

## CITY COUNCIL MEMORANDUM

### AGENDA ITEM

Resolution expressing official intent by the City to reimburse certain costs related to renovating the Cornerstone building.

### ORIGINATING DEPARTMENT

Finance

### BACKGROUND INFORMATION

This resolution establishes how the City will cover the costs associated with the Cornerstone renovation. The City Council Memorandum/Resolution requesting the award of Bid 15-18 for \$382,618 and Bid 15-19 for \$500,267 comprises the largest portion of the project. There are two other cost components that accompany the bid awards. The first is an allowance for Information Technology (IT) to purchase items needed to facilitate the department moving into the Cornerstone building. These purchases allow for the integration of fiber connectivity, movement of core IT infrastructure, acquiring needed fixtures, and making physical security upgrades. The final component of the project is an allowance for contingencies. The City's bond counsel recommended including an allowance for contingencies due to the resolution establishing a cost reimbursement ceiling. Contingency is included at approximately 13% of total estimated project cost. Below is a summary of the cost of each component:

Bid 15-18: HVAC	\$ 382,618
Bid 15-19: Building renovation	\$ 500,267
Information Technology allowance to cover relocation expenses	\$ 164,000
Contingency	\$ 157,115
Total	\$ 1,204,000

### DISCUSSION/CONCLUSION

After discussing the project with the City's financial advisor and bond counsel, it was determined that the best financing approach would be through the issuance of Certificates of Obligation. Project costs will be taken from fund balance of the General Fund and reimbursed with the Certificates of Obligation proceeds. A reimbursement resolution is needed to enable the General Fund to be repaid for project expenses. The not to exceed amount of the reimbursement resolution is \$1,204,000.

### FISCAL IMPACT

The reimbursement resolution will allow the City to expend funds for the Cornerstone renovation project and then be reimbursed for those expenditures as the proceeds from the Certificates of Obligation are received. Funding for the project will be available on Account Number 010-2705-419.61-95.

### RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution.