

## City Council – Action Request Form

**Date:** November 29, 2017

**To:** The City Manager

**From:** Ben Rowe, Assistant City Manager

### Council Action Requested:

Amendments to the FY 2017-2018 Project Budget Ordinance to Appropriate Additional Funding for Select 2014 Bond Projects

**Strategic Focus Area:** Service Excellence

**Strategic Objective:** Maintain City's Financial Strength

**Strategic Plan Action Item:** No

**Key Work Item:** No



### Summary of Information:

In November 2014, voters approved \$139.2 million in authorized general obligation bonds to address some of the City's most critical unfunded capital needs, including economic development, housing, public safety facilities, recreation and parks, and streets and sidewalks. In March 2016, the City issued \$54.665 million of general obligation bonds that were authorized from the 2014 bond referendum. The bonds were sold at a premium of \$5.335 million because of the low interest rate environment. At that time, the Mayor and City Council appropriated an additional \$2.91 million for parks and recreation projects and \$750,000 for The Benton renovations project. The remaining balance of \$1.34 million was held as "capital contingency" to address potential cost increases or changes in scope to ensure the bond projects meet the community's needs. In June 2017, the City issued \$59 million in authorized 2014 general obligation bonds and sold them at a premium of \$5.97 million. In August, City staff provided information to the Finance Committee, detailing the use of the initial premium and potential options for using the additional premium. Members of the Finance Committee recommended retaining the premium to provide additional contingency, if needed, for the remaining larger bond projects to be bid out for construction. Those projects included Happy Hill Park, Hanes Park, Public Safety Center, Old Salem infrastructure, and Meadowlark Drive.

### Committee Action:

<b>Committee</b>	<u>Finance 12/11/17</u>	<b>Action</b>	<u>Approval</u>
<b>For</b>	<u>Unanimous</u>	<b>Against</b>	<u></u>

**Remarks:**

Since that meeting, City staff have received updated cost estimates from project architects and engineers. Attachment A provides information about the current project scope, status, change in cost, proposed scope adjustments, and schedule for select 2014 bond projects. Attachment B notes the amount of the amendments and the reasons for the increased budgets.

The attached amendment to the FY 2017-2018 project budget ordinance appropriates the \$5.97 million in bond premium proceeds and \$247,000 in capital project reserves and transfers \$828,000 from the Beaty Phase II project, for a net increase of \$6.217 million. Staff will structure bids with add-alternates to ensure construction bids stay within the revised budgets noted in Attachment B.

**Attachment A**  
**Information about Select 2014 Bond Projects**

<b>Project</b>	<b>Current Scope</b>	<b>Current Status</b>	<b>Change in Cost</b>	<b>Possible Value Engineering</b>	<b>Project Time Line</b>
Public Safety Center Renovations	- Replace HVAC system and plumbing	- Design complete	\$1,155,000	- Delete re-caulking of exterior concrete panels and windows - Delete refurbishment of elevator - Delete expansion of communications center - Delete site lighting	- Bid for construction in early 2018 - Award bid in April 2018 - 18 months for construction - Late 2019 completion
Meadowlark Drive Widening	- Expand to three lanes, adding one lane - Multi-use path	- Under design - Acquire property beginning in January	\$2,005,000	- Rescale project as an add-alternate	- Bid for construction in mid-2018 - Two years for construction
Happy Hill Park Improvements	- Convert pool to sprayground - Event/picnic venue - Two soccer fields - Rebuild basketball court - Site work for shotgun houses	- Design to be completed by end of December	\$500,000	- Eliminate a soccer field - Change in materials	- Bid for construction in March - One year for construction
Miller Park Improvements	- Rehabilitation and resurfacing of walking paths - Replace four foot bridges - Construct pre-fabricated restroom for pétanque area	- Design complete - Bids received - Contract award to Mayor and Council in January	\$500,000	- Lower cost materials - Delete installation of conduit for future lighting	- 9 months for construction - Early 2019 completion
Hanes Park Improvements	- Redo walking paths (e.g. re-route and new surface material) - New seating walls for tennis courts - Rebuild parking lot	- Design complete	\$500,000	- Bid overlook at Glade Street, near creek, as an add-alternate	- Bid for construction in early 2018 - 9 months for construction - Early 2019 completion

Project	Current Scope	Current Status	Change in Cost	Possible Value Engineering	Project Time Line
	<ul style="list-style-type: none"> <li>- Construct retaining/safety walls adjacent to YMCA</li> <li>- New softball field with dugouts</li> </ul>				
Old Salem Infrastructure	<ul style="list-style-type: none"> <li>- Remove existing trees in poor condition</li> <li>- Install tree pits with structural soil and drains</li> <li>- Replace street trees</li> <li>- Install new sidewalk material to remove trip hazards</li> <li>- Replace granite curb in damaged areas and intersections</li> <li>- New sidewalk along Bank Street</li> <li>- Install underground conduit for future street lighting upgrades</li> <li>- Archaeological services</li> </ul>	<ul style="list-style-type: none"> <li>- Design complete</li> <li>- Bids received</li> <li>- Contract award to Mayor and Council in January</li> </ul>	\$2,000,000	<ul style="list-style-type: none"> <li>- Minimum project elements to be identified for value engineering</li> </ul>	<ul style="list-style-type: none"> <li>- 19 months for construction plus two months of shutdown time during special events</li> </ul>
North Ward Park	<ul style="list-style-type: none"> <li>- ADA accessible playground and park</li> <li>- Sprayground</li> <li>- Picnic shelter</li> <li>- Restroom</li> <li>- Parking lot off of Bethabara Rd.</li> </ul>	<ul style="list-style-type: none"> <li>- Design complete</li> <li>- Issued invitation to bid</li> </ul>	\$250,000	<ul style="list-style-type: none"> <li>- Bid dog park as an add-alternate</li> </ul>	<ul style="list-style-type: none"> <li>- Award bid in February 2018</li> <li>- One year for construction</li> <li>- Spring 2019 completion</li> </ul>
Parkland Pool Improvements	<ul style="list-style-type: none"> <li>- Rebuild pool deck</li> <li>- New sprayground</li> <li>- Install diving board</li> </ul>	<ul style="list-style-type: none"> <li>- Design complete</li> <li>- Awarded construction contract in October</li> </ul>	\$50,000	<ul style="list-style-type: none"> <li>- Reduced deck space</li> <li>- Reuse existing fencing</li> <li>- Eliminated a seat wall</li> </ul>	<ul style="list-style-type: none"> <li>- Six months for construction</li> <li>- Open for 2019 pool season</li> </ul>
Second Street Park	<ul style="list-style-type: none"> <li>- Walking paths</li> <li>- Picnic tables</li> </ul>	<ul style="list-style-type: none"> <li>- Design complete</li> <li>- Bids received</li> </ul>	\$50,000	<ul style="list-style-type: none"> <li>- None</li> <li>- Add-alternate for</li> </ul>	<ul style="list-style-type: none"> <li>- 6 months for construction</li> </ul>

Project	Current Scope	Current Status	Change in Cost	Possible Value Engineering	Project Time Line
	<ul style="list-style-type: none"> <li>- Vegetative features</li> <li>- Pergola</li> </ul>	<ul style="list-style-type: none"> <li>- Contract award to Mayor and Council in January</li> </ul>		pergola included	<ul style="list-style-type: none"> <li>- Fall 2018 completion</li> </ul>
West Ward Pocket Park	<ul style="list-style-type: none"> <li>- Low fencing around traffic circle island</li> <li>- Installation of specimen tree</li> <li>- Bench around tree</li> </ul>	<ul style="list-style-type: none"> <li>- Design complete</li> </ul>	\$35,000	<ul style="list-style-type: none"> <li>- None</li> </ul>	<ul style="list-style-type: none"> <li>- Bid for construction in January</li> <li>- 4 months for construction</li> <li>- Fall 2018 completion</li> </ul>

**Attachment B**  
**Proposed Budget Adjustments to Select 2014 Bond Projects**

<b>Project</b>	<b>Current Budget</b>	<b>Remaining Balance</b>	<b>Const. Bid or Est.</b>	<b>Proposed Amendment</b>	<b>Proposed Deducts</b>	<b>Revised Budget</b>	<b>Reasons for Adjustment</b>
Public Safety Center Renovations	\$10,000,000	\$8,845,000	\$10,000,000	\$1,155,000 <del>(828,000)</del> 327,000	TBD	\$11,155,000	Increase based on architect estimate; utilize \$828,000 in savings from Beaty Phase II project
Meadowlark Drive Widening	5,600,000	4,775,000	6,780,000	2,005,000	TBD	7,605,000	Budget includes right-of-way acquisition
Happy Hill Park Improvements	4,000,000	3,400,000	TBD	500,000	TBD	4,500,000	Increase based on city estimate
Miller Park Improvements	2,000,000	1,200,000	1,730,000	500,000	-30,000	2,500,000	Increase based on low bid; use lower cost materials to value bid
Hanes Park Improvements	1,750,000	1,390,000	1,890,000	500,000	TBD	2,250,000	Increase project contingency; overlook will be an add-alternate
Old Salem Infrastructure	1,255,600	800,000	3,012,000	2,000,000	-212,000	3,255,600	Increase based on low bid; minimum project elements to be identified for value engineering
North Ward Park	978,000	767,000	1,000,000	250,000	TBD	1,228,000	Increase based on architect estimate; dog park will be an add-alternate
Parkland Pool Improvements	737,250	670,000	828,500	50,000	-108,500	787,250	Increase needed to accommodate diving board and other features
Second Street Park	296,500	247,000	280,000	50,000	0	346,500	Increase based on low bid
West Ward Pocket Park	0	0	35,000	35,000	0	35,000	Neighborhood request
<b>Total</b>	<b>\$26,617,350</b>			<b>\$6,217,000</b>		<b>\$33,662,350</b>	