

SUMMARY REPORT TO MANAGER
For City Council Meeting of June 13, 2005

SUBJECT: Budget Amendment for the 2004-05 Major Street Fund budget

INITIATED BY: Brian McManus, City Engineer *BMM*

RESOLUTION SUMMARY:

This resolution will amend the 2004-05 Major Street Fund budget to increase expenditures by \$100,000 to provide additional funding for the Ashman Street project. Sufficient funding is available in the fund balance of the Major Street Fund to pay for this increase in expenditures.

ITEMS ATTACHED:

1. Letter of Transmittal
2. Resolution

CITY COUNCIL ACTION:

1. Conduct public hearing
2. 3/5 affirmative vote required for adoption



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TO: Karl S. Tomion, City Manager

FROM: Brian P. McManus, City Engineer

DATE: June 6, 2005

RE: Resolution to Amend the Major Street Fund 2004-05 Budget

Attached hereto is a proposed Council resolution which would approve amending the Major Street Fund's 2004-05 budget to provide additional funding for the Ashman Street Reconstruction project in the amount of \$100,000 to cover the additional cost of construction.

The original construction estimates for this project were prepared in the fall of 2003 for the 2004 Construction Project Priority Process and the 2004-05 budget. We have found that construction materials (pipe, concrete, pavement) and fuel have increased in cost at a much faster rate than the current inflation rates that we build into our projects. We are paying approximately 15 to 20% more for these items. We have encountered this on many of our projects this construction season. We have sufficient funding to cover the construction bids received on May 17 for the Ashman Street project; however, Engineering and Contingency funds cannot be covered with the budgeted funds.

The funds needed to cover this shortage are available in the Major Street Fund.



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BY COUNCILMAN

WHEREAS, in accord with Sections 5.11, 11.4, and 11.6 of the Charter of the City of Midland, and after having given proper legal notice and having conducted a public hearing on Monday, June 13, 2005 on the proposal to amend the Major Street Fund's 2004-05 budget to increase expenditures to provide additional funding in the amount of \$100,000 for the Ashman Street project; and

WHEREAS, funding for this expenditure will come from the Major Street Fund Balance; now therefore

RESOLVED, that the 2004-05 budget of the Major Street Fund be amended to increase expenditures by \$100,000 for the Ashman Street project.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeas vote of all of the Councilmen present at a regular meeting of the City Council held Monday, June 13, 2005.

Selina Tisdale, City Clerk