



Legislation Details (With Text)

File #: ID16-614 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 5/18/2016 **In control:** City Council

On agenda: 6/9/2016 **Final action:** 6/9/2016

Title: ***RESOLUTION - 51st amendment to the Annual Appropriation Resolution (AAR) No. 2015-104 to re-allocate \$813,500 in existing appropriations from the Indirect Costs Recovery Fund to Operating Funds in the Public Works Department (Requires five affirmative votes).

Sponsors: Public Works Department

Indexes:

Code sections:

Attachments: 1. 16 51st ICR. SRM.pdf

Date	Ver.	Action By	Action	Result
6/9/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

June 09, 2016

FROM: SCOTT L. MOZIER, PE, Director
Public Works Department

BY: FABIOLA LOPEZ, Business Manager
Public Works Department, Administration Division

SUBJECT

***RESOLUTION - 51st amendment to the Annual Appropriation Resolution (AAR) No. 2015-104 to re-allocate \$813,500 in existing appropriations from the Indirect Costs Recovery Fund to Operating Funds in the Public Works Department (Requires five affirmative votes)

RECOMMENDATIONS

Staff recommends that the City Council take the following actions:

1. Adopt the 51st Amendment to the Annual Appropriation Resolution (AAR) No. 2015-104 to re-allocate \$813,500 in existing appropriations from the Indirect Costs Recovery fund to Operating funds in the Public Works Department.

EXECUTIVE SUMMARY

Staff is recommending the Council to approve the re-allocation of \$813,500 in existing appropriations from the Indirect Costs Recovery fund to Operating funds. The re-allocation of appropriations is necessary to ensure the Public Works Indirect Costs Recovery fund properly represents the allowable costs per the approved Indirect Cost Rate Proposal for Fiscal Year (FY) 2015-16. Unallowable costs are to be borne by operating funds and pass through directly to applicable operating function and capital projects. The recommended action represents no overall change in the Department's total budget, but rather provides the necessary amount of appropriations for indirect and direct expenditures.

BACKGROUND

During Fiscal Year 2015-16, the City submitted its Fiscal Year (FY) 2013-14 Central Service Costs Allocation Plan (CSCAP) and Indirect Cost Rate Proposal (ICRP) to the U.S. Department of Transportation (DOT) Federal Transit Administration (FTA) for approval. The purpose of the submission was to allow the City to seek reimbursement of indirect costs on grant-funded projects and programs. This was the first submission by the City to the FTA. The ICRP submission proposed indirect costs rates for fifteen (15) departments and divisions including Public Works based on FY 2013-14 actual expenditures. The final review of the City of Fresno's FY2013-14 CSCAP and ICRP submission indicated that the Grantee's overall methodology was in substantial compliance. The review also identified unallowable costs in the central service indirect cost pool that should be excluded from costs allocated to the department.

The adopted City FY 2015-16 budget assumed that the ICRP, as submitted, would be approved by the DOT. A budget amendment is necessary at this time in order to be consistent with the final DOT determination of eligible indirect cost recovery rates. Staff seeks the re-allocation of existing appropriations related to unallowable costs included in Indirect Costs Recovery Fund to the Operating Fund. The re-allocation of appropriations is necessary to ensure the Public Works Indirect Costs Recovery Fund properly represent the allowable costs per approved Indirect Cost Rate Proposal for FY 2015-16. Disallowable costs must be borne by operating funds and pass through directly to applicable operating function and/or capital project (s).

Funds are available in the operating program funds for these appropriations. Staff recommends adoption of the 51st amendment to the Annual Appropriation Resolution No. 2015-104 re-allocating \$813,500 in existing appropriations from the Indirect Costs Recovery Fund to operating funds within the Department.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 developer reimbursements does not qualify as a project and is therefore exempt from the California Environmental Quality Act requirements.

LOCAL PREFERENCE

Local preference is not impacted due to the fact that this item does not involve public contracting.

FISCAL IMPACT

Approval of the attached amendment will have no impact to the General Fund. Re-allocation of current appropriations will be covered by available monies in the respective local funds.

Attachment:
Resolution - AAR