

City Council Agenda Memo

From: Erick Rangel, Chief Financial Officer and Jackie Lanning,
City Engineer

Council Meeting: February 11, 2020

Subject: Introduction and First Reading on Ordinance 20-003, an
Ordinance Authorizing Supplemental Appropriation No. 2 to
the 2020 Budget. Second Reading: February 11, 2020.

Person(s) Responsible: Erick Rangel, Chief Financial Officer and Jackie Lanning,
City Engineer

Summary:

This ordinance will amend the 2020 Budget for the following changes:

- 1) Create the project account for the 20th Street South BUILD Project
- 2) To amend revenue line items for the 20th Street South BUILD Project
- 3) To amend expenditure line items for the 20th Street South BUILD Project.

Background:

The City of Brookings has been awarded a federal “Better Utilizing Investments to Leverage Development (BUILD)” Grant to construct 20th Street South between 22nd Avenue South and 34th Avenue South along with a new interchange at Interstate 29 and 20th Street South.

The budget for the project as outlined in the grant application is the following:

BUILD Grant:	\$18,677,630
City Share:	\$ 2,000,000
County Share:	\$ 2,000,000
Private Donor Share:	<u>\$ 669,407</u>
Total project cost:	\$23,347,037
(design and construction)	

The City will be responsible for the 20% match for the project, which will be split between the City/County and Private Donors. This budget is being created for the City, County and Private Donor share of the project.

Discussion:

The proposed budget amendment includes the figures from the project budget outlined in the Grant Application. The engineering design for the project includes Engineer's Cost Estimates at 30%, 60%, and 95% intervals to aid in budgeting. There will be future budget amendments to update the project amounts as the costs are refined.

Legal Consideration:

None.

Financial Consideration:

The revenue from the City, County, and Private Donors will fund the proposed expenditures for the 20% match for the project.

Following the current Governance & Ends Financial Stability Policy, the City's \$2,000,000 share will be first funded with restricted cash reserves for economic development. The current confirmed balance for restricted reserves for economic development is \$1,204,998; the remaining \$795,002 will be funded with unrestricted cash reserves.

If the City Council determines to use unrestricted reserves to fund the full \$2,000,000, Ordinance 20-003 can be amended to reflect this change for the second reading.

Options:

The City Council has the following options:

1. Approve as presented
2. Approve with recommended adjustments
3. Deny

Recommendation:

Staff recommends approval.

Action Requested:

Approval of the Ordinance to amend the 2020 Budget.

Supporting Documentation:

1. Ordinance
2. Map