



## Highway Department

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### MEMORANDUM

TO: Cass County Commission

FROM: Jason Benson, County Engineer *JB*

DATE: December 12, 2023

SUBJECT: Agenda Item for December 18<sup>th</sup>, 2023, Cass County Commission. Cass County Highway Department Highway Construction Budget Adjustment

In 2022 the Highway 9 project near Durbin was delayed late in the construction season due to a regional shortage of cement required for the cement treated subgrade. This resulted in \$2,988,394 of 2022 work being completed in 2023 for Highway 9 that requires a budget adjustment.

The Highway 16 subgrade repair was budgeted at \$2,400,000. However, due to final design changes and increased construction costs, our engineer estimate increased to \$4,334,943 and the final bid amount was \$4,647,552. The overall budget adjustment request for this project is \$2,247,552. Budget adjustments are generally requested at the time of the contract award; however, it appears it was not presented at that time. While this was an oversight of the highway department, this project was a critical 2023 project to construct due to the availability of aggregate from the FM Diversion I-29 Grade Raise project.

The overall budget adjustment request for these two projects total \$5,235,946. We are requesting an adjustment to the road construction budget from \$9,685,220 to \$14,921,166. This budget adjustment will be covered by the additional carryover of funds from 2022 budget and fund reserves. If this is approved the 2023 ending fund balance will be \$2.4 million and is in compliance with County policy at 23.4% of the operating budget.

#### **SUGGESTED MOTION:**

Move to approve a budget adjustment of \$5,235,946 to the road construction budget line item 211-4001- 431-4575.