



CITY COUNCIL AGENDA ITEM

Date: September 21, 2016

To: Troy City Council

From: Brian Kischnick, City Manager
 Tom Darling, Financial Services Director
 Mark Miller, Director of Economic & Development
 Steven Vandette, City Engineer
 William Huotari, Deputy City Engineer/Traffic Engineer
 Kurt Bovensiepe, Public Works Manager

Subject: Budget Appropriation - Local and Major Road Slab Replacement and Asphalt Overlay

Concrete

This spring, City Council passed a resolution renewing DiLisio Construction's contract for an additional two years at its current pricing for the first year (2016/2017) and with a 3% increase for the second year (2017/2018). Approximately \$2.4 Million was allocated to Local Road concrete work in the 2016/2017 budget and DiLisio Construction is expected to have most of this work completed by early October. Because the concrete construction season typically lasts until November 15, weather permitting, we are able to complete additional work with supplementary and carryover funds at current year's contract pricing. This presents an opportunity for the City of Troy to have DiLisio Construction complete an additional \$1.8 Million on Local and Major Roads with a continued emphasis on neighborhood streets, which addresses several resident demands for repairs. \$200,000 would be allocated to concrete slab replacement on Bellingham in front of Automation Alley and the remaining scheduled at scattered local road locations. The proposed work is illustrated on the attached map.

Asphalt

In the 2015/2016 fiscal year, City Council approved \$700,000 for asphalt overlays on Local Roads. This was completed in Section 19, the square mile between Adams and Coolidge, south of Wattles. Additional funding was appropriated for Major Road asphalt overlays that were completed on Wattles from Rochester to John R as well as at South Boulevard. \$525,000 was appropriated in the 2016/2017 fiscal year for an asphalt overlay for Local Roads in the northwest corner of Section 6, just south of South Blvd, between Adams and Beach. Staff has recognized two City of Troy Major Roads that could be expedited because of its current declining conditions. The first location is Square Lake from Delphi to Livernois and the second location is Wattles from Crooks to just west of Beach Road. Completing the section on Wattles would mean that the entire road would be completed in the next year with Wattles from John R to Dequindre scheduled next year. Square Lake would also be completed from Crooks to Dequindre including the repaving completed over the last several years. We are presented with an opportunity for potential cost savings if we complete an asphalt overlay on these sections in close proximity to the Local Road project budgeted for the spring of 2017. The estimated cost for both sections is \$800,000. The proposed work is illustrated on the attached map along with photos of the current conditions.

Financial

Staffs 2016 estimate (YE June 30, 2016) shows an unassigned FB of 39% of expenditures. The City Council policy is to remain between 20 and 30 percent of expenditures. The CM is required to submit a plan to be in conformance with this policy if the data shows we are outside that range.

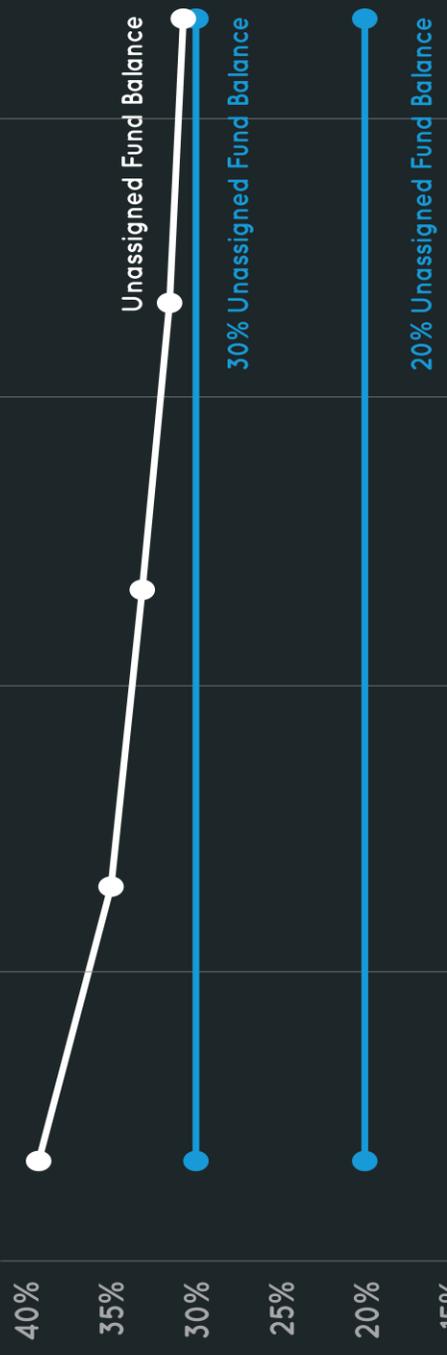
This agenda item allocates an additional \$2.6 million for Major and Local Road work, but primarily Local Roads, and will reduce the unassigned fund balance to a projected 35% range. This is the first step and one that has the most impact with contractors and pricing in place. Additional room for capital work remains to bring the fund balance to the 30% range, which presents an opportunity to transfer the remaining \$1.5 million to the capital fund for future projects and road matching funds. Road matching funds are used to leverage County, State, and Federal funds when they become available and an example of this could be continued work on South Boulevard.

Recommendation

City management recommends the budget reflect appropriations of \$1.8 million for Local and Major Road concrete slab replacement and \$800,000 for Major Road asphalt overlay that includes supplementary and carryover funds from fiscal year 2015/2016 and takes advantage of 2016/2017 pricing for the concrete slab replacement and asphalt overlay.

GENERAL FUND

	2016 Estimate	2017	2018	2019	2020
Total Revenues In Millions	56,056	56,507	56,979	57,473	58,720
Expenditures					
Operating In Millions	50,639	55,148	56,478	56,973	58,220
Transfers In Millions	7,410	1,789	-	-	-
Optional Transfers In Millions		2,600			
Unassigned Fund Balance	39.2%	35.2%	33.4%	32.6%	31.5%



Budgeted & Proposed Road Improvements 2016 - 2017



Date: 9/16/2016

