



Council Communication

Office of the City Manager

Date

September 24, 2007

Agenda Item No. 38
Roll Call No. 07-
Communication No. 07-584
Submitted by: Allen McKinley, Finance
Director

AGENDA HEADING:

Approving the City of Des Moines Official Street Finance Report for Fiscal Year 2006-07.

SYNOPSIS:

Recommend approval of the FY 2007 Official Financial Report for City Streets and submittal to the Iowa Department of Transportation (IDOT). This report is required for continuance of the City's eligibility for the Road Use Tax allotment. The annual report, required by House File 324, presents the cost of day labor and public contracts for construction, reconstruction, and improvement projects on the municipal street system completed in Fiscal Year 2006-07. It also presents the Road/Street Equipment inventory.

FISCAL IMPACT:

There is no direct fiscal impact associated with this particular item. The City must submit the report in order to remain eligible for an Iowa Department of Transportation Road Use Tax allotment, which was \$16.6 million in FY2007.

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 \$57,000.

House File 324 does not apply to maintenance activities by the cities; this 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 FY2007 with estimated construction costs greater than \$57,000.

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 31 projects completed in FY2007 totaling \$40,029,235.

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 employees). The report, which does not include maintenance activities, lists one project to be reported in FY2007 under the IDOT rules. The Public Works Department also prepared the road/street equipment inventory.

PREVIOUS COUNCIL ACTION(S):

Date: October 9, 2006

Roll Call Number: 06-1998

Action: FY 2006 Official Financial Report for City Streets. ([Council Communication No. 06-639](#))
Moved by Vlassis to adopt. Motion Carried 6-0.

Date: September 26, 2005

Roll Call Number: 05-2342

Action: FY 2005 Official Financial Report for City Streets. ([Council Communication No. 05-2342](#))
Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Council approval of future annual reports.