



Legislation Text

File #: ID#19-5607, **Version:** 1

SUBJECT/RECOMMENDATION:

Approve a budget increase in project C1909, City Hall Move, of \$168,085 for a total of \$383,085 to be funded with an allocation of General Fund reserves. (consent)

SUMMARY:

On August 2, 2018, Council approved a five-year lease agreement with One Clearwater Tower to serve as administrative offices for departments currently housed in City Hall.

On November 15, 2018, Council approved a purchase order with Encore Broadcast Equipment, Inc. for labor and equipment to relocate the broadcast facilities from City Hall to the Clearwater Main Library. As part of this agenda item, Council approved creation of a capital project to account for all costs associated with the move out of City Hall and funded based upon costs known at the time, which were \$153,355.74 for broadcast facilities, \$50,000 for IT related upgrades, and \$11,644.26 for moving and other miscellaneous items.

The need for a project budget increase is for two distinct purposes. The first is to add funding for minor costs related to adjustments to the space/furnishings, movers, wiring installation and signage which total \$7,455.

The second relates to the funding of the lease payments themselves. Due to the timing of lease negotiations, no funding was included in the fiscal year 2018/19 operating budget for rental payments. This portion of the budget increase will include funding for the remainder of the fiscal year (8 payments) which total \$160,629.36. At the end of the fiscal year, staff will bring forward an amendment to the budget that will reduce the budget of all areas where actual savings occurred (electrical, utilities, security, custodial, maintenance, etc.) and reallocate those savings back to the general fund reserves. All future rental payments will be included in the operating budget of City Hall departments.

APPROPRIATION CODE AND AMOUNT:

A first quarter budget amendment will provide an allocation of \$168,085 from General Fund Reserves to project C1909, City Hall Move.

USE OF RESERVE FUNDS:

Funding will be provided by a first quarter budget amendment allocating General Fund reserves in the amount of \$168,085 to capital improvement project C1909, City Hall Move. Inclusive of this item if approved, a net total of \$920,460 of General Fund reserves has been appropriated by Council to fund expenditures in the 2018/19 operating budget. The remaining balance in General Fund reserves after the 8.5% reserve is approximately \$8.7 million, or 5.9% of the current General Fund operating budget.