

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

<p>(1) DEPARTMENT General Services Agency – Airport Services</p>	<p>(2) MEETING DATE 4/23/2013</p>	<p>(3) CONTACT/PHONE Richard Howell 781-5205</p>	
<p>(4) SUBJECT Authorize a Budget Adjustment in the amount of \$50,050 to transfer monies from the Tax Reduction Reserve Fund loan used to fund the parking lot improvement project to the Airports-SLO-Runway Safety Area Improvements project. The Airport requests that savings in the parking lot improvement project be used to fund the remaining balance of the runway safety project. District 3.</p>			
<p>(5) RECOMMENDED ACTION It is recommended the Board authorize a budget adjustment in the amount of \$50,050 to transfer funds from Tax Reductions Reserve loan to the Parking Lot Improvement project to fully fund the project Airports-SLO-Runway Safety Area Improvements. 4/5 vote required.</p>			
<p>(6) FUNDING SOURCE(S) Tax Reduction Reserve Fund</p>	<p>(7) CURRENT YEAR FINANCIAL IMPACT \$50,050.00</p>	<p>(8) ANNUAL FINANCIAL IMPACT \$0.00</p>	<p>(9) BUDGETED? No</p>
<p>(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)</p>			
<p>(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A</p>			
<p>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001247</p>		<p>(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1213111 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A</p>	
<p>(14) LOCATION MAP Attached</p>	<p>(15) BUSINESS IMPACT STATEMENT? No</p>	<p>(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 6/7/11, 7/10/12, 8/7/12, 11/6/12</p>	
<p>(17) ADMINISTRATIVE OFFICE REVIEW Vincent Morici, Administrative Analyst</p>			
<p>(18) SUPERVISOR DISTRICT(S) District 3 -</p>			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency – Airport Services / Richard Howell
781-5205

DATE: 4/23/2013

SUBJECT: Authorize a Budget Adjustment in the amount of \$50,050 to transfer monies from the Tax Reduction Reserve Fund loan used to fund the parking lot improvement project to the Airports-SLO-Runway Safety Area Improvements project. The Airport requests that savings in the parking lot improvement project be used to fund the remaining balance of the runway safety project. District 3.

RECOMMENDATION

It is recommended the Board authorize a budget adjustment in the amount of \$50,050 to transfer Tax Reductions Reserve from the Parking Lot Improvement project to fully fund the project Airports-SLO-Runway Safety Area Improvements. 4/5 vote required.

DISCUSSION

In June of 2011 your Board created the capital project to improve the Runway Safety Area at the San Luis Obispo County Regional Airport and authorized a budget adjustment in the amount of \$32,620 for initial design work. This project was required as a result of changes to Federal Aviation Administration (FAA) safety regulations and standards, a FAA write-up during the Airport's 2011 Annual FAA Certification Inspection, and meetings with the FAA Airports District Office (ADO) in San Francisco. The project called for removing a non-standard taxiway between the edge of the main runway (11/29), and the threshold of runway 25. Airport Services and the FAA agreed the safest approach to correcting this issue was to remove the pavements between the two runways that created the situation. The capital project also called for the installation of surface mounted hold signs as well as enhanced taxiway centerlines leading to all runways per new FAA standards. The intent of the changes by the FAA were to increase situational awareness of pilots as they approach or exit runways thereby improving safety and minimizing the potential for incidents or accidents.

In July of 2012, your Board authorized public bidding for the project. Due to very specific material requirements in the bid document, only one bid was received and the bid far exceeded the estimated cost of the project. The bids were rejected and bid documents and project scope were revised and authorized for release under the informal bid process. Again only one bid was received with a bid amount of \$86,240. The bid amount exceeded the estimated project amount by approximately \$56,000. The deadline set by the FAA for project completion necessitated that the bid be accepted. The time constraints established by the FAA required that the project be completed or the Airport faced sanctions and potential limitations that would impact Airport operations. Airport staff and consultants worked with the contractor to make refinements and modifications to construction methods and the final construction cost was reduced to \$63,210 approximately 27% less than the bid amount. The additional funding allows the completion of the runway safety project to meet the FAA required improvements at the Airport.

Project Status and Request for a Budget Augmentation

Work on the project was completed on March 15, 2013 and the deadlines for the FAA required improvements and deadlines have been met. An additional allocation of \$50,050 is needed to close out the project. This item requests that your Board approve a budget adjustment moving funds from the terminal expansion and parking lot upgrades project to

the runway safety project. See the financial considerations below for further details of this budget adjustment request.

FINANCIAL CONSIDERATIONS

On November 6, 2012 a budget adjustment was authorized funding the project for a total cost of \$98,370. The total cost of the project is \$148,420 therefore a budget adjustment in the amount of \$50,050 is necessary to fund the project. The funds are from the remaining proceeds of the \$825,000 loan from the Tax Reduction Reserve Fund provided to the Airport Enterprise for work on the terminal expansion and parking lot upgrades. Since that time additional costs were incurred for design changes, county staff labor and miscellaneous charges. The table below provides a breakdown of all project costs and the budget adjustment amount needed (also to come from the Tax Reduction Reserve Fund Loan) to complete and close out the project.

Additional Construction Costs		\$33,210
Design Changes		\$4,840
Airport Staff Labor Charges		\$10,000
Misc. Charges		\$2,000
Total Project Cost		\$148,420
Previously Approved Budget		(\$98,370)
Budget Adjustment #1213111		\$50,050

Upon completion of the parking lot upgrade project and the runway safety project, the Airport anticipates returning approximately \$100,000 to Tax Reduction Reserve Fund. The \$725,000 balance in Tax Reduction Reserve Funds used for the projects will continue to be a loan obligation to be repaid by the Airport.

RESULTS

By proceeding with the recommended actions Airport Services will be able to fully pay for services rendered and move forward with closing out the project which has provided for the installation of required pavement markings and ensuring the continued safe operation of the regional airport.

ATTACHMENTS

Attachment 1 – Site Map