



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of February 26, 2013  
Second Reading Ordinance for the City Council Meeting of March 19, 2013

**DATE:** February 8, 2013  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Floyd Simpson, Chief of Police  
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886-2604

Ordinance authorizing a loan from the General Fund to the Police Facilities CIP Fund for the Police Public Safety Warehouse and amending the CIP budget

### **CAPTION:**

Advancing \$1,000,000 in cash from the No. 1020 General Fund and appropriating it in the No. 3350 Public Health & Safety Fund as a loan to fund the Police Public Safety Warehouse Project No. 140252; loan to be repaid from the No. 1061 Law Enforcement Trust Fund in the amount of \$250,000 per year for four years at a simple interest rate of 4% annually; and amending the FY2012-2013 Capital Improvement Budget adopted by Ordinance No. 029565 to increase expenditures by \$1,000,000.

### **PURPOSE:**

Additional funding is required to build out the second floor of the Public Safety Warehouse.

### **BACKGROUND AND FINDINGS:**

As presented to Council in January, 2012, \$500,000 was appropriated for a separate Public Safety Warehouse Building project for the Police Department. This building was for the Organized Crime Unit in an effort to move out of leased office space. At this point the second floor was a "shell" with future plans to build out for the Saratoga substation whose lease expires February 2014. Funding for the proposed build out would come from the Law Enforcement Trust Fund (seized drug monies).

The Law Enforcement Trust Fund receives over \$250,000 in seized drug monies annually, and we are anticipating this to increase over the next few years. Therefore within four years, we will have received over \$1,000,000 in this fund to pay for this project. The cash needs for this project, however, are current needs, and in order to allow this project to proceed as scheduled, the ordinance authorizes the General Fund to loan cash to the Public Health and Safety Fund (i.e., the construction fund) to fund this project. This loan will neither impact the fund balance of the General Fund nor will it decrease any current year appropriations in the General Fund. Over the next four years as the Law Enforcement Trust Fund receives revenue, the loan will be repaid by transferring \$250,000 annually from the Law Enforcement Trust Fund to the construction fund, and then the construction fund will then send the cash to the General Fund to repay the loan. In the unlikely event that sufficient funds are not received by the Law Enforcement Trust Fund to pay this loan, then other means to pay the loan will need to be

utilized such as use of General Fund appropriations from the Police Department's operating budget or the uncommitted fund balance in the General Fund.

With the numerous delays in the building of the Public Safety Warehouse, we are now encroaching on the expiration of the Saratoga lease. It will be much less expensive to build out the second shell at this time rather than waiting until the entire building is completed. The architect for the project was approved by City Council on 1/31/12. The plans for the full project are completed and Engineering is ready to advertise for bids.

Some of the requirements for building out the second shell that have added to the cost are:

1. Elevator
2. Additional Parking and concrete paving – the building requires at least 70 parking spaces. This includes unmarked vehicles from the Organized Crime Unit, marked police vehicles for each shift, space for officers' personal vehicles, and space for the Prisoner Transport Vehicles.
3. Fencing and rolling gates
4. Radio Tower

The timeline associated with the Bond 2008 Public Safety Warehouse project:

- November 2008 – voters approved Bond 2008 proposition for the Public Safety Warehouse for Police/Fire at \$1,750,000.
- August 2009 – meetings began to develop Police warehouse plans.
- March 2010 – RFP released to real estate brokers indicating need for warehouse facility or suitable land to construct one.
- June 22, 2010 – City Council approves purchase of property located at 1501 Holly Road for use by the Fire Department.
- August 31, 2010 – City Council approves purchase of 4,816 sf warehouse located at 1302 Saratoga in the amount of \$593,000 to serve as Police warehouse
- September 19, 2010 – warehouse is flooded in Las Colonias flood. Contract clause stated City “shall have thirty (30) days from the effective date of the contract, in the Buyers sole discretion, to cancel this Contract and receive a refund of the Earnest Money in the event that Buyer finds the Property to be unacceptable for any reason.” Due to the heavy rains during this period and the subsequent flood damage to the building, the City exercised this privilege within the thirty days and canceled the contract with the seller.
- August 2011 - Fire warehouse/project completed (Phase 1). A little over \$500,000 was left for the Police warehouse.
- January 31, 2012 - City Council appropriated an additional \$500,000 for a “separate Public Safety Warehouse Building project for the Police Department.” And changing the Capital Budget. At this point the second floor was a “shell.”
- January 31, 2012 – City Council approves contract in the amount of \$147,141 to LaMarr Womack and Associates for design of the warehouse and offices with a 2<sup>nd</sup> floor “shell”.
- July 20, 2012 – Dan Biles authorizes a contract amendment to LaMarr Womack for the second floor build out at a restated fee of \$188,241.
- July 24, 2012 – City Council adopts FY13 CIP which provides for a second floor “shell.”

**ALTERNATIVES:** None

**OTHER CONSIDERATIONS:** None

**CONFORMITY TO CITY POLICY:** Conforms to all city policies.

**EMERGENCY / NON-EMERGENCY:** Non-emergency

**DEPARTMENTAL CLEARANCES:**

Engineering  
Finance  
OMB

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2012-2013</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item		\$1,000,000		\$1,000,000
BALANCE		\$1,000,000		\$1,000,000

Fund(s): General

**Comments:**

**RECOMMENDATION:** Staff recommends approval.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance