

March 27, 2002

Honorable Mayor and Members of  
The Hermosa Beach City Council

Regular Meeting of  
April 9, 2002

**PROJECT NO. CIP 00-630 PIER RENOVATION – PHASE III, AUTHORIZE  
THE APPROPRIATION OF \$55,000 FROM THE 150 GRANT FUND**

**Recommendation:**

It is recommended that the City Council authorize the appropriation of \$55,000 from the 150 Grant Fund.

**Background:**

At the beginning of FY 2001-02, \$100,000 was budgeted in the 150 Grant Fund for Project No. CIP 00-630 Pier Renovation – Phase III to be spent on construction. The source of the grant is the Coastal Conservancy. Since the design process is taking longer than anticipated, construction is estimated to start in FY 2003-2004. Therefore, the \$100,000 appropriation was reduced to \$0 during the midyear budget review in January.

In conversations with David Hayes of the Coastal Conservancy on March 27, 2002, it was disclosed that the funds assigned to the grant will revert back to the State on June 30, 2002. This information was not disclosed to the City in the agreement with the Coastal Conservancy or in any correspondence from the Coastal Conservancy. The current expiration date of the grant is April 30, 2002. The Coastal Conservancy is requesting the City submit a final reimbursement sometime in early May. Though a time extension is unlikely, Staff will continue efforts to seek approval for a time extension for the usage of the grant.

The City has expended \$43,752 to date from the 001 General fund for design and the purchase of two plaques. Staff estimates approximately another \$10,000 may be expended by April 30, 2002 for this project. The estimated total of expenditures is \$53,752. Therefore, a \$55,000 appropriation is needed from the 150 Grant Fund in order to transfer expenditures from the 001 General Fund so a reimbursement request can be sent to the Coastal Conservancy.

**Fiscal Impact:**

Current 001 General Fund Expenditures	\$	43,752
Estimated Future Expenditures		<u>10,000</u>
Total Cost	\$	53,752

With approval of the recommendation, the City may save approximately \$53,752 of General Fund money. With no action taken, the \$100,000 Coastal Conservancy grant will expire without being able to utilize the grant.

Respectfully submitted,

Concur:

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Tristan D. Malabanan  
Assistant Engineer

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Harold C. Williams, P.E.  
Director of Public Works/City Engineer

Noted for Fiscal Impact:

Concur:

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Viki Copeland  
Finance Director

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Stephen R. Burrell  
City Manager

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