



Council Communication

Office of the City Manager

Date

October 9, 2006

Agenda Item No. 49
Roll Call No. 06-
Communication No. 06-639
Submitted by: Allen McKinley, Finance
Director

AGENDA HEADING:

Approving the FY 2006 Official Financial Report for City Streets.

SYNOPSIS:

Presentation of the City of Des Moines Official Street Finance Report for Fiscal Year 2005-06 for approval and submittal to the Iowa Department of Transportation. This report is required to continue the City's eligibility for Road Use Tax allotment. The annual report, required by House File 324, shows cost of day labor and public contracts for construction, reconstruction, and improvement projects on the municipal street system completed in Fiscal Year 2005-06 and also the Road/Street Equipment inventory.

FISCAL IMPACT:

Amount: \$16.6 million in FY2006.

Funding Source: Iowa Department of Transportation Road Use Tax allotments.

ADDITIONAL INFORMATION:

The 2001 Iowa General Assembly passed House File 324 which requires cities and counties to report the following information to the Iowa Department of Transportation (IDOT) each year:

- The cost of day labor and public or private contracts for construction, reconstruction, and improvement projects on the farm-to-market, secondary road, and municipal street systems.
- The cost of purchasing, leasing, and renting construction and maintenance equipment.
- The use of this equipment for construction, reconstruction, and improvement projects on the various roads and street systems.

House File 324 states that cities with populations over 50,000 shall advertise and let for bid and contract any public improvement that involves construction, reconstruction, or improvement of a highway, bridge, or culvert that has an estimated total cost to the city in excess of \$50,000.

House File 324 does not apply to maintenance activities by the cities, which generated discussion statewide regarding the definition of maintenance activities. The IDOT developed complex and detailed rules to distinguish among construction, reconstruction, or improvement and maintenance activities with some examples as follows:

- Pavement resurfacing or overlays with Hot Mix Asphalt (HMA) having a thickness of two inches or more but less than four inches for 500 feet or more in continuous length are classified as an Improvement; and as such must be bid and reported.
- Pavement resurfacing with a single lift of HMA less than two inches in thickness is classified as a Maintenance Activity, as is pavement resurfacing or overlays with HMA having a thickness of two inches or more for less than 500 continuous feet; and as such these projects do not have to be bid and do not need to be reported to the IDOT.

The IDOT rules state that cities with populations over 50,000 shall report projects completed in FY2006 with estimated construction costs greater than \$45,900.

The Engineering and Public Works Departments have prepared the portion of the report showing the construction, reconstruction, or improvement projects that were advertised and let for bid and public contract. The report lists 41 projects completed in FY2006 totaling \$30,028,424.

The Public Works Department has prepared the portion of the report showing the construction, reconstruction, or improvement projects that were constructed with day labor (work done by City forces). The report, which does not include maintenance activities, lists four projects to be reported in FY2006 under the IDOT rules. The Public Works Department also prepared the road/street equipment inventory.

PREVIOUS COUNCIL ACTION(S): NONE

Date: September 26, 2005

Roll Call Number: 05-2342

Action: 2005 Official Financial Report for City Streets. ([Council Communication No. 05-546](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: September 27, 2004

Roll Call Number: 04-2049

Action: FY 2004 Official Financial Report for City Streets. ([Council Communication No. 04-484](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: Future annual report adoptions.