



# Monterey County

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

## Budget Committee

Legistar File Number: BC 19-134

November 22, 2019

**Introduced:** 11/14/2019

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** Budget Committee

- a. Receive a report on winter storm project needs for fiscal year (FY) 2019/20, including funding needs for on-going projects and prior year deficits;
- b. Consider adding selected winter storm projects to the RMA FY 2019/20 Work Program;
- c. Consider retroactively approving three (3) road projects from the 2017 Winter Storm Project list (Hartnell Road, Palo Colorado Milepost (MP) 1-3.2, Metz Road) using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$153,442 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 and \$422,666 from Road Fund 002, Unassigned Fund Balance (002-3101);
- d. Consider approving five (5) 2017 Winter Storm Projects (Argyle Road, Blackie Road, Parkfield Coalinga Road, Pleyto Cemetery Road and Initial Design/Permitting Phase of Upper Palo Colorado MP 4.0-7.4) using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$713,263 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 and \$571,713 from Road Fund 002, Unassigned Fund Balance (002-3101);
- e. Consider retroactively approving eleven (11) 2019 Winter Storm Emergency Response and Repair Projects in progress; adding the projects to the County Capital Project List; and consider funding the projects in the Road Fund 002, Appropriation Unit RMA012 using available revenue of \$770,000 from Highway Users Tax Account (HUTA) and \$1,742,000 from Road Fund 002, Restricted Fund Balance 3044, Sub BSA SB1 - Local Streets and Roads Funding Program;
- f. Consider approving seven (7) 2019 Winter Storm Repair Projects; adding the projects to the County Capital Project List; and consider funding the projects in the Road Fund 002, Appropriation Unit RMA012 using \$1,015,000 from Road Fund 002, Restricted Fund Balance 3044, Sub BSA SB1 - Local Streets and Roads Funding Program and an operating transfer in of \$15,000 from General Fund 001, Other Financing Uses Appropriation Unit CAO017; and
- g. Consider staff recommendation regarding financing sources.

### RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Receive a report on winter storm project needs for fiscal year (FY) 2019/20, including funding needs for on-going projects and prior year deficits;
- b. Consider adding selected winter storm projects to the RMA FY 2019/20 Work Program;
- c. Consider retroactively approving three (3) road projects from the 2017 Winter Storm Project list (Hartnell Road, Palo Colorado MP 1-3.2, Metz Road) using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$153,442 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 and \$422,666 from Road Fund 002, Unassigned Fund Balance (002-3101);
- d. Consider approving five (5) 2017 Winter Storm Projects (Argyle Road, Blackie Road, Parkfield Coalinga Road, Pleyto Cemetery Road and Initial Design/Permitting Phase of Upper Palo

- Colorado MP 4.0-7.4) using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$713,263 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 and \$571,713 from Road Fund 002, Unassigned Fund Balance (002-3101);
- e. Consider retroactively approving eleven (11) 2019 Winter Storm Emergency Response and Repair Projects in progress; adding the projects to the County Capital Project List; and consider funding the projects in the Road Fund 002, Appropriation Unit RMA012 using available revenue of \$770,000 from Highway Users Tax Account (HUTA) and \$1,742,000 from Road Fund 002, Restricted Fund Balance 3044, Sub BSA SB1 - Local Streets and Roads Funding Program;
  - f. Consider approving seven (7) 2019 Winter Storm Repair Projects; adding the projects to the County Capital Project List; and consider funding the projects in the Road Fund 002, Appropriation Unit RMA012 using \$1,015,000 from Road Fund 002, Restricted Fund Balance 3044, Sub BSA SB1 - Local Streets and Roads Funding Program and an operating transfer in of \$15,000 from General Fund 001, Other Financing Uses Appropriation Unit CAO017; and
  - g. Consider staff recommendation regarding financing sources.

**SUMMARY:**

On October 24, 2019, the Budget Committee received a report that consolidated and summarized multiple funding needs into a single report so the Board of Supervisors and its committees could see the bigger picture of funding needs to make more informed decision(s) regarding the use of uncommitted funds as potential financing sources. The report included the following facilities and roads projects recommended to be added to RMA's FY 2019/20 Work Program:

- more funding needs for new Juvenile Hall project;
- the top five (5) ranked unfunded projects from the FY 2019/20 Capital Improvement Plan (CIP);
- developing temporary parking at Gabilan and Church Street;
- completing environmental studies for the Carmel Lagoon Ecosystem Protection Barrier (EPB);
- developing an ADA Transition Plan for Parks;
- E/W Wing Conference Room;
- performing multiple roof repairs on Park buildings; and
- funding the prior year deficit in the Lakes Enterprise Fund.

The portion addressing damage to County roads resulting from the Winter Storms in 2017 and 2019 was continued to have time for discussing this matter.

**Attachment A** provides a summary table that itemizes the projects staff is recommending be performed in FY 2019/20, including suggested financing sources for consideration and discussion by the Budget Committee. The total cost for staff's recommendations is \$5,403,084 that would be funded through the Road Fund with potential reimbursement up to \$994,379 from Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (Cal OES).

With the Road Fund receiving additional revenues as a result of Measure X, SB1 and HUTA, staff has been able to perform the Winter Storm projects without having to borrow funds from Natividad Medical Center. For the most part, RMA is trying to manage within available resources (funding and project management capacity). Therefore, staff does not anticipate needing to request discretionary funds for the projects we recommend adding to the FY 2019/20 Workplan. RMA is also working on

plans for Phase II 2017 Winter Storm projects as part of the next CIP cycle. However, should the Board add more Winter Storm projects to the FY 2019/20 Workplan, then staff would need to reassess available funding sources.

Four (4) of the projects listed in the funding need list are for the Upper Palo Colorado Road from MP 4.0-7.4. During the 2017 Winter Storms, RMA requested funding assistance from FEMA for one (1) emergency repair project and six (6) permanent repair projects. The emergency repair project had been completed and two permanent repair projects for lower Palo Colorado Road from MP 1.0 to 3.3 have been in progress. The four (4) projects for Upper Palo Colorado from MP 4.0 to 7.4 have not been completed as the project application for one of the major segments was pending Environmental and Historic Preservation review until October 2019.

This project was recently reported to receive \$1,663,670 obligation by FEMA and it is specifically for a portion of Upper Palo Colorado from MP 4.0-7.4 from “the Hoist” to “Bottchers Gap”. The estimated cost of four Upper Palo Colorado Road Repair projects from MP 4.0 to 7.4, not including the 3.5 mile Federal road segment between the County Road and Pico Blanco, is \$10,887,344 and the total anticipated reimbursement from FEMA and Cal OES is \$3,376,800. These Upper Palo Colorado Road MP 4.0-7.4 Repair Projects present challenges with timelines, environmental concerns, and has a funding gap of about \$7,510,544 (depending on final design/construction costs) as shown in Attachment D. Engaging a consultant to begin engineering design is necessary for environmental review/permitting, and the first phase of the design/permitting is estimated at \$500,000; the final design is estimated at an additional \$800,000, resulting in a total design/permitting effort of approximately \$1,300,000. Staff recommends starting the first phase of design/permitting of approximately \$500,000, using the Transient Occupancy Tax (TOT) funds set aside for emergency use in General Fund 001 Other Financing Uses Appropriation Unit CAO017. The total amount of TOT set aside was \$993,072, and this Palo Colorado design/permitting request plus the local match for these “Phase 2” 2017 Winter Storms and one 2019 Winter Storm request is a total of \$881,705, resulting in a remaining balance of \$111,367.

DISCUSSION:

On June 19, 2019, the Board of Supervisors adopted a resolution approving the County of Monterey Five-Year Capital Improvement Program (CIP) for FYs 2019/20 through 2023/24.

The approved CIP prioritizes County projects essential to maintain and improve County infrastructure and facilitate the orderly implementation of the County General Plan. In response to the CAO request for a consolidated report of its project funding needs, RMA has added several projects excluded from the approved CIP or that were approved but not funded and other projects that either leverage outside funds or that were identified after the FY 2019-20 Budget was adopted. Attachment A describes projects also recommended to be completed in the current fiscal year. Where available, staff has attached committee reports providing in-depth discussion about the particular project(s) that were placed on hold by the CAO until the RMA could bring forward a comprehensive summary of its project funding needs. Attachment B focuses on the 2017 Winter Storm Projects and Attachment C lists the summary of the 2019 Winter Storm Projects.

There are certain ineligible costs totaling approximately \$610,000, noted in Attachment B. At this time,

staff is not recommending funding for these or action, as they are being appealed with FEMA/Cal OES. However, these may be brought back for consideration for funding should the appeals fail.

RMA requests that the Budget Committee support the addition of the projects identified in Attachment A to the RMA FY 2019/20 Work Program and provide direction on preferred financing sources to fund these projects in the current fiscal year. RMA plans to bring this item to the Board of Supervisors for consideration on December 10, 2019.

OTHER AGENCY INVOLVEMENT:

This report was prepared in response to the direction received from the CAO to provide a comprehensive summary of RMA's project funding needs to the Committees and Board of Supervisors.

FINANCING:

As projects, these are one-time costs. Attachment A provides a comprehensive matrix of RMA's road project needs as well as potential financing sources for the Budget Committee's consideration and discussion. While staff is not requesting General Fund contingencies or cannabis funds for the Winter Storm projects, staff is requesting to use the TOT funds that were set aside in the General Fund for the Roads Fund beginning in FY 2019/20 totaling approximately \$993,072.

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Reviewed by: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A - Capital Needs List

Attachment B - 2017 Winter Storm Projects Update

Attachment C - 2019 Winter Storm Project List

Attachment D - Upper Palo Colorado Project List