

Seventy-seven (77) fully funded projects that comprised the final CIP with a total value of \$396 million. Eighteen (18) partially funded projects are included with allocated funding totaling \$9 million funded for FY 2017-18 as well as \$89 million of unfunded projects for future years. A total of 102 projects with a total value of \$254 million are included on a list of Unfunded Needs. This list includes current year unfunded needs and projects that are scheduled to begin in years two through five. The FY 2017/18 CIP can be found on the RMA website using the following link:

<http://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency/public-works/divisions/project-development>

The number and status of Capital Improvement projects is always changing. The CIP is designed as a planning tool when determining priorities for new projects, and monitoring resources available to complete projects.

Each year the RMA receives Building Use Allowance (BUA) funds that are generated via the County Wide Cost Allocation Plan (COWCAP) charged to Departments by the Auditor Controller's office. These funds are earmarked for facility maintenance and repairs that are planned and unplanned, ADA projects, Energy Efficiency projects, Property Management, and department requested projects based on priority ranking and available funds. As part of the COWCAP submission in FY17/18 the State Controller's Office required that Counties begin calculating BUA based on depreciation methodology. The Auditor-Controller's office has submitted the FY17-18 COWCAP to the State Controller. The State Controller's review and approval is anticipated by the Auditor-Controller's office at any time. RMA has included \$1.5 million to fund priority projects in its FY17/18 Adopted Budget. Priority projects include emergency repairs which affect health and safety, projects approved by the Board after the FY17/18 CIP was adopted, and projects selected from the unfunded priority list as approved by the Capital Improvement Committee (CIC).

Measure X/SB1

With the recent passage of the Transportation Agency of Monterey County (TAMC) sales tax measure (Measure X) in November 2016 and the Governor's approval of Senate Bill 1 (SB1) in April 2017, the Resource Management Agency (RMA) prepared a list of priority projects for the next five (5) years. On July 12, 2017, the Board of Supervisors approved a priority list for projects utilizing Measure X and SB1 funds.

The list of projects using Measure X/SB1 funding includes twenty-eight (28) resurfacing projects and sixteen (16) non-resurfacing projects over five (5) years. (**Attachment A**). Eight (8) resurfacing and eleven (11) non-resurfacing projects are scheduled for FY 17/18.

If actual costs for a planned year are greater than estimated, then any projects remaining after the appropriation limits are reached may be deferred until the total amount can be funded. However, if actual costs are lower and a portion of the appropriation remains, then projects listed in the following year may be accelerated. The County has the flexibility to fund projects based on needs and priorities as long as the projects are consistent with the eligible fund uses.

Soberanes/2017 Winter Storms

RMA is managing a significant recovery effort to return County infrastructure to its pre-disaster design, function and capacity. This effort represents additional needs above the regularly scheduled work included in the CIP and priority list for Measure X/SB1. Recovery efforts are expected to continue for several years. Staff's presentation includes a summary of projects and costs for FY 16/17 and estimated costs for FY 17/18. Staff presented a list of projects on April 25, 2017 in response to winter storm damage which occurred in January. The priority list presented to the Board in March was modified due to additional damage resulting from the February storms. (**Attachment B**). Because of the impact the fire and storm damage has had on the County, these projects have been given high priority in assigning resources.

OTHER AGENCY INVOLVEMENT:

To develop the CIP, RMA worked with County departments to identify capital needs, related costs, and funding sources. The CIP is presented to the Budget Committee (BC) for fiscal matters and the CIC for priority determination. The Planning Commission (PC) determines if the 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 approval and direction. Projects approved by the Board of Supervisors for capital funds are incorporated into the Annual Recommended Budget.

RMA has been in contact with two municipalities to explore coordinated efforts using County and City Measure X/SB1 funding. The City of Gonzales is interested in coordinating efforts on the Gloria Road project (County Priority #2) to complete the entire stretch of roadway including the City's portion. RMA has also been communicating with the City of Salinas for a coordinated sidewalk project on County-owned property along Laurel Drive and Constitution Boulevard.

RMA, the County Emergency Operations Center (EOC) and the County Administration Office (CAO) have been working together to respond to fire and storm damage. RMA is in communication with the EOC to develop project worksheets for the Federal Emergency Management Agency (FEMA) for the County to receive FEMA reimbursement of eligible costs.

Since the Water Resources Agency (WRA) is not considered a department of the County, the Five-Year CIP does not include WRA projects.

FINANCING:

The CIP is funded with a wide variety of funding sources including local, state, and federal grants, Gas Taxes, Certificates of Participation, Bonds, Fees and Capital Funds. RMA prepares the CIP using funds allocated for that purpose in Fund 402. RMA has included in the requested budget for FY 2017-18 under Fund 401 a placeholder of \$1.5 million in BUA funds for partially funded or unfunded projects in FY 2017-18. It should be noted that the CIP is a capital budget plan and that cash flow must be considered for timing of projects.

Measure X and SB1, along with existing Transient Occupancy Tax (TOT) will provide approximately \$10.7 million in FY 2017-18 for road maintenance and repair. Since both Measure X and SB1 are new funding sources and SB1 funds will not be received until December, RMA has chosen to budget only a portion of this estimated new revenue. The Road Fund is currently over-extended due to pressures from declining Highway User Tax (HUTA) and increasing demand (storm/fire damages). Therefore, RMA's top priorities are to secure resources (staffing and equipment) needed to maintain existing facilities, and to build a reserve that assists with cash flow and emergency needs. The FY 2017-18 Adopted RMA Budget includes \$3 million of the \$10.7 million estimate; \$1 million in estimated Measure X funds and \$2 million in TOT funds. If funding is received as anticipated, staff can return to the Board to request appropriating additional revenue for projects. Where possible, staff intends to use these funds as leverage/matches for federal and/or state grants to extend County funding. RMA will also coordinate with cities for projects that benefit both jurisdictions.

In response to the Soberanes Fire and Winter Storms, the Board of Supervisors approved a transfer of \$9.5 million from the strategic reserve to the County Road Fund to make immediate critical repairs to infrastructure damaged by the Soberanes fire and Winter Storms. An additional \$494k was transferred to the Parks general fund budget and \$1.1 million to the Parks resort operations budget, for a total of \$11.1 million. To utilize this funding, RMA selected priority projects to address damage that presented the greatest risk to life, public health, and safety of improved property based on the knowledge and experience of County engineers and safety personnel. To date, County expenditures for storm related work total \$9.4 million.

The \$11.1 million allocated to RMA is part of \$16.8 million the Board assigned to the Disaster Assistance Fund. For FY 17/18, RMA anticipates an estimated \$1.7 million remaining out of the \$11.1 million approved by the Board in FY 2016-17 will carry over into the fiscal year and be available to continue repair work. RMA anticipates that Federal and State cost shares will be reimbursed this fiscal year. This will replenish part of the \$11.1 million for other projects, RMA cannot provide an estimate as to when FEMA or the State may make these funds available. RMA will return to the Board to request any additional appropriations.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Capital Improvement Program is a critical part of County infrastructure planning and administration. The updated review and prioritization process allows critical county needs to be identified in a standardized, efficient way. A well-planned CIP is a key part of developing and maintaining County infrastructure. This CIP includes projects that support health, county roads, county facilities, technological infrastructure, libraries and public safety operations.

RMA continues to look for funding sources of much needed maintenance to the County's transportation infrastructure. Measure X and SB1 help to fulfill this maintenance objective. Combining these funds with grants will extend funding even further. The Measure X/SB1 project list as approved by the Board on July 12, 2017 prioritizes projects needed to maintain and repair the County's transportation infrastructure. Roads are a critical function for economic development supporting the agricultural and hospitality industries.

The Soberanes Fire and Winter Storms severely affected the County. Returning County facilities and infrastructure to their pre-disaster functions is critical in maintaining public health and safety and County infrastructure standards.

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

Prepared by: John Snively, MA I, (831) 759-6617

Reviewed by: Shawne E. Ellerbee, Deputy Director of Administrative Services

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

Attachments:

Attachment A -Measure X/SB1 Priority List

Attachment B - Storm Damage Project Lists (original and revised)

Attachment C - Presentation to Board of Supervisors