



Legislation Details (With Text)

File #: 20-0673 **Version:** 1 **Name:**
Type: Administrative Reports **Status:** Passed
File created: 7/23/2020 **In control:** City Council
On agenda: 8/5/2020 **Final action:** 8/5/2020
Title: City Council/Corona Housing Authority/Corona Utility Authority/Corona Public Financing Authority consideration to receive and file the Adopted Budget for Fiscal Year 2021, receive and file the Adopted Capital Improvement Plan for Fiscal Year 2021 to Fiscal Year 2025, approve Fiscal Year 2021 budget amendments, and approve purchase order increase for UtiliQuest LLC for Fiscal Years 2020 and 2021

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Report, 2. Adopted Budget FY2021, 3. Adopted Capital Improvement Plan FY 2021 to FY 2025, 4. Fourth Amendment Professional Services Agreement-Utiliquest LLC

Date	Ver.	Action By	Action	Result
8/5/2020	1	City Council	approved	Pass

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION
CORONA HOUSING AUTHORITY ACTION
CORONA UTILITY AUTHORITY ACTION
CORONA PUBLIC FINANCING AUTHORITY**

DATE: 08/05/2020

TO: Honorable Mayor/Chairman/President and City Council/Board Members

FROM: Administrative Services Department

SUBJECT:

City Council/Corona Housing Authority/Corona Utility Authority/Corona Public Financing Authority consideration to receive and file the Adopted Budget for Fiscal Year 2021, receive and file the Adopted Capital Improvement Plan for Fiscal Year 2021 to Fiscal Year 2025, approve Fiscal Year 2021 budget amendments, and approve purchase order increase for UtiliQuest LLC for Fiscal Years 2020 and 2021

RECOMMENDED ACTION:

That the:

- a. City Council receive and file the Adopted Budget for Fiscal Year 2021.
- b. City Council receive and file the Adopted Capital Improvement Plan for Fiscal Year 2021 to Fiscal Year 2025.
- c. City Council authorize continuing appropriations of \$320,634 (\$245,208 Fleet Services Fund 682, \$37,713 Water Utility Fund 570, and \$37,713 Water Reclamation Utility Fund 572) from Fiscal Year 2020 to Fiscal Year 2021 for replacement of vehicles not completed by June 30, 2020.
- d. City Council authorize an appropriation of \$58,360 from the Water Utility Fund 570 to the Capital Improvement Project (CIP) titled Desalter Membrane Replacements, CIP 7506.
- e. City Council approve a purchase order increase and contract amendment with Utiliquest LLC in the amount of \$40,000 for Fiscal Years 2020 and 2021.
- f. Corona Housing Authority, Corona Utility Authority, and Corona Public Financing Authority review, ratify, and to the extent necessary, direct that the City Council take the above actions.

ANALYSIS:

The budget for Fiscal Year (FY) 2021 was reviewed and discussed at budget workshops held on May 12, 2020 and May 26, 2020. The City Council approved the budget on June 17, 2020. At the same meeting, the Action Plan for the Community Development Block Grant and HOME Investment Partnership programs was approved. The changes for those programs have been incorporated into the adopted budget.

FY 2021 Budget	Proposed*	Adopted*	Difference*
Revenues	\$ 347,994,774	\$ 349,050,774	\$ 1,056,000
Approved 6/17/20 - Reclaimed Water Utility Fund 567 Reclaimed Water Sales			\$ 1,056,000
Expenditures	\$ 340,812,960	\$ 343,229,806	\$ 2,416,846
Approved 6/17/20 - General Fund 110 Cannabis CEQA			\$ 47,303
Approved 6/17/20 - CDBG Fund 431 Action Plan			757,674
Approved 6/17/20 - HOME Fund 432 Action Plan			555,869
Approved 6/17/20 - Water Utility Fund 570 Reclaimed Water Purchases			1,056,000
Total Expenditures Change			\$ 2,416,846

**Excludes Duplicate Debt Service Fund 391*

Continuing Appropriations for vehicle replacements

Each budget cycle, the Maintenance Service Department (MSD) analyzes the current City fleet and

proposes vehicles for replacement that have met the criteria described in Administrative Policy No 09100.508. In the Fiscal Year (FY) 2020 budget process, 45 vehicles were approved to be replaced with leased vehicles from Enterprise Fleet Management. Of the 45 vehicles, 38 were motor pool vehicles and 7 were Department of Water and Power (DWP) vehicles. Down payments for the 38 motor pool vehicles were appropriated in the Maintenance Services' Operating Budget in the amount of \$425,613 in the Fleet Operations Fund. Down payments for the 7 DWP vehicles were appropriated 50% in the Water Utility Fund in the amount of \$37,713, and 50% in the Water Reclamation Utility Fund in the amount of \$37,713.

Unfortunately, several factors delayed the replacement process in FY 2020. Multiple quotes came in higher than anticipated, which required staff to revise the requests and resubmit several times. COVID-19 also imposed additional demands on staff time, causing delays in the process. As of June 30, 2020, 20 of the motor pool vehicles and 7 of the DWP vehicles have not been completed for replacement. This resulted in a remaining available balance of \$320,634 in vehicle replacement budget, including \$245,208 in the Fleet Operations Operating Budget, \$37,713 in the Water Utility Operating Budget, and \$37,713 in the Water Reclamation Utility Operating Budget. MSD and DWP request City Council and Corona Utility Authority authorization of the continuing appropriations for the down payments of approved FY 2020 vehicle replacements.

Budget Correction - Desalter Membrane Replacements Capital Improvement Project

The Department of Water and Power (DWP) has an ongoing capital improvement project (CIP) titled Desalter Membrane Replacements. Funding was included in the FY 2021 CIP budget for this program; however, the requested amounts were inadvertently applied to the wrong fiscal years.

This year, the Department is planning to exchange the membranes in train four at the Temescal Desalter. The cost of the membranes for train four based on the Notice Inviting Bids No. 20-057WY awarded by City Council on June 17, 2020 is \$197,397.48. In addition to the membranes, the funds in this CIP are used to replace seals, connectors, endcaps and other miscellaneous items. The total needed for Fiscal Year 2021 is \$218,360.

The funding request for FY 2021 of \$160,000 is not adequate to complete the changeout of train four. DWP would like to correct this by requesting an increase of \$58,360 to CIP #7506 Desalter Membrane Replacements from the Water Utility Fund 570 fund balance in FY 2021, and an offsetting decrease of \$58,360 to the same CIP project in FY 2022.

UtiliQuest LLC - Increase purchase order and contract amendment in the amount of \$40,000 (revised total \$240,000) for Fiscal Years 2020 and 2021

California Government Code 4216 requires the protection of underground infrastructure with the delineation of the location or path of the proposed excavation work. UtiliQuest LLC is a nationally recognized vendor that provides the underground markings for all City-owned utilities. If the City receives a dig alert request for any project within the City's jurisdiction/service area, then the City must respond to mark the utility lines. By law, the City has 48 hours after the day the dig alert is requested to mark the utility lines. If the utility lines are not identified and a contractor proceeds with the work and the City's utility lines are hit, then the City is responsible for the cost and any lost work as a result.

On March 4, 2020, City Council authorized to increase the purchase order for UtiliQuest LLC by \$100,000, to a revised total of \$200,000 for City-owned underground utilities marking. Council also authorized staff to extend the term of the purchase order through June 30, 2021. It is difficult to estimate the exact number of dig alerts during a fiscal year. Dig alerts are contingent upon work done for public projects, private contractors, or other utilities such as AT&T, SoCal Gas, Verizon etc.

There has been a significant increase in dig alerts requests and staff is requesting authorization to increase the purchase order for UtiliQuest LLC by \$40,000 bringing the revised total to \$240,000 for Fiscal Year 2020. Staff is also requesting authorization to increase the purchase order for Fiscal Year 2021 by \$40,000 bringing the revised total to \$240,000.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This item supports the City’s Strategic Plan Goal 6: Improve Communications with our Community; Objective a: Commit to transparency in all City actions. The proposed budget schedules approved by the City Council on June 17, 2020 as well as additional items approved at the same meeting have been included in the adopted budget.

FISCAL IMPACT:

Approval of recommended actions a, b, e, and f will not have a fiscal impact. Approval of recommended action e, to increase the purchase order and amend the contract for Utiliquest LLC, will be funded with the existing operating budget in Fiscal Years 2020 and 2021.

Approval of recommended action c will not have an additional fiscal impact as the funds were already appropriated in FY 2020 and assumed to be expended by June 30, 2020 when determining the available fund balance for FY 2021 activities. The funding will be rolled forward to FY 2021 as continuing appropriations.

Fund	FY2020 Approved Vehicle Replacement Down Payment Budget	Balance, Recommended Continuing Appropriation	# of Vehicles Remaining for Replacement
Fleet Operations Fund 682	\$425,613	\$245,208	20
Water Utility Fund 570	\$37,713	\$37,713	
Water Reclamation Utility Fund 572	\$37,713	\$37,713	7

Approval of recommended action d will result in an appropriation of \$58,360 from the Water Utility Fund 570 to CIP #7506 Desalter Membrane Replacements.

Fund	07/01/20 Est. Working Capital	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Working Capital Impacts	06/30/21 Est. Working Capital
Water Utility Fund 570 [Note 1]	\$9,640,877	\$58,938,149	(\$65,633,054)	Appropriation (\$58,360)	\$2,887,612

Note 1: Includes other Water Utility Fund 570 items on the 08/05/20 Agenda.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the action is not subject to CEQA.

PREPARED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: SCOTT BRIGGS, ACTING PURCHASING MANAGER

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Adopted Budget FY 2021
2. Adopted Capital Improvement Plan FY 2021 to FY 2025
3. Fourth amendment to Professional Services Agreement Utiliquest LLC