

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: CARL JOHNSON, CFO
JEFF HERCZEG, DIRECTOR DEPARTMENT OF PUBLIC WORKS
SUBJECT: PICKLEBALL PROJECTS BUDGET UPDATE
DATE: JUNE 27, 2024

The construction contract for two pickleball courts, one to be constructed at Meadowbrook Commons and the other at Wildlife Woods, was approved by City Council at their February 12, 2024, meeting. The motion was to award the construction contract to T&M Asphalt for \$1,116,150.75 and amended the budget for the same amount (only the amount of the construction contract). Both projects were pulled ahead without funding budgeted in the current fiscal year and DPW recommended they be bid together for better unit prices and construction schedule coordination.

In preparation for the bid award, an "out the door" budget excel (attached) was created with the total project costs along with a calculation of costs needed based on the current budget amounts. As this is a PRCS project, initially budgeted in the PRCS and Senior Housing Fund, PRCS/ Finances identifies the funding for these projects. Typically, funds needed for the total construction project costs (construction award, CE services, material testing, contingency funds, etc.) would have been requested in the budget resolution. Due to a staff error, only construction award costs were accounted for in the motion to award. (therefore, CE Services, material testing, and contingency funding were not budgeted/ requested).

After the 2/12/24 construction award, staff noticed there needed to be more funds requested in the budget resolution and Finance identified overall expenditure savings (1-2%) to cover the Meadowbrook Commons project, and PRCS project savings from Northwest Park, Splash Pad and Lake Shore Parking Lot to cover the Wildlife Woods project (attached).

None of the above adjustments would require formal City Council approval as the action only involves moving amounts between previously approved budgets within the same funds. Both pickleball projects will not be completed by June 30, 2024, and will require the unspent balance to be rolled over to fiscal year 2024/2025. Making the above adjustments ensures funds are available to complete both projects and ensures no additional amendments are necessary moving forward.

Staff recognizes the error and has put measures in place to prevent these circumstances in the future.

	<u>Remaining Balance Needed</u>
Meadowbrook Commons Court -	\$94,645
Wildlife Woods Court -	\$185,134

Meadowbrook

- Current approved budget \$671,370
- Remaining balance needed of \$94,645 would come from the overall 1-2% expenditure savings
- **Total budget needed for the project \$766,015**

Wildlife Woods

- Construction currently budgeted in CIP Fund totaling \$522,781
- Savings from the Splash Pad contingency totaling \$43,000 to be moved
- Total cost to CIP Fund \$565,781
- Parks & Rec (P&R) Fund current budget of \$50,000 for design
- P&R savings from NW Park of \$10,000 to be moved
- P&R savings from Lakeshore Parking Lot of \$100,000 to be moved
- P&R remaining balance needed of \$25,134 would come from the overall 1-2% expenditure savings
- **Total cost to Parks & Recreation Fund \$185,134**