



AGENDA MEMORANDUM

First Reading for the City Council Meeting of December 4, 2018
Second Reading for the City Council Meeting of December 11, 2018

DATE: November 21, 2018

TO: Keith Selman, Interim City Manager

FROM: Eddie Houlihan, Director of Management and Budget
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Appropriation of General Fund unreserved fund balance for repairs at the Museum of Science and History

CAPTION:

Ordinance appropriating \$335,000 from the General Fund unreserved fund balance for the Museum of Science and History repairs; and amending the Operating Budget by increasing expenditures by \$335,000.

PURPOSE:

To appropriate funds for mold remediation and roof drainage repairs at the Museum of Science and History.

BACKGROUND AND FINDINGS:

On October 11, 2017 a memo was approved declaring an emergency and requesting authorization to make mold remediation and roof drainage repairs at the Museum of Science and History. At that time, the repairs were not expected to exceed \$350,000 but, due to the uncertain scope of the required remediation work, the contract was based on actual time and materials utilized. The final negotiated amount for the mold remediation and repair work was \$607,366.25.

The City received \$639,762.39 in insurance proceeds for losses due to water damage. \$218,299 of the insurance proceeds were used to replace damaged storage cabinets and the remaining \$421,463.39 in insurance proceeds fell to the fund balance. This ordinance appropriates \$335,000 of those proceeds from fund balance in order to make the final settlement with the remediation contractor.

At the time of the emergency declaration memo in October 2017 the City anticipated a net cost of \$250,000 (\$350,000 in repairs less \$100,000 in insurance proceeds) for the project. At the conclusion of the project the net costs ended up at \$185,902.86 (\$825,665.25 in repairs less \$639,762.39 in insurance proceeds).

ALTERNATIVES:

None.

OTHER CONSIDERATIONS:

None.

CONFORMITY TO CITY POLICY:

Conforms to City Policies

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Finance

Engineering

FINANCIAL IMPACT:

☒ Operating

☐ Revenue

☐ Capital

☐ Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$0	\$0	\$0
Encumbered / Expended Amount	\$0	\$0	\$0
This item	\$335,000.00	\$0	\$335,000.00
BALANCE	\$335,000.00		\$335,000.00

RECOMMENDATION:

Staff recommends appropriating the funds for repairs.

LIST OF SUPPORTING DOCUMENTS:

Ordinance