



Legislation Details (With Text)

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On agenda:	6/1/2020	Final action:	
Title:	Approve the Infrastructure Fund Annual Report for Fiscal Year 2018-19		
Attachments:	1. Att#1 Infrastructure Fund Annual Report		

Date	Ver.	Action By	Action	Result
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REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Tom Herbel PE, Acting Director of Public Works

Subject:

Approve the Infrastructure Fund Annual Report for Fiscal Year 2018-19

Statement of Issue:

The City Charter requires an annual review and performance audit of the Infrastructure Fund, and a report of the findings to the City Council prior to adoption of the following fiscal year (FY) budget. This review covers FY 2018-19.

Financial Impact:

Not applicable.

Recommended Action:

Approve the Infrastructure Fund Annual Report for Fiscal Year 2018-19.

Alternative Action(s):

Instruct staff to make revisions and resubmit at a later date.

Analysis:

The Infrastructure Fund was established in 2002 by City Charter Section 617(c), which states, "the City Council shall by ordinance establish a Citizens Infrastructure Advisory Board (CIAB) to conduct an annual review and performance audit of the Infrastructure Fund and report its findings to the City

Council prior to adoption of the following fiscal year budget.”

Per the City Charter, the Infrastructure Fund is designated for the sole purpose of infrastructure expenditures. Infrastructure is defined in the Charter as “long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years. They include storm drains, storm water pump stations, alleys, streets, highways, curbs and gutters, sidewalks, bridges, street trees, landscaped medians, parks, beach facilities, playgrounds, traffic signals, streetlights, block walls along arterial highways, and all public buildings and public ways.” Infrastructure expenditures are defined as “direct costs related to infrastructure improvements or maintenance, including construction, design, engineering, project management, inspection, contract administration and property acquisition.”

The single substantial revenue source to the fund is General Fund excess fund balance per the Financial Policy adopted in FY 2006-07 and revised in FY 2009-10. The policy states that the General Fund unassigned fund balance will be allocated 50% to the Economic Uncertainties Reserve, 25% to the Infrastructure Fund, and 25% to the Capital Improvement Reserve.

Beginning in FY 2017-18, Capital Improvement Program (CIP) projects previously budgeted in the General Fund were instead budgeted in the Infrastructure Fund, with an accompanying General Fund transfer. Transfers in FY 2018-19 totaled \$5,258,000 to fund infrastructure improvements. Interest and market adjustments totaled \$294,970. Other revenue included a maintenance agreement reimbursement and sales of plans and specifications totaling \$10,186. Total revenue was \$5,563,156. Expenditures for the year totaled \$4,596,896. The fund balance at fiscal year’s end (June 30, 2019) was \$10,112,859.

Citizens Infrastructure Advisory Board Action:

The Infrastructure Fund Annual Report was approved at the May 14, 2020, meeting of the Citizens Infrastructure Advisory Board by a vote of 6-0 (one seat on the Board is currently vacant).

Environmental Status:

Not applicable.

Strategic Plan Goal:

Enhance and maintain infrastructure

Attachment(s):

1. Infrastructure Fund Annual Report FY 2018-19