



County of Monterey

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 (CIP) for Fiscal Years 2026/27 through 2030/31.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution approving the County of Monterey Capital Improvement Program Five-Year Plan (CIP) for Fiscal Years 2026/27 through 2030/31.

SUMMARY:

The County of Monterey Capital Improvement Program Five-Year Plan (CIP) is a planning document that includes capital projects with a value over \$100,000 and a useful life of more than one year which are managed by Public Works, Facilities and Parks (PWWP), Natividad Medical Center (NMC) and technology upgrade project managed by Information Technology Department (ITD). The attached FY 2026/27 CIP includes “active” projects with full or partially-secured funding which are anticipated to start or continue in FY 2026/27. Staff will return at a later date for further discussion and comment on unfunded project needs and potential funding as a supplement to the adopted CIP.

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. 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
- Allows private enterprise to relate and/or align their projects to the CIP

CIP Summary: FY 2026/27 Work Plan + Future Planned Work

PWWP is working closely with the County Administrative Office (CAO) to improve the usefulness of CIP reports. This first draft CIP includes “Active” projects expected to start or continue into Fiscal Year (FY) 2026/27, as well as future projects with approved or projected funding through FY 2030/31. This new comprehensive report is intended to give the Board better visibility of the magnitude of capital work departments are planning for the next five years.

As drafted, the CIP identifies 120 projects planned over the next 5 years. Some projects underway in the current FY and expected to close by June 30, 2026, may extend in FY 2026/27 due to unforeseen circumstances such as weather or supply chain issues. The project list will be updated in coordination with departments and the CAO Budget Office as the fiscal year progresses. The final list of projects will be presented to the Board in June as part of the budget adoption process.

Estimated cost for FY 2026/27 is \$179 million, with total project costs across all five years estimated at \$944 million. Note: the estimate across all five years includes design and development projects with placeholder construction costs and does not reflect actual project costs as they will be realized once design work is completed. The majority of funding for these projects is held in either Fund 404 Capital Projects Fund or Fund 002 Road Fund. Departments may also hold specific project funding such as grant funds in their own department budgets.

FY 2026/27 Unfunded Project Requests and Fund 478 - BIR Allocation. Proposed Updated Process

Historically, the County has relied almost exclusively on “Fund 478” Building Improvement and Replacement Subfund (BIR) to fund this list of requests. PWFP is working closely with CAO to develop a plan for Fund 478 - BIR allocations over the next five years. A narrative and copy of the draft workflow are attached to this report as Attachment B. The draft workflow was presented to the Capital Improvement Committee in March 2026, and the Budget Committee in May 2026. A report on supplemental Fund 478 - BIR allocations is expected to come back to the CIC, BC and Board in August/September 2026.

Unfunded Project Requests - Developing Scope and Cost Estimates

Unfunded projects which departments wish to have considered for discretionary funding range from an identified need with no formal scoping or cost estimating to projects with professional programming, scoping, and estimating, which provide more accurate cost estimates. For project funding requests without formal scoping and estimating, departments have three options in preparing their project requests:

Option 1: Departments may request a smaller amount of funding be allocated to projects prior to full funding, so that more accurate scoping and estimating can be done which may include engaging services of specialized consultants. This provides the Board with a more realistic project estimate for full funding consideration in subsequent years. **PWFP Project Managers recommend this process.**

Option 2: Departments may use internal funding sources to retain PWFP scoping and estimating services. Once scoping and estimating is complete, the CIP project is updated with the more realistic cost estimate and funding request. As with Option 1, this allows the Board to make more informed decisions with fewer and smaller add-on funding requests once the project starts.

Option 3: Departments may reference historical data from previous projects to develop an estimate or use a standard square foot cost calculator provided by PWFP as part of the CIP update process to create a potential project budget. Departments may engage PWFP Project Managers through a Reimbursable Service Agreement (RSA) to review the CIP request and historical costs. These

estimates are known as Rough Order of Magnitude estimates (ROMs). ROMs vary significantly from actual costs. To account for the many unknown factors in a ROM, a cost estimate will typically include placeholders of 20% design/engineering, 20% construction management and 35% contingency based on the County's cost estimating procedures. The Board may elect to award funding based on a ROM to quickly initiate work, however there is significant risk that the initial funding allocation will not cover actual project costs once the true scope is determined.

OTHER AGENCY INVOLVEMENT:

PWFP worked closely with County departments and CAO to identify capital needs, related costs, and funding sources. The draft CIP included with this report was previously presented to the CIC on May 11, 2026 and the BC on May 26, 2026. The Planning Commission is reviewing the draft CIP for consistency with the Monterey County General Plan on June 10, 2026. To meet report submittal deadlines, this report was prepared prior to the Planning Commission meeting. The findings of the Planning Commission will be added to this report through Additions and Corrections by the Clerk as Exhibit C once available.

FINANCING:

The CIP is funded by multiple funding sources including local, state, and federal grants, Highway Users Tax Account (HUTA, or Gas Tax), SB 1, Measure X, Measure AA, impact fees, and capital funds. PWFP staff costs allocated to prepare the CIP this FY are budgeted in Fund 404. Available cash flow is considered when determining the timing and implementation of individual projects.

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Reviewed by: Lindsay Lerable, Assistant Director of Public Works, Facilities and Parks

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

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

Attachment A - Draft Resolution

Attachment B - CIP FYs 2026-27 through 2030-31