



Legislation Details (With Text)

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On agenda: 6/7/2022 **Final action:** 6/7/2022
Title: Approve the Fiscal Year 2020-2021 Infrastructure Fund Annual Report.
Attachments: 1. Att #1 - Infrastructure Fund Annual Report 20-21

Date	Ver.	Action By	Action	Result
6/7/2022	1	City Council/Public Financing Authority	approved	Pass

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Sean Joyce, Interim City Manager

VIA: Sean Crumby, Director of Public Works

PREPARED BY: Ken Dills, Administrative Services Manager

Subject:

Approve the Fiscal Year 2020-2021 Infrastructure Fund Annual Report.

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 budget. This review addresses Fiscal Year (FY) 2020/21.

Financial Impact:

Not applicable.

Recommended Action:

Approve the Infrastructure Fund Annual Report for FY 2020/21.

Alternative Action(s):

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

Analysis:

The Infrastructure Fund was established in 2002 via City Charter Section 617(c), which states that "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.”

The revenue source for the fund is primarily General Fund transfers and excess fund balance per the City’s financial policy. The policy states the General Fund unassigned fund balance after allocation per the Unfunded Accrued Liability Pension Funding Policy will be allocated 50% to the Economic Uncertainties Reserve, 25% to the Infrastructure Fund, and 25% to the Capital Improvement Reserve.

Transfers in FY 2020-21 totaled \$9,400,000 to fund infrastructure improvements and maintenance. Interest and market adjustments totaled \$46,224. Other revenue included a maintenance agreement reimbursement of \$9,988. The fund also received a grant reimbursement of \$20,029 for the use of recycled asphalt on the FY 2018-19 Arterial Rehabilitation project. The remaining bond funds totaling \$16,664 from the Senior Center Project were transferred to the Infrastructure Fund. Total revenue was \$9,472,876. Expenditures for the year totaled \$4,565,771. The fund balance at year’s end (June 30, 2021) was \$17,064,423.

The City Charter designates the Infrastructure Fund 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.”

Citizens Infrastructure Advisory Board Action/Public Works Commission Action: The annual Infrastructure Fund Report was approved at the May 18, 2022 meeting of the Citizens Infrastructure Advisory Board/Public Works Commission by a vote of 7-0-4 (Tucker, Ferlita, Nguyen and Schlosser absent).

Environmental Status:

Not applicable

Strategic Plan Goal:

Infrastructure & Parks

Attachment(s):

1. Infrastructure Fund Annual Report for FY 2020-21