

CONSENT ITEM – 8I



MEMORANDUM

DATE: January 12, 2026

TO: Honorable Mayor and City Councilmembers
Jessica Jagoe, City Administrator

FROM: David Swearingen, P.E. Public Works Director / City Engineer

SUBJECT: Ramsey County Lexington Avenue Reconstruct – Final Payment

Budgeted Amount:	Actual Amount:	Funding Source:
\$1,010,000	\$1,273,381.92 (\$263,381.92 Over Budget)	PIR, State Bond, LRIP Grant, Assessments, Water Fund

Council Should Consider

Motions to approve, table, or deny the following:

- Payment to Ramsey County per the Cooperative Agreement, PUBW-2020-10R, in the amount of \$476,400.91 for the Ramsey County Lexington Avenue Reconstruct Project construction costs.
- Payment to Ramsey County per the Cooperative Agreement, PUBW-2020-10R, in the amount of \$161,594.28 for the Ramsey County Lexington Avenue Reconstruct Project related to Engineering costs.

Background/Discussion

On November 23, 2020, the City Council entered into a Cooperative and Maintenance Agreement for the Lexington Avenue Improvements with Ramsey County (PUBW-2020-10R). The project consists of reconstructing Lexington Avenue between County Road E and Interstate Highway 694, including improvements to streets, sidewalks, traffic signals, water main, storm sewer, and other infrastructure located within the project corridor. On October 25, 2021, City Council adopted Resolution 2021-060 to approve the plans and specifications for the project.

Construction started Spring of 2022 and has since been completed. Ramsey County has invoiced the City for construction and engineering costs shown in Attachments A & B. The County recently resolved negotiations with the Contractor which is the reason for the delay in the pay request. These will be the final invoices from Ramsey County for the project.

Staff has reviewed the invoices and related payment items and recommends Council approve the payment.

Budget Impact

The funding sources are summarized in the following table:

PIR Fund (roadway and signal replacement)	\$	206,127
Special Assessments (new Target Rd signal)		196,000
State Bonding Funds (water main replacement)		500,000
City Water Utility Fund		66,069
LRIP Grant Funds		41,804
Total Estimated Funding	\$	1,010,000

The table below shows the final actual project costs:

General construction	\$	222,472.65
Target Rd signal construction	\$	149,426.83
Watermain construction	\$	388,563.16
General Engineering Costs	\$	98,128.22
Target Rd. Signal Engineering Costs	\$	63,466.06
Right of Way Costs	\$	351,325.00
Total project cost:	\$	1,273,381.92

Actual project expenditures exceed the project budget by \$263,381.92. This is primarily due to the actual Right-of-Way costs coming in much higher than what Ramsey County estimated in 2019/2020 when the project was presented to the City Council. While the PIR fund currently has a sufficient balance to cover the overage, Council will need to revisit the projected depletion of these funds during the Summer 2026 budget sessions for the 2027 fiscal year.

Attachments

Attachment A: Invoice PUBW-021967 from Ramsey County

Attachment B: Invoice PUBW-021965 from Ramsey County