

To: Finance Committee
From: Mark Stevens
Date: January 23, 2023
RE: Capital Funds Reassignment or Borrowing Request

Two projects have modified in their scope and needs since the budget was presented and approved for Capital Improvements and borrowing:

- 911 system rebuild
- Riverside restroom replacement

911 System Rebuild

Our Vesta 9-1-1 system is a back-up for Jefferson County. The County was pursuing a grant for an upgrade that included Watertown's equipment, but the State didn't approve our portion. An amount of \$50,000 is included in the borrowing resolution. The total of the project is \$127,561; **\$77,561** additionally is needed.

Riverside Restroom Replacement

The 2022 borrowing for this project was \$720,000. Preliminary work (demo, utilities connections, some material purchasing) was started. The Jan 1 carry-over balance is estimated at \$600,000. The initial bid results for construction exceeds the remaining funds by approximately **\$491,000**.

Possible sources/options for affording additional \$569,000:

- ARPA- \$297,000 unassigned
- Fund 05 Fund Balance- \$70,000 unrestricted (accumulation of interest earnings)
- Fund 05- Annual Street- \$580,000 balance *
- Adjust 2023 borrowing request, reducing Annual Street assignment and assigning to the two projects
- Increase borrowing resolution from \$3,995,000 to \$4,554,000
- Rebid restroom project, hoping for improved pricing (at least two-month delay)

* Reasoning for \$580,000 Annual Street balance...

- The remaining balance of 2021 was unknown at the time of the 2022 borrowing
- Geotextile fabric wasn't installed under some streets because of supply chain issues
- Planned roadway projects didn't move forward (e.g. E Horseshoe Rd resurfacing- no signed agreement with project sponsor)
- City crews completed portions of bid work that resulted in savings