

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Council District: All

To: The City Council

From: Miguel A. Santana, City Administrative Officer  
Chair, Proposition O Administrative Oversight Committee



Reference: Proposition O Oversight Committee Recommendations

Subject: **PROPOSITION O, CLEAN WATER GENERAL OBLIGATION BOND PROGRAM --  
FINANCIAL REVIEW, PROJECT ADJUSTMENT AND FUNDING RECOMMENDATIONS**

SUMMARY

The Prop O Clean Water Bond Program, approved by the voters of the City of Los Angeles in November 2004, authorized the issuance of \$500 million in General Obligation Bonds to finance projects that will bring the City into compliance with the Federal Clean Water Act. The Prop O ballot measure provides for funding projects in four categories. Attachment A shows the total amounts spent as of June 2013 per each category.

This report recommends \$66.3 million of additional appropriations for projects that are already partially funded. In addition, it recommends \$1.6 million to begin design for the highest rated water quality project on the waiting list. This will leave an estimated \$5 million in the Program Contingency as requested by the City Engineer.

Funding Sources	Amount (Millions)
Council approved bond funds	\$439,500,000
Interest earnings to date	23,141,973
Arbitrage set-aside	(2,000,000)
Future remaining bond issuance	60,500,000
Secured grants reimbursable to Prop O	18,270,046
SCM funds reimbursable to Prop O	7,000,000
LA County Flood Control-Wilmington Drain reimbursements to Prop O	8,166,474
<b>TOTAL PROP O FUNDS</b>	<b>\$554,578,493</b>
<b>Budgeted Items</b>	
Council approved project funding to date	\$514,907,403
Council approved staff and consultant funding to date	12,625,740
Proposed program staffing costs	19,100,000
Council approved cost reductions	(25,145,955)
Proposed estimated additional cost reductions	(39,786,030)
Proposed additional project and staff funding	67,863,440
<b>TOTAL REVISED PROP O BUDGET</b>	<b>\$549,564,598</b>
<b>ESTIMATED PROP O CONTINGENCY RESERVE</b>	<b>\$5,013,895</b>

### Source of Funding

A total of \$439.5 million of the \$500 million in General Obligation Bonds have been sold to date. This leaves a total of \$60.5 million in bond fund authority remaining to be issued.

Interest earnings through September 30, 2013 total \$23.1 million. The Prop O program has also secured and received a total of \$18.27 million in Federal and State grants.

In addition, the City is also expected to receive up to \$7 million from the Sewer Construction Maintenance Fund for the construction of the Coastal Interceptor Relief Sewer (CIRS) project due to the increase in wastewater capacity provided and a reimbursement of \$8.1 million from the Los Angeles County Department of Public Works (LACDPW) for their share of the additional dredging work requested of the Machado Lake Phase I (Wilmington Drain) project.

After setting aside \$2 million for potential arbitrage payments, the total funding available for the Prop O program \$554.6 million.

### Program Contingency Reserve

Of the total \$554.6 million in available funds to date, the City Council had originally allocated \$527.3 million in Prop O funding for the development and implementation of 37 projects. However, the current Prop O Program budget has been adjusted down to \$462.4 million due to savings from completed projects and project budget adjustments.

A total of \$25.1 million in project budget savings was approved on April 2013 via the Construction Projects Report (C.F. 13-0469) and transferred to the Program Contingency Account. An additional \$39.7 million is being recommended as part of this report (see Attachment B).

Consistent with the request of the City Engineer, this report recommends a total of \$5 million remain in the Program Contingency Reserve to ensure that sufficient funds are available to complete the current active Prop O projects, such as the Machado Lake Rehabilitation project, without impacting the City General Fund.

### Program Staffing Budget

Out of the total \$31.7 million recommended to be allocated for consultant and staff costs, a total of \$12.6 million has been approved by Council to date. In September 2013, the Citizen's Oversight Advisory Committee (COAC) and Administrative Oversight (AOC) approved a revised Master Schedule for the Prop O Program which increased the time to complete the program by three years. This will increase the total staff costs budget by an estimated \$6 million in programming costs to \$37.7 million.

### Project Optimization Results To Date

In order to ensure that the water quality elements of the Prop O projects are functioning properly, the Bureau of Sanitation (BOS) has performed optimization work on four Prop O completed projects. To date, the projects' filtration/infiltration systems are functioning at 100 percent which have contributed to the significant reduction of pollutants from the water (see Attachment C for more details of pollutants removed).

### Prop O Recommendations for Additional Funding

The following projects have previously received Prop O funds and the COAC and AOC have agreed that they now require additional funding to continue their next phase of improvements:

Project	Project Scope/Objectives	Proposed Funding (millions)
Albion Riverside Park Improvements (CD-1)	The land was acquired and cleaned using Prop O funds. The next phase entails the implementation of storm water BMPs and Natural Treatment Systems based on natural hydrologic processes. The water flow will be intercepted and treated before it enters the LA. River.	\$11,455,000
Catch Basin Inserts and Opening Screen Covers Phase IV (CD-11 and CD-15)	Project is required to be funded to meet regulatory TMDL compliance milestones as mandated by the Regional Water Quality Control Board.	\$6,160,000
Machado Lake Rehabilitation Project Estimated Budget Increase (CD-15)	Funding is required for construction.	\$16,607,766
Staff costs increase due to 3 year Revised Master Schedule	This is additional estimated programming cost as a result of an approved revised master schedule to complete Prop O Program by 2023.	\$6,000,000
Taylor Yard River Park – Parcel G2 Land Acquisition (CD-1)	Funds are required to acquire parcel of land adjacent to the L.A. River as part of the Revitalization Master Plan.	\$26,045,585
<b>SUBTOTAL =</b>		<b>\$66,268,351</b>

### Taylor Yard Park-Parcel G2 Acquisition Allocation

In March, 2013, per the request of Council District One (CD-1), COAC and AOC approved the transfer of the Taylor Yard Park-Parcel G2 Acquisition (Taylor Yard) allocation (\$12,440,000) to the Albion Riverside Park Project (Albion project) (\$11,455,000) and Program Contingency (\$985,000).

A total of \$25 million was originally set-aside within the Prop O Program Budget to acquire Taylor Yard. However, \$12.5 million was previously transferred to the Albion project to assist with the acquisition, demolition and remediation work. CD-1's request was intended to ensure that the Albion project was completed as efforts to acquire the Taylor Yard Parcel G2 were stalled.

In April, 2013, prior to transmitting the action requested by CD-1 to the Council and Mayor for review, the Mayor's Office requested that the funds be restored to Taylor Yard so that additional time could be given time to negotiate the acquisition of the property. The Mayor suggested that, if after 12 months no action was taken to acquire the parcel, the funding would be returned to the Albion project (\$11,455,000) and Program Contingency (\$985,000).

In June 2013, the Los Angeles River Revitalization Corporation (LARRC) presented to the City an opportunity to purchase the Taylor Yard property at a substantially reduced price due to the recognition that the parcel has on-site contamination. LARRC believes provision of \$26 million of Prop O funds will be sufficient to purchase the property. The window for this opportunity closes in December 2013.

In September, 2013, the U.S. Army Corps of Engineers (Army Corps) released the L.A. River Ecosystem Restoration Integrated Feasibility Report (IFR) which included the Taylor Yard parcel as a wetland and park concept as part of the restoration plan for 11 miles of the L.A. River.

This report recommends that the \$12.4 million set-aside for Taylor Yard remain and that an additional \$13.6 million be transferred from the Program Contingency Reserve to assist with the acquisition of the Taylor Yard. It is estimated that this would provide sufficient funding for the purchase of the G2 parcel. However, there remains a significant unfunded liability in remediation of the contaminated soil associated with this project. Current estimates range from \$8 million to \$45 million. The City Engineer estimates that it will be between \$30 million and \$45 million. Prop O does not have sufficient funding to cover this liability at this time.

The Bureau of Engineering (BOE) advises that in order to better assess the total cost for acquiring the G2 parcel, a technical memo will be drafted prior to Council consideration of a potential purchase to clarify what the Army Corps remediation expectations are and to provide an educated estimate of the cost to remediate. BOE requests to use approximately \$40,000 of the \$12,440,000 allocation to complete this task. Additionally, an updated appraisal should be conducted prior to Council consideration.

#### Machado Lake Ecosystem Rehabilitation Revised Project Budget

On October 9, 2013, BOE received three bids for the Machado Lake Rehabilitation project. The construction bids were \$74.8 million, \$79.7 million and \$99.6 million.

In order to allow the Council and Mayor to consider the purchase of Taylor Yard within the window of opportunity and to provide timely funding for the Installation of the Catch Basin Inserts, Phase IV project, it is recommended that sufficient funding be reserved for the Machado Lake project even though the evaluation and selection process has not yet been completed. BOE requests that funding be provided at this time to allow either of the two lowest bids to be accepted, pending completion of the evaluation of the bids. In order to do so, the project will need an additional \$16.6 million added to its current \$99.5 million budget to account for construction management, design and contingency costs. This will result in a revised project budget of \$116.1 million. Should the lowest bid be selected, it may be possible to reduce this budget by approximately \$5 million.

#### Ranking of New Prop O Projects

BOS has divided the primary criteria for funding eligibility into three categories, with the following weighting: Water Quality Improvements at 40%; Achieves Multiple Objectives at 30%; and Project Feasibility/Readiness/Financial at 30%. The scoring for each project is ranked based on the overall results of the sub-criteria met within each of these categories (see Attachment D- Council approved Prop O – Project Selection Criteria report dated May 18, 2005). The primary purpose of projects selected for funding is to improve water quality by reducing pollutant loads to the impaired waters of the City. The chart below summarizes the projects with approved concept reports that haven't received funding with their corresponding ranking scores:

Project Name	CD	Category Number	Rank Score	Proposed Funding (millions)
Aliso Creek-Limekiln Creek Restoration Project	12	3	High or Equivalent to 90 Score	10.2
Boyle Heights Joint Use Community Center Improvements	14	3	Medium or Equivalent to 82 Score	2.3
Vermont Avenue Stormwater Capture and Green Street Project	8	3	Medium or Equivalent to 82 Score	1.0
L.A. River Natural Park	2	3	Medium or Equivalent to 81 Score	58.3
Verdugo Hills Golf Course Project	2	3	Medium or Equivalent to 81 Score	33.4
Westwood Neighborhood Greenway Project	5	3	Medium or Equivalent to 81 Score	3.1
<b>TOTAL</b>				<b>\$108.3</b>

Based on the scores above, BOS recommends new project funding for the Aliso Creek-Limekiln Creek Restoration Project (Aliso-Limekiln Project) totaling \$10,200,674. However, insufficient funds are available at this time to fund the entire project budget. Therefore, funding of \$1,595,089 for only the Design Phase is recommended at this time by COAC and the AOC.

Funding Required to Support Existing Funded Projects	\$66,268,351
Design Funding for Aliso-Limekiln Project	<u>\$ 1,595,089</u>
<b>TOTAL FUNDING RECOMMENDATIONS</b>	<b>\$67,863,440</b>

With the cooperation of BOS and BOE, our office will continue to track future grant receipts, interest earnings and project budget adjustments/savings to help secure sufficient funds for the completion of the Aliso-Limekiln Project.

## RECOMMENDATIONS

1. Approve the revised budget adjustments for the various Prop O projects totaling \$39.8 million listed in Attachment No. B;
2. Approve an increase of \$11,455,000 for the Albion Riverside Park Improvements Revised Project Budget;
3. Approve an increase of \$6,160,000 for the Catch Basin Inserts and Opening Screen Covers Phase IV Revised Project Budget;
4. Approve an increase of \$16,607,766 for the Machado Lake Rehabilitation Project Revised Project Budget;
5. Approve an allocation totaling \$26,045,585 for the Taylor Yard River Park- Parcel G2 Land Acquisition Phase;

6. Approve appropriations totaling \$1,595,089 for the Aliso Creek-Limekiln Creek Restoration Project Design Phase;
7. Approve an increase of \$6,000,000 of staff costs due to a three year increase to the Prop O Master Schedule;
8. Instruct the Department of Public Works, Bureau of Sanitation (BOS) to finalize an agreement with the Los Angeles County Department of Public Works (LACDPW) and secure approximately \$8,166,474 in LACDPW funds to pay for construction of the Wilmington Drain Project by February 2014;
9. Approve the transfer of up to \$7 million in Sewer Construction and Maintenance funds for construction of the Coastal Interceptor Relief Sewer by June 2014;
10. Authorize the Department of Public Works and the City Administrative Officer to make technical corrections relative to the actions approved by the Council and the Mayor on this matter and authorize the Controller to implement those corrections; and
11. Instruct the City Administrative Officer and the Chief Legislative Analyst to periodically review the financial condition of the Prop O Bond Fund and report back to Council with appropriate recommendations.

## **FISCAL IMPACT STATEMENT**

The recommendations in this report results in additional funding of \$67.8 million for Proposition O Projects. This is offset by transfers of approximately \$72.8 million in funds from completed projects and project savings, by interest earning, grants and other non-city sources of funds. Approval of the recommendations in this report will allocate the total amount of \$554 million in Prop O funding which includes \$5 million for a Program Contingency Reserve. There is an estimated additional annual cost of \$892,400 for Operation and Maintenance (O&M) costs for the projects recommended for funding in this report which will be addressed through the budgetary process once they are completed. The recommendations in this report are in compliance with the City's Financial Policies as funding for the proposed projects is provided primarily from bond funds which are supported by voter-approved property tax revenue.

## DISCUSSION

The Prop O Program consists of projects designed to remove trash, bacteria and stormwater pollution from the City's rivers, lakes, beaches and the ocean, as well as reduce flooding and increase water conservation in order to meet Total Maximum Daily Load (TMDL) requirements for trash and bacteria. A TMDL is a calculation of the maximum amount of a pollutant that a water body can receive and still safely meet water quality standards.

Once the Prop O projects are completed, the Bureau of Sanitation (BOS) performs optimization work in order to ensure that the water quality elements of the Prop O projects are functioning properly. As indicated on Attachment C, BOS has performed work on four projects. To date, the projects' filtration/infiltration systems are functioning at 100 percent which have contributed to the significant reduction of pollutants from the water. After the completion of the optimization phase, the cost for maintaining the projects will be addressed through the budgetary process to be funded by non-Prop O funds.

The Mayor and Council appointed a five member Administrative Oversight Committee (AOC) made up of representatives of the City Administrative Officer, Chief Legislative Analyst, Mayor, Board of Public Works and the Los Angeles Department of Water and Power. Also, to assist with overseeing the program, a nine member Citizens Oversight Advisory Committee (COAC) has been appointed (five members appointed by the Mayor and four by the President of the Council).

### Status of Prop O Funding

A financial review of Prop O was conducted with assistance from the Chief Legislative Analyst (CLA), Bureau of Engineering (BOE) and Bureau of Sanitation (BOS). The purpose was to balance the Prop O funds and to ensure sufficient funds will be available to complete the current list of Council approved projects. The review included an analysis of future staffing needs, project scopes and cost, and bond proceeds from interest and anticipated grant reimbursements to the Prop O Program.

Our analysis reflects an overall potential surplus of \$5 million which is recommended to remain in the Program Contingency Reserve to ensure sufficient funds are available to meet potential project funding shortfalls without impacting the General Fund. The total Prop O Program budget of \$549.5 million is offset with \$554.5 million in total available and planned funding sources as summarized on the first page of this report.

### Oversight Committee Recommendations

At the October 2013 COAC and AOC meetings, it was agreed that those projects which have been partially funded should receive Prop O funds first and that any remaining funds will be appropriated to the highest scoring project. A total of \$66,268,351 was recommended to be reprogrammed to existing previously funded projects as follows:

- **Albion Riverside Park Improvements (CD-1)** – This six-acre Albion Dairy property is located adjacent to the Los Angeles River (L.A. River), 1.5 miles northeast of downtown. As of April 2013, this project was acquired and cleaned using Prop O funds.

The next phase entails the implementation of storm water (Best Management Practices) BMPs and Natural treatment Systems based on natural hydrologic processes. The water flow will be intercepted and treated before it enters the L.A. River. Active and passive recreational opportunities will result by providing greenway linkages between the acquired parcel, adjacent Downey Park and L.A. River. Recreation elements will be paid from non-Prop O sources. This project is also part of the L.A. River Revitalization Master Plan (LARRMP) as a potential site for a river park, recreational facility, outdoor classrooms and river learning center.

**Total proposed funding: \$11,455,000.**

- **Catch Basin Inserts Opening Screen Covers Phase IV (CDs 11 and 15)** – Funding this project is required to meet regulatory TMDL compliance milestones as mandated by the L.A. Regional Water Quality

Control Board (RWQCB). The BOS has developed a compliance strategy utilizing the installation of structural trash control devices in the storm drain system. These structural devices include catch basin (CB) inserts and CB opening screen covers, netting systems and other trash capture devices. This strategy was successful in addressing the first Trash TMDLs imposed on the City for the L.A. River and Ballona Creek.

This strategy was funded in three phases using Prop O funds at a total cost of \$65.4 million which was used to retrofit 38,000 catch basin with curb opening screen covers and 8,000 catch basins with inserts and has led to full compliance in those watersheds. The same strategy will now be used to address the new Trash TMDLs and the Municipal Separate Storm Sewer System Permit (MS4 Permit) requirements adopted by the RWQCB on November 8, 2012 for the Santa Monica Bay (CD 11), Machado Lake (CD 15) and Dominguez Channel (CD 15) watersheds.

For the Machado Lake Watershed Trash TMDL, a 20% reduction of trash per year for a five-year period, compliance milestone was established for March 2012. BOS has successfully requested an extension to meet this milestone by February 2014.

**Total proposed funding: \$6,160,000.**

- **Machado Lake Rehabilitation Project (CD 15) - Estimated Budget Increase** – Machado Lake and its fresh water marsh are located in the Ken Malloy Harbor Regional Park. The park is 231 acres and includes the 40-acre Machado Lake. The Machado Lake ecosystem is one of the last remaining coastal wetland ecosystems in the Los Angeles region. Machado Lake is fed by urban and stormwater runoff from multiple drains covering a 20 square mile watershed. The lake is located in a dense urban area that suffers from a lack of parkland. The overall scope of the project is to reduce identified environmental pollutants from the stormwater discharges or other point sources that are adversely impacting the lake ecosystem. This will entail the implementation of various in-lake rehabilitation techniques, riparian system enhancements, and stormwater treatment. By restoring and improving the ecosystem, this project will also improve both active recreational opportunities including biking and jogging, as well as passive recreation (e.g. nature study) and habitat.

On May 8, 2013, the Board of Public Works rejected the first three bids received for this project due to the lowest bids being deemed unresponsive. On October 9, 2013, BOE received three new bids for the Machado Lake Rehabilitation project ranging from 74.8 million, \$79.7 million and \$99.6 million. In order to allow the Council and Mayor to consider the purchase of Taylor Yard within the window of opportunity and to provide timely funding for the Installation of the Catch Basin Inserts, Phase IV project, it is recommended that sufficient funding be reserved for the Machado Lake project even though the evaluation and selection process has not yet been completed.

BOE requests that funding be provided at this time to allow either of the two lowest bids to be accepted, pending completion of the evaluation of the bids. A project budget adjustment is required to award the project construction contract by the January 7, 2014 award date. In order to do so, the project will need an additional \$16.6 million added to its current \$99.5 million budget to account for construction management, design and contingency costs. This will result in a revised project budget of \$116.1 million. Should the lowest bid be selected, it may be possible to reduce this budget by approximately \$5 million.

**Total proposed funding: \$16,607,766.**

- **Program Staff Costs Increase Due to 3-year Revised Master Schedule** – There are 32.75 full-time equivalent authorized positions for the Prop O Program; 18 for the Bureau of Engineering (BOE), 13 for the Bureau of Sanitation (BOS) and 1.75 for the Office of Accounting. The Bureau of Contract Administration (BCA) inspectors are deployed to the projects as needed from within their existing staff.

Out of the total \$31.7 million recommended to be allocated for Prop O Program consultant and staff costs, a total of \$12.6 million has been approved by Council to date (includes \$960,000 for consultant costs). In September 2013, COAC and AOC approved a revised Master Schedule for the Prop O Program which increased the time to complete the program by three years to fiscal year 2022-23. This additional increase



in program completion will increase the total staff costs budget by an estimated \$6 million in programming costs to \$37.7 million. Funds are requested to be allocated to avoid impacting the General Fund for these staff costs. Council appropriations to BOS, BOE, BCA and the Office of Accounting are requested yearly via the Construction Projects Report process.

**Total proposed funding: \$6,000,000.**

- **Taylor Yard River Park – Parcel G2 Land Acquisition (CD-1)** – Funds totaling \$26 million are recommended to acquire a 42 acre parcel of land adjacent to the L.A. River which the U.S. Army Corps of Engineers (Army Corps) has included within its L.A. River Ecosystem Restoration Integrated Feasibility Report (IFR) as a wetland and park concept as part of the restoration plan for 11 miles of the L.A. River. Revitalization Master Plan. This concept envisions a 300-foot L.A. River bed widening for the creation of a riparian slope, wetland, and an open green public park.

In 2007, a total of \$25 million was originally set-aside within the Prop O Program Budget to acquire the Taylor Yard G2 Parcel. However, per the request of CD -1, \$12.5 million was transferred to the Albion project to assist with the acquisition, demolition and remediation work. CD-1's request was intended to ensure that the Albion project was completed as efforts to acquire the Taylor Yard Parcel G2 had stalled.

In March, 2013, in accordance with CD-1, COAC and AOC approved the transfer of the remaining Taylor Yard allocation (\$12,440,000) to the Albion Riverside Park Project (Albion project) (\$11,455,000) and Program Contingency (\$985,000). In April, 2013, prior to transmitting the action requested by CD-1 to the Council and Mayor for review, the Mayor's Office requested that the funds be restored to Taylor Yard so that additional time could be given time to negotiate the acquisition of the property. The Mayor suggested that, if after 12 months no action was taken to acquire the parcel, the funding would be returned to the Albion project and Program Contingency.

In June 2013, the Los Angeles River Revitalization Corporation (LARRC) presented to the City an opportunity to purchase the Taylor Yard property at a dramatically reduced price due to the recognition that the parcel has on-site contamination. LARRC believes provision of \$26 million of Prop O funds will be sufficient to purchase the property. The window for this opportunity closes in December 2013. In November 2013, COAC and AOC approved a request by BOE to rescind the previous action of transferring the remaining Taylor Yard allocation of \$12.4 million to the Albion project and instead re-allocate the funds back to the Taylor Yard. Also, COAC and AOC approved an additional Prop O allocation totaling \$13.6 to set-aside sufficient funds required for the project's acquisition phase.

In addition, BOE was authorized to use approximately \$40,000 from the project's allocated funds to prepare a technical memorandum which will assist the City with understanding the scope and cost implications of the Taylor Yard purchase as it relates to remediation of the contamination associated with this project. The technical memorandum will be drafted prior to Council consideration of a potential purchase to clarify what the Army Corps remediation expectations are and to provide an educated estimate of the cost to remediate.

Current estimates range from \$8 million to \$45 million. The City Engineer estimates that it will be between \$30 million and \$45 million. Prop O does not have sufficient funding to cover this liability at this time. Additionally, an updated appraisal will be conducted prior to Council consideration.

**Total proposed allocation of funds: \$26,045,585.**

- **Aliso Creek-Limekiln Creek Restoration Project (CD-12) (Aliso-Limekiln)** - Based on BOS rankings of approved Prop O concept reports that haven't received funding, the Aliso Limekiln project ranked first as a potential project next in line to receive Prop O funds. The plan for this 11.8 acre project consists of diverting stormwater runoff from the Aliso Creek and from the Limekiln Creek and treating stormwater runoff generated on site.

In addition to providing water quality benefits, the project will result in the creation of self-sustaining riparian woodland vegetation and other re-vegetated areas, as well as providing recreational opportunities to residents of CD 12. BOS estimates a total project budget at \$10.2 million. However, insufficient funds are

available at this time to recommend full funding. Therefore, only the design phase funding requirement which totals \$1,595,089 is recommended for this project at this time. The design phase is anticipated to take two years to complete and it is highly likely that sufficient funds will become available through interest earnings, project savings and/or additional grant receipts for the construction phase of this project.

**Total proposed funding: \$1,595,089.**

- **Program Contingency Reserve** -This report recommends that a minimum of \$5 million remain in the Program Contingency to ensure sufficient funds are available for future potential project funding shortfalls without impacting the General Fund. The City Engineer will make every effort to remain within budget. However, projects, like the Machado Lake, have little precedent and there is the potential for significant, unpredictable unforeseen costs. In addition, should the City experience any difficulty in receiving secured grant funds from the State, a Program Contingency will allow the already approved projects to survive without a General Fund impact. Therefore, a Program Contingency should help minimize the potential need for a General Fund contribution to fund unanticipated costs.

**Total proposed funding: \$5,000,000.**