



Legislation Details (With Board Report)

File #: 15-0375 **Name:** Five Year Capital Improvement Plan
Type: General Agenda Item **Status:** Agenda Ready
File created: 4/14/2015 **In control:** Budget Committee
On agenda: 4/29/2015 **Final action:**
Title: a. Receive the County of Monterey Capital Improvement Program Five Year Plan 2015-16 through 2019-20;
b. Support the recommendation of capital projects for FY 2015-16 in the amount of \$949,000 \$969,000;
c. Support maintaining an estimated \$266,000 in Fund 401 Fund Balance for unanticipated project costs;
d. Support incorporating any changes made into the FY 2015-16 Recommended Budget, if needed; and
e. Refer the Committee's recommendations to the Board of Supervisor's for their consideration and approval.

Sponsors: Public Works / RMA

Indexes:

Code sections:

Attachments: 1. Att 1 Draft 5-Yr Capital Improvement Plan (CIP), 2. Att 2 Draft 5-YR CIP Summary, 3. Att 3 Future Needs Partial-Unfunded, 4. Att 4 FY 15-16 Capital Projects

Date	Ver.	Action By	Action	Result
4/29/2015	1	Budget Committee		

- a. Receive the County of Monterey Capital Improvement Program Five Year Plan 2015-16 through 2019-20;
- b. Support the recommendation of capital projects for FY 2015-16 in the amount of ~~\$949,000~~ \$969,000;
- c. Support maintaining an estimated \$266,000 in Fund 401 Fund Balance for unanticipated project costs;
- d. Support incorporating any changes made into the FY 2015-16 Recommended Budget, if needed; and
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RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Receive the County of Monterey Capital Improvement Program Five Year Plan 2015-16 through 2019-20;
- b. Support the recommendation of capital projects for FY 2015-16 in the amount of \$969,000;
- c. Support maintaining an estimated \$266,000 in Fund 401 Fund Balance for unanticipated project costs;
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- e. Refer the Committee's recommendations to the Board of Supervisor's for their consideration and approval.

SUMMARY/DISCUSSION:

The Capital Improvement Program (CIP) is a strategic planning tool, which focuses on County-owned infrastructure under the control of the Board of Supervisors and, as such, summarizes the County's overall capital projects needs and prioritizes the allocation of available capital funds.

The annual CIP is a five-year compilation of projects submitted by County departments which includes such projects as new facility construction, minor and major infrastructure maintenance, road and bridge construction

and maintenance, major equipment purchase and installation, and software purchase and installation. The minimum value of a CIP project is \$100,000. See Attachment 1 - County of Monterey Capital Improvement Program, Five-Year Plan FY 2015-16 through FY 2019-20.

The Draft CIP is presented to the Capital Improvement Committee (CIC) for priority determination and to the Budget Committee (BC) for fiscal matters. The Planning Commission (PC) determines that the list of projects, in the first year of the Draft CIP conforms to and is consistent with the Monterey County General Plan. Upon final recommendation and support by the CIC, the BC and PC the CIP is submitted to the Board of Supervisors for consideration as part of the annual budget process.

Consistent with the Board of Supervisor's guidelines, the projects included in the first year of the CIP (FY 2015-16) requiring County capital funds will be reflected in the FY 2015-16 Annual Recommended Budget for the consideration and action by the Board of Supervisor's.

FY 2015-16 through FY 2019-20 CIP includes forty-four (44) fully funded projects with a five-year total value of \$212.6 Million and eight (8) partially funded active projects with a five-year total value of \$88,000,000, for a combined total of \$300,600,000. The partially funded projects have an unfunded total value of \$28,200,000. FY 2015-16, with a total value of \$45,900,000, is the only financially constrained year. Fully and partially funded projects with funding identified in FY 2015-16 will be recommended to the Board of Supervisors for inclusion into the FY 2015-16 Recommended Budget. See Attachment 2 - Five-Year Capital Improvement Plan Summary.

In addition to, but not included with the Five-Year CIP projects, is a list of Future Needs. This list includes projects that County Departments have identified as a priority; however, due to County funding constraints, cannot be funded at this time. This list identifies seventy-six (76) projects with an unfunded need of \$219,000,000 and a total estimated cost of \$224,100,000. See Attachment 3 - Future Needs List of Partially and Unfunded Capital Projects.

Since the Water Resources Agency (WRA) is not considered a department of the County, the Five-Year CIP does not include WRA projects. In addition, Natividad Medical Center (NMC) budgets and manages their own capital improvement program; the Five-Year CIP does not include NMC projects.

The Advisory Executive Committee (AEC) consisting of the Assistant County Administrative Officer (Budget and Analysis Division), the Director of the RMA (or his designee), the Public Works Director, and RMA Finance reviews all proposals submitted for funding. Based on their collective expertise and the projects' description, justification, priority criteria and the department's priority, a consensus recommendation on the project priorities is developed.

For FY2015-16 the Capital Improvement Program will receive an estimated \$1,000,000 in discretionary funds to allocate projects. These are the only new funds available to address previously unfunded or partially funded projects. At their last meeting, the AEC requested the RMA-PW recommend projects for this funding. The following projects were recommended by RMA-PW and accepted by the AEC members:

855 E. Laurel Bldg A - Equipment and Storm Water Management - Canopy - \$153,000
Information Technology Department (ITD) Security Panel and Camera - \$160,000
ITD Heating, Ventilation and Air Conditioning (HVAC) - \$296,000
Youth Center Roof Repairs - \$140,000

These projects totaled \$749,000. To allocate the remaining funds, RMA recommends and the AEC members

support funding the San Ardo Landfill Cap Repair for \$220,000.

See Attachment 4 - Capital Projects Eligible for FY 2015-16 funding of up to \$1,000,000 and Detail Project Sheets. If this recommendation is approved, the \$31,000 in unallocated funds will become part of Fund 401 fund balance to be used for unanticipated project costs or reallocated to future facility maintenance projects.

On March 12, 2015 the Board approved the FY 2015-16 County Financial Policies which under Section 9.1 addresses best practices for each fund to maintain a level of reserves, which will provide for a positive fund balance throughout the fiscal year of at least 1 percent of the annual Assigned Fund Balance for contingency funding. In order to support this Fund Balance and Reserve Policy we are requesting support to maintain:

An estimated Fund 404 FY 2015-16 Fund Balance in the amount of \$470,760 or 39 percent reserve for unanticipated project costs.

OTHER AGENCY INVOLVEMENT:

RMA- Public Works has worked with County departments and the County Administrative Office to identify capital needs, related costs, and funding sources. The Capital Improvement Committee (CIC) supported these actions at a special meeting on April 10, 2015. The Monterey County Planning Commission will consider the List of Fully- and Partially-Funded Projects identified in FY 2015-16 for conformity with the Monterey County General Plan.

FINANCING:

The CIP is funded with a wide variety of funding sources including: state, federal, local grants, Gas Tax, Transient Occupancy Tax, Enterprise Funds, Certificates of Participation and General Funds. The \$45,900,000 programmed in FY 2015-16 includes prior year allocations of state, federal, local and Capital funds. Of the \$45,900,000, there is a new allocation of Capital Funds in the amount of \$1,000,000 for Energy Efficiency Measures - Phase 2 and \$200,000 for ADA - Phase 2 projects. The only new Capital Funds available for future projects is \$1,000,000. There is no financial impact from receiving this report or for referring the recommended capital projects for FY 2015-16 to the Annual Recommended Budget process for further consideration by the Board of Supervisors.

Prepared by: Patricia A. Lopez, Management Analyst III, (831) 755-8998

Approved by: Robert K. Murdoch, P.E., Director of Public Works

Approved by: Carl P. Holm, Acting RMA Director

Att. 1: County of Monterey Capital Improvement Program, Five-Year Plan FY 2015-16; Att. 2: Five-Year Capital Improvement Plan Summary; Att. 3: Future Needs List of Partially and Unfunded Capital Projects; and Att. 4: Capital Projects Eligible for FY 2015-16 BUA Funds and Detail Project Sheets