



City of Grand Forks
Staff Report
City Council - August 23, 2021

APPROVED & ACCEPTED
by City Council
Maureen Storstad
08/23/2021
Maureen Storstad
City Auditor

Agenda Item: Budget amendment – Alerus Center

Submitted by: Maureen Storstad, Finance Director

Staff Recommended Action: Approve Budget Amendment

August 23, 2021 – Council Action:

Motion by Weigel, second by Weber, to approve. Motion carried unanimously.

BACKGROUND:

The Alerus Center recently received bids for their networking infrastructure project. Two bids were received (Creek & Marco). The purpose of the project is to:

- Replace all network cabling in the building
- Upgrade switches allowing enough connections so all ports are active throughout the building at all times
- Clean & organize the communication closets
- Provide documentation for every part of the network

Bids came in higher than estimated, causing the need for a budget amendment. The Alerus Event Center originally discussed the bid results at the July Commission meeting, and was further discussed at the Finance & Renovation Committee meeting on August 11th.

Representative from both bidders, Marco & Creek as well as Cisco were in attendance to answer questions of the committee. The question was asked regarding how long the bid price would be honored. The Marco/Cisco group confirmed that they would hold their pricing on the bid until Wednesday, August 25th at 5pm. They stated after this date 90% of the items included in this project would increase up to 20%. Creek was to follow up and as of the time of submitting this staff report, Alerus staff has not received confirmation of the hold date. We will update on Monday.

Cisco discussed the shortages of computer chips (world-wide), which is leading to increased costs as well as delay in equipment arrival. Bids came in significantly higher than estimated, causing the need to come to City Council to request approval for a budget amendment in the amount of \$550,000.

2021 Budgets were set conservatively due to unknowns of COVID impacts on sales tax

revenue streams. Sales tax is coming in much better than was budgeted and the budget amendment would increase the amount of sales tax revenue to offset the increased capital budgeted expenditure. The City has applied for an SBA Shuttered Venue Operators Grant. If awarded, the budget amendment will be adjusted to use this revenue stream rather than sales tax. We hope to hear back regarding this grant in the near future.

This networking infrastructure bid will come before the Commission for final decision at the August 25th Alerus Events Center Commission meeting.

ANALYSIS AND FINDINGS OF FACT:

- **Bids received for Networking Infrastructure – higher than estimated (2 bids received)**
- **Approval of bids would require a budget amendment \$550,000**
- **Applied for a Shuttered Venue Operator Grant – if awarded would be used toward this project**

SUPPORT MATERIALS:

- **Bid Tab Attached**
- **Budget Amendment Attached**

CITY OF GRAND FORKS, NORTH DAKOTA

BUDGET TRANSFER REQUEST						REQUEST NO.	DATE: 8-23-21			PAGE:	
TO: FINANCE AND ADMINISTRATIVE OFFICE						FROM: Finance					
Request amendment to budget as indicated						_____			_____		
						DATE			DEPARTMENT HEAD		
Increase Revenue Account						Increase Expenditure Account					
FUND CODE	DEPT CODE	SUB DEPT CODE	BUDGET CODE	DESCRIPTION	AMOUNT	FUND CODE	DEPT CODE	SUB DEPT CODE	BUDGET CODE	DESCRIPTION	AMOUNT
5700	000		302.0030	sales tax revenue	\$ 550,000	5700	100		700.0030	Capital - Comm & Elec	\$ 550,000
				TOTAL	\$ 550,000					TOTAL	\$ 550,000
REASON: BA from excess sales tax to be used toward Alerus Center Captial needs											
FINANCE DIRECTOR'S COMMENT:											
AUDITORS COMMENT:						CERTIFY AVAILABILITY OF FUNDS					
_____						_____			_____		
MOVED BY:						DATE			DATE PROCESSED		
_____						_____			_____		
SECONDED BY:						CITY AUDITOR/DEPUTY			ENTERED BY		