



County of Monterey

Item No.5

Budget Committee

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

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Matter Type: Budget Committee

- a. Receive a report on the Draft County of Monterey Capital Improvement Program Five-Year Plan (CIP) for Fiscal Years (FYs) 2026/27 through 2030/31;

RECOMMENDATION:

It is recommended that the Capital Improvement Committee:

- a. Receive a report on the Draft County of Monterey Capital Improvement Program Five-Year Plan (CIP) for Fiscal Years (FYs) 2026/27 through 2030/31;

SUMMARY:

This report on the draft Capital Improvement Program Five-Year Plan (CIP) for FYs 2026/27 through 2030/31 gives a high-level summary of the number and value of projects and provides an update on the ongoing effort to improve how "Fund 478 - BIR" dollars are allocated to unfunded capital projects. Staff will return at a later date for further discussion and comment on the updated Fund 478 - BIR allocation process.

DISCUSSION:

Description of Capital Improvement Program Five-Year Plan (CIP)

The County of Monterey Capital Improvement Program Five-Year Plan (CIP) is a planning document that includes capital projects essential to maintain and improve County public facilities and facilitates 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 the County of Monterey. Capital projects are implemented by Public Works, Facilities and Parks (PWFP), and Natividad Medical Center (NMC). Technology upgrade projects are managed by Information Technology Department (ITD). Water Resources Agency manages its own separate Capital Improvement Plan.

Each year, the CIP is reviewed and updated considering available funding to address County infrastructure needs. 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 and grants for projects.
- Encourages project coordination between the County and public agencies which serves to

reduce scheduling conflicts.

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

PWFP 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 121 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 \$191 million, with total project costs across all five years estimated at \$1 billion. 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.

The adopted CIP will also include a list of unfunded projects for long-range planning beyond the next five years. These projects remain unfunded due to any combination of factors, including County prioritization and strategic/master planning goals, planning and scheduling conflicts, scope changes due to unforeseen conditions, regulatory and permit delays, or lack of funding for both project costs and associated staff support to implement the project. Including a list of unfunded projects in the CIP creates opportunities for departments to pursue grant opportunities, as well as keeping the Board apprised on the amount of deferred maintenance and capital needs throughout the County. Projects may be added to the current 5-year plan if the previously stated factors are resolved.

FY 2026/27 Unfunded Project Requests and Fund 478 - BIR Allocation

In previous years, PWFP provided the CIC and BC with a list of unfunded project requests received from County departments along with the Active Work Plans. These funding requests were reviewed by PWFP staff who made recommendations to the Committees using a combination of various scoring criteria and subject matter expertise on critical deferred maintenance needs. After ten years of utilizing variations of this process, PWFP and CAO are evaluating its effectiveness in creating an orderly and long-range capital plan. Historically, the County has relied almost exclusively on “Fund 478” Building Improvement and Replacement Subfund (BIR) to fund this list of requests. In general, the existing process lends itself to prioritizing highly visible short-term funding needs and leaves no room for long-term planning.

PWFP is working closely with CAO to develop a plan for Fund 478 - BIR allocations over the next 5 years. The Capital Improvement Committee (CIC) was provided with an update on this new CIP process in March 2026. The CIC requested staff prepare documentation outlining the proposed

development process. A narrative and copy of the workflow are attached to this report as Attachment B.

Next Steps

The CIP is anticipated to be adopted along with the FY 2026/27 Recommended Budget in June 2026. A supplemental list of projects to be funded in FY 2026/27 using Fund 478 - BIR is being developed and expected to be presented to the CIC, BC and Board in August/September 2026. Projects approved by the Board of Supervisors will be added to the respective PWWP work plans for the fiscal year.

Since preparing the draft CIP, Project SO 2025-01, Jail Facilities ADA and Deferred Maintenance Program has been updated to include \$5,946,767 in recommended funding for FY 2026/27. This change will be reflected in the next Draft CIP. While recommendations for additional capital project funding are following a different timeline this year, PWWP notes the annual Unscheduled Maintenance budget is also unfunded and recommends the Board consider funding this item at the Budget Hearings to ensure continued emergency repair and maintenance at the start of the fiscal year.

OTHER AGENCY INVOLVEMENT:

PWWP 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. The BC provides recommendations on financing and funding matters related to capital projects. The County's Planning Agency reviews and determines if the proposed projects in the Draft CIP conform to and are consistent with the Monterey County General Plan.

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, impact fees, and capital funds. PWWP staff costs allocated to prepare the CIP this FY are budgeted in Fund 404. No financial impacts result from receiving this report or referring the planned capital projects for FY 2026/27 to the Annual Recommended Budget process for consideration by the Board of Supervisors. Available cash flow is considered when determining the timing and implementation of individual projects.

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Attachments:

Attachment A - Draft County of Monterey Capital Improvement Program Five-Year Plan (CIP) for Fiscal Years (FYs) 2026/27 through 2030/31

Attachment B - Proposed Development Plan for Unfunded Projects

