

TO: James L. App, City Manager  
FROM: Doug Monn, Public Works Director  
SUBJECT: Emergency Repair Needs  
DATE: November 19, 2013

---

**NEEDS:** For City Council to consider an allocation from General Fund Reserves for needed repairs.

**FACTS:**

1. The main natural gas line serving 625 Riverside Avenue has multiple leaks and must be replaced in order to provide heat to the shop and internal buildings.
2. The Gas Company terminated service to the facility until replacement lines are installed.
3. Natural Gas is the source of heat for the facility.
4. Public Works secured three (3) bids for installation of a new customer owned line. Low bid for replacement is \$16,364.

MGE	\$16,364
Viborg	\$20,896
Raminha	\$23,704

5. The 25 year old heating and air conditioning systems at Centennial Park need immediate repair.
6. There are eleven units on the administration building and eight units on the gym. The units are actually 'residential units' installed at time of construction. All are well past their life expectancy.
7. All units will run in 'cooling mode'. But, six units on the administration building will not work in heat mode or have been taken out of service because of cracked heat exchangers that could allow carbon monoxide to enter the building. Two of the units on the gym are nonoperational. One of the nonoperational unit supplies the heat to the gymnastics room. Presently the YMCA is using quartz heaters for the daycare program.
8. The units will need to be replaced when funds are available. The estimated cost for replacement is \$125,000 to \$160,000.
9. A short term repair to get through the winter and into spring/summer when a replacement may be more feasible will cost \$14,900.
10. Paso Robles Heating and Air were the only bid respondent.

**ANALYSIS &**

**CONCLUSION:** Staff has secured bids for the remedial work and can implement repair of both issues immediately should Council allocate the necessary funding from General Fund Reserves. The total cost for repair, including contingency, is \$33,000.

**POLICY**

**REFERENCE:** City of Paso Robles Purchasing Procedures.

**FISCAL**

**IMPACT:** The cost to repair the gas line and HVAC equipment would need to be allocated from the General Fund Reserves.

The Spring 2013 General Fund Financial Forecast projected a Fiscal Year 2014 operating surplus of \$343,000. City Council has already approved use of \$229,000 in FY14. Additionally, \$233,000 of essential repairs must be undertaken this fiscal year. Consequently, approved or essential expenditures already exceed the projected FY14 operating surplus by \$119,000, reducing General Fund Reserves from \$6.4 million to \$6.3 million:

<b>General Fund Reserves Estimate as of 6/30/13</b>	<b>\$6.4 million</b>
<b>Projected, FY 14 Operating Surplus</b>	<b>\$343,000</b>

**Already Allocated from General Fund Reserves:**

Median Weeding	\$ 60,000
'Hot Spot' Repairs	146,000
Equipment Lifts @ 625 Riverside Ave.	<u>23,000</u>
<b>Subtotal of Allocated</b>	<b>\$229,000</b>

**Remaining Operating Surplus:** **\$114,000**

**Essential Repairs:**

Library/City Hall Re-Roofing	\$200,000
Replace Gas Line 625 Riverside	18,000
Repair HVAC at Centennial Park	<u>15,000</u>
<b>Subtotal Essential Repairs</b>	<b>\$233,000</b>

<b>FY 14 Allocated &amp; Essential Repairs Total</b>	<b>\$462,000</b>
<b>FY 14 Projected Operating Surplus</b>	<b>\$343,000</b>
<b>FY 14 Projected O&amp;M Results</b>	<b>&lt;\$119,000&gt;</b>
<b>Revised General Fund Reserves</b>	<b>\$6.3 million</b>

**Potential Additional Allocations to General Fund Reserves:**

Street Sweeping	\$200,000
GPS Equipment Tracking	130,000
Replace HVAC at Centennial Park	140,000
Repair Air Handler Equipment Library/CH	50,000
PM II Staff Person (Storm Water)	32,000(reoccurring expense)
PM II Staff Person (Climate Action/Planning)	106,400(reoccurring expense)
Contract Janitorial Library/City Hall/Safety Center	85,000(reoccurring expense)
Advance Funds for City Playground	<u>350,000</u>
<b>Subtotal of Potential Additional Allocations</b>	<b>\$1,093,400</b>

- OPTIONS:**
- a. Adopt Resolution No. 13-xx allocating \$33,000 (including contingency) to cover the cost replace the gas line at 625 Riverside and repair the HVAC at Centennial Park.
  - b. Amend, modify, or reject the above option.

Attachment: Resolution

RESOLUTION NO. 13-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
ALLOCATING GENERAL FUND RESERVES TO FUND GAS LINE AND HVAC REPAIRS

---

WHEREAS, the City has determined the natural gas line service at 625 Riverside needs to be replaced;  
and

WHEREAS, repairs must be made to the HVAC system components at Centennial Park; and

WHEREAS, funds are not available in the Public Works Maintenance & Operations Budget for repairs if  
this financial scope.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does hereby allocate monies from General  
Fund Reserves to provide for replacement of a natural gas line at 625 Riverside and repair of the heating  
system at Centennial Park gym and administration building in a total amount not to exceed \$33,000, and  
authorizes staff to initiate repairs of same immediately.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 19th day of November,  
2013 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Duane Picanco, Mayor

ATTEST:

---

Caryn Jackson, Deputy City Clerk