	No Budget Adjustment Needed
ARPA GF Transfers Not Being Made 22-23		
Police Officer	105,000.00	Transfer Within ARPA Fund Needed
Mental Health Assistant	20,000.00	Transfer Within ARPA Fund Needed
Program Coordinator	67,000.00	Transfer Within ARPA Fund Needed
Funds From ARPA Fund	261,000.00	
Other Funds:		
Major Maintenance Fund	16,000.00	No Budget Adjustment Needed
CIP Excise Tax Fund	17,000.00	No Budget Adjustment Needed
Building Permits Fund	24,000.00	Move to Major Maint. Fund
Water Fund	12,000.00	Move to Major Maint. Fund
Sewer Fund	6,000.00	Move to Major Maint. Fund
	336,000.00	

The American Rescue Plan Act (ARPA) funds for the Police Officer, Mental Health Assistant, and the Program Coordinator that are being moved to the DSA/CH project are funds that were not used in the current fiscal year as the positions were not hired or, for the Program Coordinator position, were hired later in the fiscal year. These funds cannot be re-budgeted for these positions as there are ARPA funds already set aside to fund these positions until December 31, 2024, which is the deadline to use all ARPA funds.

**FISCAL IMPACT:**

The project cost more than originally budgeted due to the actual conditions that were encountered that were not known before the project started. The Funds that are providing the remaining funding can absorb the funds being used to finish the project. Some General Fund budgets will need to be reduced as transfers to the General Fund are being reduced and transfers between funds need to be balanced. There is no fiscal impact to any department in the General Fund as those costs were not actually incurred.

**STAFF RECOMMENDATION:**

Staff recommends the City Council approved the attached resolution.

**ATTACHMENTS:**

Resolution