



Mayor Robert E. Simison

City Council Members:

Treg Bernt
Joe Borton
Luke Cavener

Brad Hoaglund
Jessica Perreault
Liz Strader

TO: Mayor Robert E. Simison
Members of the City Council

FROM: Brent Blake
Engineering Project Manager

DATE: 3/24/2022

SUBJECT: BUDGET AMENDMENT FOR FY 2022 IN THE AMOUNT OF \$275,650 FOR TEST WELL #34.

I. RECOMMENDED ACTION

A. Move to:

1. Approve the Well 34 Test Well Budget Amendment for \$275,650.
2. Authorize the Mayor to sign the amendment.

II. DEPARTMENT CONTACT PERSONS

Brent Blake, Engineering Project Manager	489-0340
Kyle Radek, Assistant City Engineer	489-0343
Warren Stewart, City Engineer	489-0350
Laurelei McVey, Director of Public Works	985-1259

III. DESCRIPTION

A. Background

A test well is the first step in the process of drilling a new well. It provides the City valuable information allowing them to identify and target the best quality groundwater and locate the depth to which the final production well will be drilled. This new well site is in pressure zone 1 in the Northwest area of Meridian.

B. Reason for Amendment

Bids for the construction phase of the test well were opened on February 28, 2022. The low bid exceeded the balance of the FY22 available funding. In order to award a contract for construction additional funds are needed. The primary reason for the shortfall is related to the current bidding environment. The rising cost of materials, equipment, and fuel, has also contributed to higher than anticipated costs.

IV. IMPACT

A. Strategic Impact:

This project meets our mission requirements to identify and prioritize work to anticipate, plan, and provide public services and facilities that support the needs of our growing community and ensure modern reliable facilities while maintaining financial stewardship.

B. Fiscal Impact

Current Funding Status	Accounting	Comments
FY22 Original Project Funding	\$ 500,000	
Existing Costs	\$ (127,600)	Test Well Design
Available Remaining Funding Balance	\$ 372,400	

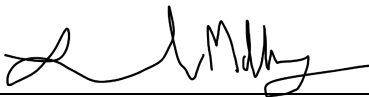
Additional Funding Needed	Cost	Comments
Pending Test Well Construction Bid	\$ 648,050	
Available Funding Balance	\$ (372,400)	
Total Shortfall	\$ 275,650	Proposed FY22 Budget Amendment Value

V. **ALTERNATIVES**

The City could choose not to approve the budget amendment and delay award of a construction contract to the next fiscal year. However, it is unlikely that a contractor would guarantee bid prices for 5 months, so the project would likely need to be bid again and prices could go up or down.

VI. **TIME CONSTRAINTS**

This project is currently planned for completion in fall of 2022. Choosing not to approve this request will result in delay of completion by at least 5 months.

Approved for Council Agenda: 

City of Meridian FY2022 Budget Amendment Form



Personnel Costs

Full Time Equivalent (FTE): _____

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	3490	41200	10634	Wages	
60	3490	41206	10634	PT/Seasonal Wages	
60	3490	41210	10634	Overtime	
60	3490	41304	10634	Uniform Allowance	
60	3490	42021	10634	FICA	\$ -
60	3490	42022	10634	PERSI	\$ -
60	3490	42023	10634	Worker's Comp	\$ -
60	3490	42025	10634	Employee Insurance	\$ -
Total Personnel Costs					\$ -

Please only complete the fields

Amendment Details

Title: Well 34 (Test Well)
 Department Name: Public Works
 Presenting Department Name: Public Works
 Department #: 3490
 Primary Funding Source: 60
 CIP#: _____
 Project #: 10634

Is this for an Emergency? Yes No
 New Level of Service? Yes No

Clerks Office Stamp

Date of Council Approval _____

Operating Expenditures

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	One-Time	On-Going	Total
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
60	3490		10634				\$ -
Total Operating Expenditures					\$ -	\$ -	\$ -

Capital Outlay

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	3490	96179	10634	Well #34	\$ 275,650
60	3490		10634		
60	3490		10634		
60	3490		10634		
60	3490		10634		
60	3490		10634		
Total Capital Outlay					\$ 275,650

Revenue/Donations

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	3490		10634		
60	3490		10634		
60	3490		10634		
Total Revenue/Donations					\$ -

Acknowledgement

Date

[Signature] 3/24/22
 Department Director

REVIEWED
 By Todd Lavoie at 11:45 am, Mar 25, 2022

BP 3/25/2022

Chief Financial Officer

Approved Jessica Perreault 9:14 a.m. 3/29/2022

Council Liaison

[Signature] 3-29-22
 Mayor

Total Amendment Request \$ 275,650

City of Meridian FY2022 Budget Amendment Form

Total Amendment Cost - Lifetime

	Prior Year(s) Funding	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Department Name: <u>Public Works</u>
Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	Title: <u>Well 34 (Test Well)</u> Instructions for Submitting Budget Amendments: > Department will send Amendment with Directors signature to Finance (Budget Analyst) for review > Finance will send Amendment to Council Liaison for signature > Council Liaison will send signed Amendment to Mayor > Mayor will send signed Amendment to Finance (Budget Analyst) > Finance (Budget Analyst) will send approved copy of Amendment to Department > Department will add copy of Amendment to Council Agenda using Novus Agenda Manager
Operating		\$ -	\$ -	\$ -	\$ -	\$ -	
Capital		\$ 275,650					
Total	\$ -	\$ 275,650	\$ -	\$ -	\$ -	\$ -	
Total Estimated Project Cost: \$ 275,650							

Evaluation Questions

Please answer all Evaluation Questions using the financial data referenced above.

1. Describe what is being requested?	\$275,650 is being requested to provide additional funding to award the low bid for the construction and completion of the Test Well 34 Construction phase of the overall Well 34 project. This project is currently in year one of a three year project. The design and bidding processes of the test well are currently complete. The current Enterprise Fund balance will support the addition of this funding to FY22.
2. Why was this budget request not submitted during the current fiscal year budget cycle?	The need for additional funding was not known at the time the 2022 budget request was made. The primary reason for the shortfall is related to the current bidding environment. Contractors have many opportunities with the rapid growth taking place, and don't have to compete as aggressively for new work. The rising cost of materials, equipment, steel, and labor has also contributed to higher than anticipated costs.
3. What is the explanation for not submitting this budget request during the next fiscal year budget cycle?	Waiting until the next fiscal year to provide funding for the project would delay project completion by at least 5 months. Additionally, it is unlikely that a contractor would guarantee bid prices for 5 months, so the project would likely need to be re-bid at a later date and bid amounts could go up.
4. Describe the proposed method of funding? If funding is split between Funds (i.e. General, Enterprise, Grant), please include the percentage split. List the amounts and sources of anticipated additional revenue that will result from approval of this request.	Enterprise Fund.
5. Does this request align with the Department/City's strategic plan? If not, please explain how this request was not included in the Department/City strategic plan?	Yes - Public Health and Safety.
6. Does this request require resources to be provided by other departments? If yes, please describe the necessary resources to be provided by other departments.	Yes - Purchasing for contract execution.
7. Does this Amendment include any needed Equipment or Software that will utilize the City's network? (Yes or No)	<input type="text" value="No"/>
8. Is the amendment going to result in the disposal of an asset? (Yes or No)	<input type="text" value="No"/>
9. Any additional comments?	

Total Amendment Request \$ 275,650

Every effort should be made to avoid reopening the budget for an amendment. Departments will need to provide back up and appear before the City Council to justify budget amendments. Budget amendments are intended for emergency or mandatory changes to the original balanced budget. Changes to the original balanced budget may cause a funding shortfall.