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Title: ***RESOLUTION - Adopting the 30th Amendment to the Annual Appropriations Resolution (AAR) No. 2023-185 appropriating \$2,200,000 for the Capital Projects Department operating budget to allocate funding for the remaining fiscal year operating expenditures (Requires 5 Affirmative Votes) (Subject to Mayor's Veto).

Sponsors: Capital Projects Department

Indexes:

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Attachments: 1. 30th Amendment to the AAR No. 2023-185

Date	Ver.	Action By	Action	Result
12/14/2023	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: RANDALL W. MORRISON, PE, Director
Capital Projects Department

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SUBJECT

***RESOLUTION - Adopting the 30th Amendment to the Annual Appropriations Resolution (AAR) No. 2023-185 appropriating \$2,200,000 for the Capital Projects Department operating budget to allocate funding for the remaining fiscal year operating expenditures (Requires 5 Affirmative Votes) (Subject to Mayor's Veto).

RECOMMENDATION

Staff recommends City Council adopt the 30th Amendment to the Annual Appropriations Resolution (AAR) No. 2023-185 appropriating \$2,200,000 for the Capital Projects Department operating budget.

EXECUTIVE SUMMARY

The newly formed Capital Projects Department was created to improve the support to the City's Capital Program through streamlining the delivery of capital infrastructure projects for several City Departments. On July 20, 2023, City Council approved the creation of the new department, as well as the adoption of the 6th Amendment to the AAR No. 2023-185, which appropriated the \$50,000,000 received from the State of California for the Downtown Fresno Public Infrastructure Improvement Projects and established the Capital Projects Department initial budget. Of the \$50,000,000 received

from the State, only \$500,000 was appropriated in the Capital Projects Department's initial budget to assist with launching the new department and funding the 46 new positions. The AAR also transferred appropriations of \$4,492,800 from the Department of Public Works and \$1,867,900 from the Department of Public Utilities into the new Capital Projects Department. The funds transferred from Public Works and Public Utilities were existing appropriations related to the existing positions that transferred to the Capital Projects Department. The Capital Projects Department is rapidly filling the new and existing capital positions in order to reach full capacity for the capital project workload. As the department is growing and evolving, additional costs have been identified that will require an increase of appropriations to the initial budget. Adoption of the 30th Amendment to AAR No. 2023-185 will provide the necessary appropriations to support the growth of the new department.

BACKGROUND

The Capital Projects Department serves other City departments such as Public Works, Public Utilities, Police, Fire, and PARCS to deliver the departments' capital programs. The Capital Projects Department is actively managing hundreds of capital projects through the design, environmental, right-of-way, and construction phases for citywide parks, public safety facilities, street infrastructure, active transportation, wastewater, and water systems.

As approved by the Council on July 20, 2023, the Capital Projects Department added 46 new positions, and transferred 74 positions from the Department of Public Works and 20 positions from the Department of Public Utilities for a total of 140 positions to address a significant increase in the City's capital project workload. In addition to the creation of the new department and the addition of staff, Council adopted the 6th Amendment to the AAR No. 2023-185, which appropriated the \$50,000,000 received from the State of California for the Downtown Fresno Public Infrastructure Improvement Projects and established the Capital Projects Department initial budget. Of the \$50,000,000 received from the State, only \$500,000 was appropriated in the Capital Projects Department's initial budget to assist with launching the new department and funding the 46 new positions. The AAR also transferred appropriations of \$4,492,800 from the Department of Public Works and \$1,867,900 from the Department of Public Utilities into the new Capital Projects Department. The funds transferred from Public Works and Public Utilities were existing appropriations related to the existing positions that transferred to the Capital Projects Department. The Capital Projects Department is rapidly filling the new and existing capital positions in order to reach full capacity for the capital project workload. As the department is growing and evolving, additional costs have been identified that will require an increase of appropriations to the initial budget. Adoption of the 30th Amendment to AAR No. 2023-185 will provide the necessary appropriations to support the growth of the new department.

Based on a review of the Capital Projects Department budget, a number of line items require an increase to meet the planned expenditures for the fiscal year. Some highlights of the proposed AAR are:

- Increase Salaries and Fringe by \$1,021,800 to cover new position salaries and fringe, conversions of primarily capital funded positions into Indirect fully funded administrative positions, and to cover the increase in salaries for job classifications of Licensed Professional Engineer, Licensed Engineer Manager, and Chief Surveyor.
- Increase Software Costs by \$180,200 to purchase and implement a Project Management and Construction Management Software package to assist with modernizing and simplifying current project management processes in order to streamline project delivery.

- Increase Space Rentals appropriations by \$384,800 to cover the lease cost for 6 months of the new building under contract at 747 R Street, needed to house Capital Projects Department Staff of 140 employees. The increase includes CAM cost (Common Area Maintenance), which covers Utilities expense as well.
- Increase appropriations for computer and phone equipment by \$243,400 for the initial one-time position expenses for all of the new positions and several existing vacant positions.
- Increase Information Services Systems Service Charge appropriations by \$179,200 for the Information Services Department to purchase and install all necessary equipment for new office at 747 R Street, including badge readers for security, and to connect network to City Hall for necessary functionality of department.

The recommended resolution would amend the appropriations within the identified operating programs to allow for the department's development and growth this fiscal year. Detailed adjustments are in the Amendment to the Annual Appropriation Resolution attached.

ENVIRONMENTAL FINDINGS

This is not a project pursuant to CEQA guidelines Section 15378.

LOCAL PREFERENCE

Local preference is not applicable to this item.

FISCAL IMPACT

Adoption of the 30th Amendment to AAR No. 2023-185 will provide the necessary appropriations for the Capital Projects Department to operate and expand in order to meet the capital project workload demand, with no impact to the General Fund. Funding provided by the State Downtown Infrastructure Grant will be reappropriated to complete the request.

Attachment: 30th Amendment to the AAR No. 2023-185