

EM SUBMISSION NO.: 2012 EM036

PRESENTED: 1-13-12

ADOPTED: 1-13-12

BY THE EMERGENCY MANAGER:

Authorization for Appropriate City of Flint Officials to Do All Things Necessary to Process a Budget Amendment to Increase the Expenditure Appropriations in the 202 Major Street Fund and 203 Local Street Fund, Department 449.210, Consumers Energy Pavement Break Repair

The Department of Infrastructure and Development desires to make an amendment to the FY12 budgeted line items in the 202 Major Street Fund and 203 Local Street Fund to increase the amount of expenditure appropriations budgeted in department id 449.210, Consumers Energy Pavement Break Repair.

The FY12 budget currently allocates a total of \$75,539.00 expenditure appropriations in the 202 Major Street Fund, department id 449.210, and a total of \$105,182.00 expenditure appropriations in the 203 Local Street Fund, department id 449.210.

Consumers Energy Company issued to the City of Flint purchase order 4400020035, which has a commitment value of \$325,782.00, to provide reimbursement revenue for expenses incurred when City crews repair pavement breaks that originate when Consumers Energy installs or repairs utility facilities.

The Department of Infrastructure and Development is requesting authorization for appropriate City Officials to do all things necessary to process a budget amendment to increase the expenditure appropriations in the 202 Major Street Fund and 203 Local Street Fund accounts by the amounts indicated below to align the total FY12 budgeted expenditure appropriations with the value of the reimbursement revenues authorized by Consumer Energy purchase order 4400020035 that totals \$325,782.00:

202 MAJOR STREET FUND		203 LOCAL STREET FUND	
Account Number	Amount of Increase	Account Number	Amount of Increase
202-449.210-702.000	12,094.00	203-449.210-702.000	47,082.00
202-449.210-709.000	6,000.00	203-449.210-709.000	9,070.00
202-449.210-719.100	9,345.00	203-449.210-719.100	29,392.00
202-449.210-719.200	4,500.00	203-449.210-719.200	7,000.00
202-449.210-726.000	4,187.00	203-449.210-726.000	6,102.00
202-449.210-863.900	4,187.00	203-449.210-863.900	6,102.00
TOTAL:	\$40,313.00		\$104,748.00

IT IS RESOLVED, Appropriate City Officials are authorized to do all things necessary to process a budget amendment to increase the expenditure appropriations in the 202 Major Street Fund and 203 Local Street Fund accounts by the amounts indicated above to align the total FY12 budgeted expenditure appropriations with the value of the reimbursement revenues authorized by Consumer Energy purchase order 4400020035 that totals \$325,782.00.

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer

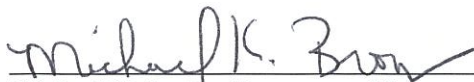
APPROVED AS TO FINANCE:


Jerry Ambrose, Finance Director

EM DISPOSITION:

ENACT ☒ FAIL ☐

DATED 1-13-12


Michael K. Brown, Emergency Manager

RESOLUTION STAFF REVIEW

Date: January 5, 2012

Agenda Item Title: Authorization for Appropriate City of Flint Officials to Do All Things Necessary to Process a Budget Amendment to Increase the Expenditure Appropriations in the 202 Major Street Fund and 203 Local Street Fund, Department 449.210, Consumers Energy Pavement Break Repair

Prepared By: Kay Muhammad for Howard Croft, Director of Infrastructure and Development

Background/Summary of Proposed Action: Per the City Code of Ordinances, §42-16 Excavations Generally (b) "...Whenever any person desires to have the pavement, curbing or gutter broken, removed or rebuilt in any street, alley or other public thoroughfare, he shall make application to the Division of Public Works for such work to be done..." The Division then assesses a fee for performing the repairs.

On July 29, 2008, the City of Flint established a fee schedule for the City of Flint/Consumers Energy Pavement Break Repair Program (City Council Resolution #081027 dated July 28, 2008) that established fees assessed to Consumers Energy for work performed by City crews to repair breaks in pavement, curbing or gutter, or other right-of-way related areas disturbed by Consumers Energy utility installation/repairs. Since 2008, the Master Fee schedule has been amended yearly to reflect the revised fees charged for performing repairs as agreed upon with Consumers Energy during negotiations.

The City's fiscal year 2012 budget includes revenue and expenditure appropriations to track revenues generated and expenditures incurred for the Consumers Energy Pavement Break Repair Program. When the City of Flint's 2012 budget was prepared in April 2011, the revenue and expenditure appropriations for the Consumers Energy Pavement Break Repair Program were based upon the historical value of the purchase order previously issued for the 2011 program which totaled \$225,000.00. However in September 2011, Consumers Energy issued a purchase order in the amount of \$325,782.00, which exceeds the amount of revenue and expenditure appropriations allocated in the FY12 budget. In order to reconcile and account for all revenues and expenses originating from the pavement break program in 2012, it is necessary to increase the revenue and expenditure appropriations allocated in the FY12 budget to align with the value of the FY12 purchase order issued to the City. This will allow the City to account for all expenditures and to request reimbursement up to the amount of \$325,782.00 for all services provided by City crews to repair pavement breaks during FY12.

Financial Implications: Implementing an in-house repair program allows the City to generate additional revenues to support maintenance activities conducted in the public right-of-way.

Budgeted Expenditure? Yes ☒ No ☐ Please explain if no:


Account No.: 202 and 203 Funds, various accounts in dept 449.210

Pre-encumbered? Yes ☐ No ☒ Requisition #

Other Implications (i.e., collective bargaining):

Staff Recommendation: Recommend Approval

Staff Person:


Howard Croft, Director of Infrastructure and Development