



County of Monterey

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

Board Report

File #: RES 20-106, **Version:** 1

- a. Adopt a resolution approving the County of Monterey Capital Improvement Program Five-Year Plan for Fiscal Years 2020/21 through 2024/25;
- b. Approve Projects #PD 2017-01 (Probation-1422 Natividad Road Elevator Modernization) and #2001 (Health Department-1270 Natividad Road, Salinas Water Intrusion) as fully funded capital projects using available funds from the FY 2020/21 Fund 478, Appropriation CAO047, Building Replacement and Improvement Fund;
- c. Approve the County Road Maintenance Program Standard Operating Procedure for the distribution of funds to address smaller road maintenance items that are outside of budgeted/planned activities; and
- d. Approve the Litter Abatement Program Standard Operating Procedure for the distribution of funds to address illegal dumping of household, commercial, and industrial waste on County roads and public lands.

RECOMMENDATION:

- a. Adopt a resolution approving the County of Monterey Capital Improvement Program Five-Year Plan for Fiscal Years 2020/21 through 2024/25;
- b. Approve Projects #PD 2017-01 (*Probation-1422 Natividad Road Elevator Modernization*) and #2001 (Health Department-1270 Natividad Road, Salinas Water Intrusion) as fully funded capital projects using available funds from the FY 2020/21 Fund 478, Appropriation CAO047, Building Replacement and Improvement Fund;
- c. Approve a County Road Maintenance Program Standard Operating Procedure for the distribution of funds to address smaller road maintenance items that are outside of budgeted/planned activities; and
- d. Approve a Litter Abatement Program Standard Operating Procedure for the distribution of funds to address illegal dumping of household, commercial, and industrial waste on County roads and public lands.

SUMMARY/DISCUSSION:

Capital Improvement Program

The Monterey Capital Improvement Program Five-Year Plan for Fiscal Years 2020/21 through 2024/25 (CIP) sets forth capital 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 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

Resource Management Agency (RMA), Natividad, and Information Technology Department (ITD). Capital Projects are funded through capital funds budgeted in Funds 002, 402, 404 and by individual department budgets. Natividad manages its own funds for capital projects and is included in the CIP for reference only. RMA does not review or rank Natividad's projects. Monterey County Water Resources Agency (MCWRA) is not considered a department of the County, so the CIP does not include MCWRA projects.

RMA worked with County Departments to develop their capital project requests. This year, RMA staff collaborated with ITD to create a CIP Database to allow County Departments to update and/or add new projects efficiently. Reports previously created manually are now generated through this database and illustrated utilizing Microsoft Power BI.

The CIP provides information about fully funded, partially funded and unfunded capital projects for FY 2020/21. For all FY 2020/21 projects, RMA 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 a Government Alliance on Race and Equity (GARE) Racial Equity Tool (**Exhibit D of Attachment A**). In FY 2018/19, the Capital Improvement Committee (CIC) encouraged GARE cohorts 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.

CIP PROJECT OVERVIEW

FY 2020/21		
<u># of Projects</u>	<u>Total Project Cost</u>	<u>Funding Status</u>
79	\$220 Million	Fully Funded
15	\$189 Million	Partially Funded
65	\$187 Million	Unfunded

FYs 2021/22 - 2024/25		
<u># of Projects</u>	<u>Total Project Cost</u>	<u>Funding Status</u>
60	\$228 Million	N/A

The CIP (Attachment A) provides a summary of each project and its funding status.

A CIP Project List was developed for presentation to the CIC, Budget Committee (BC), and Planning Commission (PC).

The proposed CIP was considered by the CIC and BC. The CIC and BC discussed the proposed list and recommended the following six (6) partially funded/unfunded projects for prioritization in order of priority: 1) 855 E. Laurel Drive, Salinas Emergency Homeless Shelter-New Building (DSS); 2) 1270 Natividad Road, Salinas-Health Department Water Intrusion Project; 3) Library-North County Bookmobile; 4) ITD-Countywide E911; 5) RMA-Public Works Davis Road Bridge Replacement and Road Widening; and 6) 1422 Natividad Road Probation Elevator Modernization. These prioritized projects for FY 2020/21, including any unfunded needs, are detailed in **Attachment B**.

On May 13, 2020, the PC adopted a resolution determining that the list of major public works projects in the proposed CIP conforms to and is consistent with the 2010 Monterey County General Plan, Local Coastal Program, and 1982 General Plan, as applicable. However, the PC recommended staff prioritize road projects that address County roads currently operating at a deficient level of service (LOS) as identified in the

environmental impact report (EIR) for the 2010 General Plan. The PC found that a CIP which prioritizes deficient LOS roads will better conform to the 2010 General Plan. The list of LOS-deficient roads includes approximately 63 County road segments, one of which is addressed in the CIP (Davis Road Bridge Replacement and Road Widening).

On May 28, 2020, the list of unfunded projects, as prioritized by the CIC, was presented to the BC with potential funding sources. The BC reviewed and supported the CIC's prioritized list of projects for FY 2020/21, including the use of the Building Replacement and Improvement Fund, Fund 478, for two (2) facility repair projects. Staff will evaluate the availability of Road Funds to address the Davis Road-Bridge Replacement and Road Widening Project funding shortfall for FY 2020/21. During the initial CIP development in Spring 2020, staff estimated the Davis Road Project would receive partial FORA funding of \$1,102,450 prior to the agency dissolution; however, subsequent budget developments were more conservative and did not include this funding. If Fort Ord Reuse Authority (FORA) funds do become available, staff will evaluate the possibility of allocating those funds to the project. RMA will monitor the Homeless Shelter Project to determine funding needs as the project progresses. The total project cost for Project #61108 (Library-North County Bookmobile) is \$370,000. The Library received a State grant in the amount of \$250,000, which left \$120,000 of the project unfunded. On June 3, 2020, the Board of Supervisors supported funding for the remaining \$120,000 using available funds from FY 2020/21 Cannabis Tax Assignment, Fund 001, Balance Sheet Account 3132. Therefore, this project is now considered fully funded in the CIP.

In terms of road maintenance, RMA plans to use three (3) programs to address various needs throughout the County: 1) *Pavement Asset Management Program* (Project PW 2021-02 in the CIP) which provides for large capital projects with maintenance and rehabilitation strategies that are generated and prioritized by the Metropolitan Transportation Commission (MTC) *StreetSaver* program; 2) *Community Street Repair Program* (Project PW 2021-01 in the CIP) which is a Measure X campaign program that provides smaller street repair projects in communities that meet the Measure X funding objectives such as Chualar, Castroville, Pajaro and Boronda; and 3) *County Road Maintenance Program* that provides additional roadway maintenance services beyond CIP projects and routine operations using funds allocated by Supervisorial District. This report includes information and recommended Board action on the programs which are complementary to CIP projects: County Road Maintenance Program and Litter Abatement Program. Both programs provide necessary maintenance services that do not qualify as capital projects for CIP planning. A summary of each program is provided below.

County Road Maintenance Program (CRMP)

At the June 2, 2020 Board of Supervisors Budget Hearing, the Board requested that staff return with a proposal to address sidewalk and road conditions in unincorporated communities throughout the County. The communities of San Ardo, San Lucas, Las Lomas and Castroville were mentioned specifically. Staff developed the CRMP (**Attachment D**), that provides additional roadway maintenance services in communities throughout the County using a percentage of Road Fund Transient Occupancy Tax (TOT) funds allocated by Supervisorial District using a formula resembling the road mile distribution. Any unused funding at the end of a fiscal year rolls over into the next, increasing the overall funding available for that fiscal year.

Staff will also seek opportunities to leverage funding from the Transportation Agency of Monterey County (TAMC) Safe Routes to Schools Program and Community Development Block Grant funds in addition to pursuing other grant opportunities as they become available. The Board recommended staff consider the Health Department's Health in All Policies Program when determining projects to complete under the CRMP.

Attachment D further details the Standard Operating Procedure (SOP) for the allocation of these funds. Where

funding is not strictly used for road maintenance, staff will apply a racial equity review matrix tool that was added to the CIP to ensure funding is distributed equitably to disadvantaged communities.

Litter Abatement Program

In March 2020, the Board of Supervisors directed staff to pursue a Litter Abatement Program, expanding current efforts in areas where illegal dumping is prevalent. RMA and Health Department Environmental Health Bureau (EHB) are working with the Salinas Valley Solid Waste Authority (SVSWA) and Monterey Regional Waste Management District (MRWMD) to develop a coordinated program in which County contractors will collect waste and mitigate illegal dumping throughout Monterey County. The Board of Directors for SVSWA and MRWMD have expressed continued support for the County litter and illegal dumping abatement programs.

The Litter Abatement Program is a partnership between/among the County (RMA, EHB), waste agencies (SVSWA, MRWMD), and contractor(s). MOUs are required between the County and each waste agency for services and annual funding considerations. Funding from each agency is dependent upon available funds for that fiscal year. RMA would budget \$100,000 annually out of the Road Fund Transient Occupancy Tax (TOT) allocation as part of the Litter Abatement Program. Any unused funding at the end of a fiscal year rolls over into the next, increasing the overall funding available for that fiscal year. **Attachment E** provides additional details on this program.

OTHER AGENCY INVOLVEMENT:

RMA worked closely with County departments to identify capital needs, related costs, and funding sources. County Departments were encouraged to attend the CIC meeting to speak on behalf of their projects. RMA presented the proposed CIP to the CIC, BC, and Planning Commission as described above. Staff will continue to work with TAMC regarding leveraging available grant funding for the CRMP. Staff is working closely with EHB, SVSWA, and MRWMD on the Litter Abatement Program.

FINANCING:

Project costs identified in FY 2020/21 are appropriated as a part of the operating and capital budget process. The projects and costs identified for FYs 2021/22 through 2024/25 are intended to illustrate priorities and magnitude of future funding needed. Budgeted costs include design, environmental review, construction, equipment, land purchase, and project administration of new, improved, or replacement infrastructure.

The CIP is funded by multiple funding sources including local, state, and federal grants, Gas Tax, SB 1, Measure X, impact fees, Cannabis Tax, Building Replacement and Improvement, and capital funds. While the CIP is a capital budget plan, available cashflow is considered when determining the timing and implementation of individual projects. In addition to funding for specific projects, \$903,262 has been included in the CIP for unscheduled emergency and nonemergency facility repair needs that may occur during the fiscal year. RMA staff costs allocated to prepare the CIP are budgeted in Fund 402.

The BC recommends the FY 2020/21 Fund 478 Building Replacement and Improvement Fund as the funding source for Project #2001 (1270 Natividad Road, Salinas Health Water Intrusion) and PD 2017-01 (Elevator Modernization). The Building Replacement and Improvement Fund is used for repair and maintenance projects for existing County-owned facilities. Sufficient funds are available in this fund in FY 2020/21 for the two projects.

The CRMP will utilize funding from TOT funds allocated to the Road Fund. The current maintenance of effort amount is about \$5.3 million. The original plan was to allocate a set amount (\$1 million/year) to CRMP. With a policy decision to cap the TOT pending Board action, the draft CRMP generally refers to percentages of the annual TOT allocation. Up to fifty percent (50%) of the annual TOT allocation would be assigned to

programmed road maintenance (CIP projects). Another twenty five percent (25%) of the annual TOT allocation would be allocated as part of the CRMP to be used for unprogrammed, qualifying road maintenance projects that are under \$100,000 with no engineering required and that can be handled by RMA-Public Works staff at the discretion of the Chief of Public Works. The Road Fund, Fund 002, Maintenance Unit 8443 Recommended FY 2020/21 Budget includes TOT funding for CRMP.

The Litter Abatement Program will utilize funding from the Road Fund TOT allocation. RMA will allocate \$100,000 annually, with any unused funds carrying forward to the next fiscal year. Funding from other public agencies such as SVSWA and MRWMD would be determined each fiscal year. For 2020/21, SVSWA has indicated the availability of \$100,000 to contribute to the Litter Abatement Program. Due to a 2020 budget shortfall resulting from COVID-19 impacts, MRWMD will contribute \$25,000 to the Litter Abatement Program.

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 updated review and prioritization process allows for critical County needs to be identified in a standardized, efficient way. This CIP includes projects that support health, County roads, technological infrastructure, libraries, and public safety operations. The CRMP supports improved infrastructure and public safety. The Litter Abatement Program protects the environment and health and safety of County residents.

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

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Attachments:

Attachment A - Capital Improvement Program Five-Year Plan FYs 2020/21 through 2024/25
Attachment B - CIC Prioritized FY 2020/21 Projects
Attachment C - Draft Resolution
Attachment D - County Road Maintenance Program SOP
Attachment E - Litter Abatement Program SOP
(Attachments are on file with the Clerk of the Board)