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May 2, 2018

BPW-2018-0361

City Council
Room No. 395
City Hall

Honorable Members:

NEXUS STUDY OF THE PUBLIC WORKS TRUST FUND ACCOUNT NO. 4873 AND ESTABLISHMENT OF PUBLIC WORKS TRUST FUND USE RULES AND GUIDELINES

Transmitted herewith is the report from the Board of Public Works on the Nexus Study of the Public Works Trust Fund Account No. 4873 And Establishment of Public Works Trust Fund Use Rules and Guidelines which this Board has adopted, recommends the City Council and Mayor approve and adopt a series of recommendations describe below:

1. RECEIVE AND FILE the 2018 Public Works Trust Fund (PWTF) Nexus Study;
2. ADOPT the establishment of the PWTF Use Rules and Guidelines;
3. CONCUR with the finding and determination that a reasonable relationship (Nexus) exist for funds totaling \$5,895,871.43 (as listed in Appendices I through IV in the Nexus Study) when said funds is (a) used for administration, original or like-kind purpose, within a reasonable boundary, and/or other specific factors and variables described in the Nexus Study and is (b) in the City's best interest to implement various Public Works projects and services based on the proposed PWTF Use Rules and Guidelines
4. AUTHORIZE the fund use and transfer of PWTF funds in the amount of \$5,895,871.43 as follows:
 - a. Approve the first annual Administrative and Management (Salary) Expense of \$75,000 out of the \$487,950.33 as listed in Nexus Study Appendix I (Option A) and instruct the Executive Officer of the Board of Public Works (BPW) to seek Board approval(s) for additional amounts from this category.
 - b. Use on Any Project – To fund Public Works Improvements/Projects in locations (either at specified project location or Council District of the project) to be determined by factors and variables listed in Nexus Study Appendix II, associated with the specific deposit up to \$1,533,531.73 (Option B);
 - c. Use in Any Council District – To fund Public Works Improvements/Projects for use in any location (no specific Council District) for Public Works Improvements/Projects as determined and documented in Nexus Study Appendix



- III with the specific deposit up to \$20,000.00 (Option C); and
- d. Use on Specific Project Type and Nexus – To fund Public Works Improvements/Projects based on variables listed in Nexus Study Appendix IV, for the specified Nexus location (either at specified project location or Council District of the project) and project type documented with the specific deposit up to \$3,854,389.37 (Option D).
5. AUTHORIZE the Executive Officer of the BPW to:
- a. Approve the transfer of funds from the PWTF, Fund No. 834/50, Account No. 4873 to the BPW, Fund No. 100/74, Account 001010 Salaries General, for administrative and fund management expenses approved in recommendation 4a above, subject to approval by the BPW;
 - b. Approve the transfer of funds from the PWTF, Fund No. 834/50, Account No. 4873, to the Capital Improvement Expenditure Program, Fund No. 100/54, Accounts TBD for specific Public Works projects as deemed appropriate by the BPW based on (i) factors and variables or (ii) location and project type, and (iii) in accordance to the established PWTF Use Rules and Guidelines at an amount not-to-exceed the limits approved in recommendation 4b, 4c, and 4d above;
 - c. Approve the refund of \$30,000 to the current owner, once determined, following City refund guidelines;
 - d. Report back on potential reasonable relationships that may exist for the remaining balance of \$6,054,886.06 in Account No. 4873 and all other accounts.
 - e. Make technical corrections as may be necessary to carry out the purpose and intent of this report and forward request to the Controller and/or City Administrative Officer as-needed.
6. AUTHORIZE the BPW, Director of Accounting, to transfer and/or refund funds from the PWTF upon request from the Executive Officer of the BPW;
7. INSTRUCT the Executive Officer of the BPW to:
- a. Establish a pre-qualified on-call contractor list for use of these funds and types of projects with the intent of expanding diversity by creating a more “sheltered marketplace;”
 - b. Require all projects that are approved for this funding utilize the pre-qualified on-call contractor list to be approved; and,
 - c. Report back on any resources necessary to implement the above requests.
8. AUTHORIZE resolution authority for one (1) Senior Management Analyst I (Class Code: 9171-1) at the BPW to assist in management of the PWTF, and APPROVE the continuation of the resolution authority in 2018-19, if not included in the 2018-19 Adopted Budget; and
9. CONSIDER distributing and prioritizing allocation of remaining funds of \$412,950.33 in the “unknown Council District” category, after an initial \$75,000 is dedicated for initial administrative cost, to the bottom four Council Districts (i.e. 7, 8, 9, and 10) with the lowest allocation amounts.

FISCAL IMPACT

Funding in the amount of \$5,895,871.43 is proposed to be available for immediate use upon finding and determining that a reasonable relationship (nexus) exist for deposits, listed in Appendices I through IV in the Public Works Trust Fund Nexus Study, between the deposit's original purpose/location and use of said funds. If approved and adopted, \$4,638,565.84 represents post-1989 deposits and \$1,257,305.59 represents pre-1989 deposits, which majority of funds will be transferred to the City's CIEP, or other fund location as appropriate, and a small portion to reimburse the Board's salary amount. One deposit will be refunded at \$30,000.

Sincerely,



DR. FERNANDO CAMPOS,
Executive Officer, Board of Public Works

FC:jc