

MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Mandy Cartrette, Finance Officer

SUBJECT: Amendment to Capital Project Ordinance for Hillsboro Street Transmission Line Replacement Project

DATE: June 24, 2013

Background: At the Board meeting of June 10, 2013, the Board learned from Hydrostructures that the Hillsboro Street Transmission Line Replacement Project was expected to exceed its projected budget. The original project budget was \$1,458,125 plus \$145,813 for contingency costs for a total of \$1,603,938. However, Hydrostructures reported that the Town and SKC, Inc., the contractor for the project, would incur additional costs because of mandates from the NC Department of Transportation related to repairing the roadway. Because of these unexpected costs, the total payment to SKC, Inc. to complete the project will be \$1,843,394. To account for the unexpected costs, the Board was asked to approve a change order to increase the total project budget. The Board approved the change order.

In addition to the additional expenses that the Town will incur, the Town requested the Chatham County assist with funding this project. The County agreed to give the Town \$78,000 and another \$145,000 if, at the end of the project, it was certain that the Town would spend the contingency money that it had set aside for the project and if the Town would do something about Northwood High School's out-of-town water rates. The Town will indeed spend the \$145,000 in contingency that was initially discussed, and the Town Board did agree to annex Northwood High School. I have also spoken with Vicki McConnell, Chatham County Finance Director, and she indicated that the Town needs to submit the invoices showing that the money that the County agreed to contribute to the project will be spent. The Town has those invoices, and they will be submitted to the County so I have included an additional \$145,000 in the revenue line item titled Contribution from Chatham County.

To account for the aforementioned increases in expenditures and revenues, the Town Board needs to adopt an amended capital project ordinance for the Hillsboro Street Transmission Line Project. The amended ordinance is attached. Please note that the changes in the budget for this project were to increase the Contribution from Chatham County from \$145,000 to \$223,000, to increase the Contingency line item for the project from \$145,813 to \$385,269, and to increase the Town Contribution for the project from \$405,803 to \$504,682.

Action Requested:

That the Board of Commissioners adopt the attached ordinance amending the capital project budget for the Hillsboro Street Transmission Line Replacement Project.

TOWN OF PITTSBORO
ORDINANCE AMENDING CAPITAL PROJECT BUDGET
FOR THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT

Be It Ordained by the Board of Commissioners of the Town of Pittsboro in regular session assembled on the 24th day of June, 2013.

To Amend the Capital Project Budget Ordinance for the Hillsboro Street Transmission Line Replacement Project

Section 1. That the following **HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT REVENUE ITEMS** be amended to the amounts indicated:

823850100	TOWN CONTRIBUTION	\$504,682.00
823850000	CDBG GRANT	850,000.00
823850200	USDA REDLG LOAN PROCEEDS	240,000.00
823850300	BANK LOAN PROCEEDS	249,000.00
823850400	CONTRIBUTION FROM CHATHAM CO	223,000.00
TOTAL		\$2,066,682.00

Section 2. That the following **HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT EXPENDITURE ITEMS** be amended to the amounts indicated:

823000000	CONSTRUCTION	\$1,458,125.00
823000150	GRANT ADMINISTRATION	75,000.00
823001041	LEGAL SERVICES	2,500.00
823001100	ENGINEERING/DESIGN	145,788.00
823001800	CONTINGENCY	385,269.00
TOTAL		\$2,066,682.00

Section 3. That the following **CAPITAL RESERVE ENTERPRISE REVENUE ITEM** be increased by the amount indicated:

713990000	FUND BALANCE APPROPRIATED	\$504,682.00
TOTAL		\$504,682.00

Section 4. That the following **CAPITAL RESERVE ENTERPRISE EXPENDITURE ITEM** be increased to the amount indicated:

713990082	TRANSFER TO HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT	\$504,682.00
TOTAL		\$504,682.00

Adopted this 24th day of June, 2013.

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, NCCMC
Town Clerk