



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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Adopt a resolution approving the County of Monterey Capital Improvement Program Five-Year Plan for Fiscal Years 2021/22 through 2025/26.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution approving the County of Monterey Capital Improvement Program Five-Year Plan for Fiscal Years 2021/22 through 2025/26.

SUMMARY:

The County of Monterey Capital Improvement Program Five-Year Plan for Fiscal Years (FYs) 2021/22 through 2025/26 (hereinafter CIP) sets forth capital projects essential to maintain and improve County public facilities and facilitates the orderly implementation of the County General Plan. Public facilities include buildings, major equipment, telecommunications infrastructure, parks, and transportation systems. CIP projects are those projects that cost more than \$100,000 and provide long-term assets to Monterey County.

Each year, the CIP is updated and reviewed considering County needs, priorities, and available funding. A long-term CIP provides several benefits:

- ◆ Prioritizes needs and establishes an orderly basis for sound budgetary decisions.
- ◆ Focuses attention on both mandated and community goals, needs, and capabilities for best use of public funds and establishes a long-term plan to address future needs.
- ◆ Improves the likelihood of obtaining State and Federal financing assistance for projects.
- ◆ Encourages project coordination between the County and public agencies which serves to reduce scheduling conflicts.
- ◆ Permits private enterprise to relate and/or align their projects to the CIP.

The CIP (Attachment A) includes capital projects planned as part of the capital budgets managed by the Department of Public Works, Facilities, & Parks (PWFP), Natividad Medical Center (NMC), and Information Technology Department (ITD). PWFP worked with County Departments to develop their capital project requests. Capital projects are funded through capital funds budgeted in Funds 002 (Road Fund), 402 (Capital Projects), and 404 (Facilities Master Plan Projects) and by individual department budgets. NMC manages its own funds for capital projects and is included in the CIP for reference only. PWFP does not review or rank NMC projects. Monterey County Water Resources Agency (MCWRA) is not considered a department of the County, so the CIP does not include MCWRA projects.

The CIP provides information about fully funded, partially funded, and unfunded Department capital projects for FY 2021/22. The unfunded and partially funded Projects proposed for FY 2021/22 [Attachment B-Unfunded and Partially Funded Project List] have been ranked utilizing two methodologies: 1) life/health/safety criteria and 2) racial equity tool criteria. The Projects and costs identified for FYs 2022/23 through 2025/26 are intended to illustrate priorities and magnitude of future funding needed.

DISCUSSION:

The CIP sets forth public projects essential to maintain and improve County public facilities and facilitate the orderly implementation of the County General Plan. Public facilities include buildings, major equipment, telecommunications infrastructure, parks and open spaces, and transportation systems. CIP projects cost more than \$100,000 and provide long-term assets to Monterey County. Budgeted costs include design, environmental, construction, equipment, land purchase, and project administration of new, improved, or replacement infrastructure. The costs identified in FY 2021/22 are appropriated as a part of the operating and capital budget process.

PWFP worked with the County Departments to develop their capital project requests. The FY 2021/22 CIP Projects list is summarized as follows:

FY 2021-22 CIP Project Overview

<u># of Projects</u>	<u>Total Project Cost</u>	<u>Funding Status</u>
85	\$339 Million	Fully Funded
12	\$152 Million	Partially Funded
50	\$ 94 Million	Unfunded

FYs 2021-22 through 2025/26 CIP Projects

<u># of Projects</u>	<u>Total Project Cost</u>	<u>Funding Status</u>
72	\$396 Million	N/A

Attachment A provides a summary for each funding status and associated detail for each project.

A listing of the above CIP projects was developed for presentation to the Monterey County Capital Improvement Committee (CIC), Budget Committee (BC), and Planning Commission (PC). During development of the Draft CIP, the CIC reviews and recommends capital project priorities for the County. The BC reviews and recommends funding allocations and other budget actions associated with these priorities. The PC reviews the Draft CIP for conformity and consistency with the Monterey County General Plan. For all FY 2021/22 unfunded projects, PWFP conducted the standard project review and scoring process based on life/health/safety impacts initiated in FY 2017/18. Additionally, these projects have been ranked utilizing the Government Alliance on Race and Equity (GARE) Racial

Equity Tool. In FY 2018/19, the CIC encouraged the GARE cohort to meet with department heads and evaluate the benefit of racial-equity-focused projects against the impact of delaying or replacing current identified needs. The CIC places an emphasis on projects benefitting targeted geographical areas, such as disadvantaged communities, which may qualify to leverage grant funding.

The unfunded project scoring criteria used by PWFPP prioritizes major critical life/health/safety projects that may impact larger portions of the County population or add/improve a major County service. As a result, smaller preventive maintenance and repair projects for existing facilities may score at a relatively lower numerical score on the priority list. Preserving existing facilities is important for the life/health/safety of our employees, and staff recommends these projects be considered for funding in conjunction with the other projects ranked at a higher priority level. As part of its annual CIP process review, PWFPP reviews the current scoring criteria and may recommend changes to the appropriate committee(s) for consideration in the next year's CIP development.

First year unfunded projects in Attachment B have been separated into several categories. Two (2) Recommended Funding Priorities are provided that address critical life/health/safety needs and initiate a five- (5-) year safety and security improvement program for County facilities. For all other unfunded needs, projects are divided into the following four (4) categories: Roof, Parking Lot and Pavement, Existing Facility, and New Facility Projects. On April 12, 2021, the CIC reviewed the Draft CIP and unfunded priority rankings as shown in Attachment B. On May 17, 2021, the CIC received a report on potential Parks, Community Service Areas (CSA), and County Sanitation Districts (CSD) water and sewer projects and provided direction to staff on the order of priority for Parks, CSA and CSD water and sewer projects.

Should additional funding become available through the budget development process or during Fiscal Year 2021/22, staff will reference the project ranking priorities identified by the CIC and BC to determine funding allocations. If during the fiscal year, a nonemergency project is recommended by PWFPP staff or another department for discretionary funds ahead of a project on the priority list approved by the CIC and BC (collectively, "Committees"), a report will be brought to the Committees to consider adjusting the priority rankings.

PWFPP requests the Board of Supervisors adopt a resolution approving the CIP. Unfunded Projects may be considered for discretionary capital funding based on the recommendation of the CIC and BC, or they may utilize other funding sources as the FY 2021/22 budget is developed. Direction provided by the BC on recommended project priorities is included in the final CIP presented herein. Consistent with the Board of Supervisors' guidelines, Projects included for FY 2021/2022 requiring County capital funds will be reflected in the FY 2021/22 Annual Recommended Budget for consideration and action by the Board.

OTHER AGENCY INVOLVEMENT:

PWFPP worked closely with County departments to identify capital needs, related costs, and funding sources. Members of the 2021 County GARE cohort reviewed and ranked the projects using the Racial Equity Tool. This ranking is designed to evaluate each project's impact on disadvantaged communities in the County.

The proposed CIP was initially presented to the BC for review of fiscal matters on April 28, 2021. County Departments were encouraged to attend the BC meeting to speak on behalf of their projects. On April 28, 2021, the BC requested that the proposed CIP be brought back to the BC to continue the discussion regarding American Rescue Plan Act (ARPA) funding for County Parks, CSA and CSD infrastructure projects.

On April 12, 2021, the CIC reviewed the proposed CIP and unfunded priority rankings as shown in Attachment B. The unfunded project rankings were approved as presented. On May 17, 2021, the CIC received a report detailing potential Parks, CSA and CSD water and sewer projects and provided direction to staff on the order of priority for Parks, CSA, and CSD water and sewer projects.

On May 26, 2021, the PC reviewed and determined that the proposed CIP conforms to and is consistent with the Monterey County General Plan. On May 28, 2021, the BC continued the discussion regarding ARPA funding for County Parks, CSA and CSD water and sewer projects and provided direction to PWWP staff on the recommended prioritization for these projects.

Following the review and support of the proposed CIP by all of these bodies, and the incorporation of BC and CIC recommendations regarding prioritization of Parks, CSA and CSD water and sewer projects, the Final CIP is submitted to the Board of Supervisors for approval and direction as part of the budget hearings in June 2021. Projects approved by the Board of Supervisors for capital funds are incorporated into the Annual Adopted Budget, and the first year's Projects funds are appropriated.

FINANCING:

The CIP is funded by multiple funding sources including local, state, and federal grants, ARPA, Highway Users Tax Account (HUTA or Gas Tax), SB 1, Measure X, impact fees, and capital funds. PWWP staff costs allocated to prepare the CIP are budgeted in Fund 402. No financial impacts result from receiving this report or referring the recommended capital projects for FY 2021/22 to the Annual Recommended Budget process for consideration by the Board of Supervisors. Available cash flow is considered when determining the timing and implementation of individual projects. ARPA funds for "necessary investment in water, sewer, and broadband infrastructure projects" must be obligated by December 31, 2024, and projects must be completed by no later than December 31, 2026.

The list of unfunded projects, as prioritized by the CIC and BC, will be used to identify those projects to receive any available discretionary funding for capital projects. Currently, no available funding has been identified in the FY 2021/22 preliminary budget to allocate toward this list. The priority ranking will be utilized should discretionary funding become available.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The CIP is a critical part of County infrastructure planning and administration which facilitates the completion of essential Capital Projects for the long-term benefit of the County. A well-planned CIP is key to developing and maintaining County infrastructure. The review and prioritization process allows for critical County needs to be identified in a standardized, efficient way. This CIP includes

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projects that support health, County roads, technological infrastructure, libraries, and public safety operations.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Shawne E. Ellerbee, Assistant Director of Public Works, Facilities, & Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities, & Parks

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The following attachments are on file with the Clerk of the Board:

Attachment A-Proposed CIP for FYs 2021/22 through 2025/26

Attachment B-Unfunded and Partially Funded Project List

Attachment C-Draft Resolution