

City of Piedmont
COUNCIL AGENDA REPORT

DATE: December 18, 2023

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of an Amendment to the Authorized Total Project Budget for the Piedmont Community Pool Project to Increase Available Total Project Contingency

RECOMMENDATION

By a single motion, take the following actions:

1. Approve an allocation of \$800,000 from the Facilities Capital Fund to the approved construction budget of \$24,291,550 with Wickman Development & Construction to provide for available contingency for the Piedmont Community Pool Project for a revised total authorized construction budget in the amount of \$25,091,550; and authorize the City Administrator to spend up to this amount.
2. Approve an allocation of \$200,000 from the Facilities Capital Fund to the Total Project Contingency budget for Soft Costs for a revised total soft cost budget in the amount of \$4,876,000.
3. Approve the revised total project budget in the amount of \$29,967,550.

BACKGROUND

On December 5, 2022, Council awarded a construction agreement to Wickman Development & Construction for the Piedmont Community Pool Project in the amount of \$21,700,000, with an approved construction contingency in the amount of \$2,170,000, for an overall construction budget of \$23,870,000. The total all-in project budget was estimated to be \$28,981,000. On September 5, 2023, Council approved an increase of \$421,550 for the inclusion of competition lighting, scoreboard, and timing system for a revised construction budget of \$24,291,550. The total all-in project budget remained unchanged at \$28,981,000.

Since the Notice to Proceed was issued in December 2022, the project has progressed and is now more than 50% complete. However, unforeseen conditions and site conditions have been encountered during the first 12 months of construction that have impacted the schedule and the total project budget, including utility delays, buried fuel tanks, and contaminated soil. As such, the project team has calculated that amendments to construction and consultant agreements, in excess

of the previously presented all-in total project budget, will be required to successfully deliver the project. Staff have reviewed potential budget risks and have calculated that an \$800,000 construction contingency fund increase, and a \$200,000 soft cost contingency fund increase, are adequate for each respective category. Soft costs expenditures include, but are not limited to project management, architecture and design services, geotechnical services, site survey, environmental services, storm water compliance services, special inspection and testing services, building inspection and fire/life safety services, utility connection, and furniture and fixtures. At project completion, all unused funds will be returned to the General Fund or the appropriate accounts.

FISCAL IMPACT

The revised total project budget and funding sources are summarized below:

<u>Expenditures</u>	<u>Current</u>	<u>Proposed</u>
Original Agreement	\$ 21,700,000	\$ 21,700,000
Construction Contingency	\$ 2,591,550	\$ 3,391,550
Construction Sub-total	\$ 24,291,550	\$ 25,091,550
Soft Costs	\$ 4,151,345	\$ 4,151,345
Soft Cost Contingency	\$ 524,655	\$ 724,655
Soft Cost Sub-total	\$ 4,676,000	\$ 4,876,000
Total Project Cost	\$ 28,967,550	\$ 29,967,550

<u>Funding Sources</u>	<u>Current</u>	<u>Proposed</u>
Measure UU	\$ 24,418,577	\$ 24,418,577
Measure UU Interest Earned	\$ 300,000	\$ 520,000
PRFO Fundraising	\$ 2,100,000	\$ 1,912,464
Private Contribution (Kroger Estate)	\$ 800,000	\$ 800,000
EBCE Loan \ CEDA Grant	\$ 748,106	\$ 832,800
Facilities Capital Fund	\$ 446,690	\$ 1,483,709
Facilities Preservation Fund	\$ 154,177	-
Total Funding	\$ 28,967,550	\$ 29,967,550

CITY ATTORNEY REVIEW

The City Attorney has reviewed the staff report.

By: Daniel Gonzales, Public Works Director

Anna Brown

From: Deborah Leland [REDACTED]
Sent: Monday, December 18, 2023 5:15 PM
To: City Council
Subject: Proposal to fund pool cost overrun from Facilities Capital Fund

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Dear Mayor and City Councilmembers,

I am very surprised to see the proposal on tonight's meeting agenda to draw an additional \$1,000,000 from the Facilities Capital Fund to fund pool cost overruns, bringing the total FCF contribution to nearly \$1.5 million. Throughout the planning for this project, the City - and the Budget Advisory Committee upon which I served and chaired - was very clear that the pool project should be managed within the budgeted amounts, and assurances were given that it would be scaled back as needed so that it did not draw on the already underfunded Facilities Capital Fund. The previously allocated FCF amounts were justified as public improvements to the street frontage and surrounding areas and not directly associated with the pool. Now another \$1 million is proposed to be allocated, without any mention in the staff report of (a) the many other competing uses for the FCF; (b) any report from the advisory committee responsible for overseeing the finances of the pool project; (c) consideration of alternatives such as removing from the project scope any optional features that have not yet been implemented (i.e. the \$421,000 recently added to the budget for competition lighting and scoreboard). The staff report also gives no update on how much of the contingency has already been used, which leads me to question whether the amounts requested will in fact be adequate?

I believe that acting on this proposal without further public review, analysis and exploration of alternatives is premature and irresponsible given the vast facilities needs that the City is facing.

Sincerely,
Deborah Leland