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DATE: October 1, 2024

TO: Mayor and Members of the City Council

FROM: Travis Sanborn, Finance Director

THROUGH: Kyle Knopp, City Manager

SUBJECT: Resolution No. 1622-2024 Budget Adjustment for December 2022 Earthquake Disaster

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution No. 1622-2024 amending the Fiscal Year (FY) 2024-25 adopted budget to increase appropriations for the December 2022 Earthquake Disaster.

BACKGROUND AND DISCUSSION

Council approval of a budget adjustment for FY 2024-25 is requested to increase appropriations to provide for additional expenses not known at the time of budget adoption. The December 2022 Earthquake Disaster caused extensive damage to public and private infrastructure throughout the community of Rio Dell.

On September 27, 2024, City staff reviewed bids for the Fiscal Year (FY) 2024-25 Earthquake Road Repair. Kernan Construction appeared to be the lowest qualified bidder, with a bid of \$85,375 for earthquake-damaged road repair. The requested action is needed to fund the construction contract and contingency costs. Approval of Resolution No. 1622-2024 will increase the FY 2024-25 Earthquake Damage budget by \$100,000 to cover the bid contract amount and contingencies.

Per Resolution No. 1227-2014, adopted June 24, 2014, budget transfers over \$10,000 within the same budget and fund require the recommendation of the City Manager and approval of the City Council. The Finance Department has created an Earthquake Fund and project number to capture expenditures related to the event and will seek maximum reimbursement for the percentage of the total costs in coordination with CalOES as soon as possible.

Per CDAA/CalOES guidelines, the project is eligible for reimbursement at a rate of 75% of the total project cost, along with an additional 10% for administrative expenses. Based on our projected costs, we anticipate the City will receive a reimbursement of \$75,000 (75% of total cost) plus

\$7,500 (10% administrative cost), totaling \$82,500. However, it is important to note that this reimbursement would not fully cover the anticipated costs of the project. The remaining \$17,500 would need to be sourced from the City's Streets/General Fund. It is not known when construction will start. Any unexpended funds will be carried over into FY 2025-26 to complete the project.

ATTACHMENTS

Resolution 1622-2024 Budget Amendment



**RESOLUTION NO. 1622-2024
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIO DELL
AMENDING THE ADOPTED BUDGET
FOR FISCAL YEAR 2024-25 EARTHQUAKE DISASTER PROJECTS**

WHEREAS, the City adopted Resolution 1608-2024 establishing the City's Operating and Capital Budget for Fiscal Year (FY) 2024-25, and any adjustment that increases appropriations in a fund must be approved by the City Council; and

WHEREAS, the City anticipates awarding the 2024-25 Earthquake Road Repair Project ("Project") to Kernan Construction for the bid of \$85,375; and

WHEREAS, a budget adjustment is needed for the Project plus a contingency of \$100,000; and

NOW THEREFORE BE IT RESOLVED, that the City of Rio Dell City Council does hereby amend the City of Rio Dell FY 2024-25 Operating and Capital Budget to increase appropriations for the Earthquake Road Repair Project as follows:

<u>\$100,000</u>	<u>5155-06-000-0000-9093</u>
\$100,000	TOTAL INCREASED APPROPRIATIONS

PASSED AND ADOPTED by the City Council of the Rio Dell on this 1st day of October, 2024 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Debra Garnes, Mayor

ATTEST:

Karen Dunham, City Clerk