

Agenda Report

TO: CITY COUNCIL **DATE:** APRIL 14, 2008
THROUGH: FINANCE COMMITTEE
FROM: CITY MANAGER
SUBJECT: APPROVAL OF A JOURNAL VOUCHER AMENDING PROJECTS IN THE FISCAL YEAR 2008 CAPITAL IMPROVEMENT PROGRAM BUDGET

RECOMMENDATION

It is recommended that the City Council approve a journal voucher with a net increase of \$7,957,598 amending 19 projects in the Fiscal Year 2008 Capital Improvement Program as detailed on Attachment A.

BACKGROUND

As part of the process to update the Capital Improvement Program (CIP) budget, the Department of Public Works has completed this report detailing necessary budget adjustments. The budget adjustments are needed due to changes in the status of various capital projects. The budgetary changes to the projects are listed below and must be recognized through the City's journal voucher process to formalize the changes. The changes are summarized in Attachment A.

- 1. Distribution Mains (1001)** - Staff recommends increasing the appropriation for Distribution Mains (CIP 1001) by \$1,400,000 from the unappropriated Water Capital Funds balance. In aggregate, the adopted FY 2008 CIP budget for this project (CIP 1001), Fire System Protection Improvements (CIP 1019), and the Crosstown Well Collector Pipeline (CIP 1044) provided funding for approximately eight miles of distribution mains. The \$2.5 million appropriated for CIP 1044 provided funding for the installation of 1.93 miles of mains. However, delays in construction approval for CIP 1044 have delayed the project until FY 2009. This additional appropriation to CIP 1001 will allow PWP to install an additional 0.75 mile under this category. This 0.75 mile along with the additional 1.18 miles (discussed below) will replace the 1.93 miles associated with CIP 1044, allowing Pasadena Water and Power to complete replacing eight miles of water mains to meet the goal established in the Water System Master Plan.

- 2. Fire Protection System Improvements (1019)** - Staff recommends increasing the appropriation for Fire System Protection Improvements (CIP 1019) by \$1,800,000 from the unappropriated Water Capital Funds balance. In aggregate, the adopted FY 2008 CIP budget for this project (CIP 1019), Distribution Mains (CIP 1001), and the Crosstown Well Collector Pipeline (CIP 1044) provided funding for approximately eight miles of distribution mains. The \$2.5 million appropriated for CIP 1044 provided funding for the installation of 1.93 miles of mains. However, delays in construction approval for CIP 1044 have delayed the project until FY 2009. The additional appropriation to CIP 1019 will allow PWP to install the additional 1.18 miles. The additional 1.18 miles along with the 0.75 mile (discussed above) will replace the 1.93 miles associated with CIP 1044, allowing Pasadena Water and Power to complete replacing eight miles of water mains and meet the goal established in the Water System Master Plan.
- 3. Customer Driven Meters and Services (1003)** - Staff recommends increasing the appropriation to this project by \$200,000 in Aid to Construction (Water) fund. This project is customer driven and funded directly by contributions from the customers and/or developers requests for services. Customer requests for meters and services have been greater than anticipated and it is projected that the current year appropriation will not be adequate for the amount of work. This request for an additional appropriation will allow Pasadena Water and Power to continue to meet increased customer requests for meters and services.
- 4. Miscellaneous Water System Improvements (1006)** - Staff recommends increasing the appropriation to this project by \$200,000 from the unappropriated Water Capital Fund balance. Due to increased valve replacements and miscellaneous water system improvements, it is projected that the current year appropriation will not be adequate. The additional appropriation is required to maintain levels necessary to meet the Water Distribution System Master Plan goals.
- 5. Geographical Information System:**

 - b. Geographical Information System – Power (3005)** Staff recommends increasing the appropriation to this project by \$400,000 from the unappropriated Power Capital Fund balance. The initial allocation of the utility's Geographical Information System project cost understated the Power Fund share of this project. This request for an additional appropriation will better align the Power Fund share of this project cost with the appropriation.
 - c. Geographical Information System - Water (1009)** – Staff recommends decreasing the appropriation to this project by \$400,000. The initial allocation of the utility's Geographical Information System project cost overstated the Water Fund share of this project. This request for additional appropriations will better align the Water Fund share of this project cost with the appropriations for CIP 1009.

The actions requested in 5a and 5b above will not increase the utility's total GIS

project cost.

6. **Distribution System Expansion (3002)** – Staff recommends increasing the appropriations for Distribution System Expansion (3002) by \$600,000 from the unappropriated Power Capital Fund balance. This project provides for new substructures to support increased electrical demand resulting from growth. Pasadena Water and Power has identified several new structures that need to be installed to better serve existing and future customers. This appropriation will allow completion of this work scheduled in FY 2008 since the project has expended all available appropriations to this point.
7. **Substation Capacitor Banks (3015)** – Staff recommends increasing the appropriation for this project by \$250,000 from the unappropriated Power Capital Fund balance. This project provides for the replacement or upgrade of capacitors or other equipment at substations and is necessary to augment the reactive power needs of the power system and to meet contractual obligations. The additional appropriation is needed to add a new control house and oil containment to Santa Anita Substation.
8. **New Feeders and Communications Circuits (3033)** – Staff recommends increasing the appropriation to this project by \$350,000 from the unappropriated Power Capital Fund balance. This project provides for the installation of new electrical feeders from major distribution substations. It also provides for the installation of fiber optic communications cable that will interconnect the substations with other facilities. This additional appropriation is needed to cover the increased cost of purchasing cable and to add the new load to the new Glenarm substation.
9. **Tree Replacement Planting Phase II (78955)** – Staff recommends appropriating \$48,884 in Street Tree Deposit Account to close this project. This project provided for the replacement and planting of 1,385 trees in parkways around the City. This project received funding from Proposition 12 – Tree Planting Grant and the State Environmental and Mitigation Grant. This appropriation will pay for the City's share of the overhead charges that were disallowed by the granting agency.
10. **Central Arroyo Master Plan – Implement Master Plan (77374)** – Staff recommends unappropriating \$5,000 in grant funds from Habitat Conservation from this project to correct an administrative error. The actual grant amount is \$70,000, not \$75,000.
11. **Lower Arroyo Seco – Casting Pond Renovation (77459)** –
 - a. Staff recommends transferring \$182,107 in Proposition A (Parks) 1992 funds from the *Lower Arroyo – Master Plan Implementation* to this project. This funding was originally appropriated to the Lower Arroyo Seco Master Plan Implementation project as a holding place until the funding could be transferred to the appropriate project. This transfer will allow the casting pond renovations to begin in fiscal year 2008 and be completed in fiscal year 2009.

- b. Staff recommends appropriating \$7,893 in Proposition 40 – Per Capita funds to this project. This grant funding was left over due to projects that had been completed under budget.

12. Kinneloa Avenue – Walnut Street Extensions and Improvements (73132) –

- a. Staff recommends recognizing and appropriating \$1,368,609 in Proposition 1B funds to this project. Staff was originally going to appropriate these funds as part of the FY 2009 CIP Budget adoption process, but due to the State's uncertain fiscal climate would rather obligate and receive this funding sooner rather than later.
- b. Staff recommends appropriating \$500,000 in Power Funds to this project. This appropriation is part of the Water and Power Department's partial contribution for improvements along the frontage of their property on Walnut Street.

13. Preventive Maintenance – Asphalt Streets 2005 – 2010 (73580) –

- a. Staff recommends recognizing and appropriating \$89,200 from the Rubberized Asphalt Concrete Use Grant to this project. With this funding, the City will divert approximately 50,000 waste tires from landfill disposal by converting them into approximately 20,000 tons of rubberized asphalt concrete which will resurface approximately six miles of streets.
- b. Staff recommends recognizing and appropriating \$1,000,000 in Proposition 1B funds to this project. Staff was originally going to appropriate these funds as part of the FY 2009 CIP Budget adoption process, but due to the State's uncertain fiscal climate would rather obligate and receive the funding sooner rather than later.
- c. Staff recommends appropriating \$72,000 in Traffic Congestion Relief funds to this project and unappropriating \$72,000 in Gas Tax and returning it to the unappropriated fund balance. The City has a balance of \$72,000 of interest earnings from the Traffic Congestion Relief funds that must be spent by the end of this fiscal year or it will be forfeited.

14. Traffic Signal at Orange Grove Boulevard and Craig Avenue (75702) – Staff recommends transferring \$57,000 in Traffic Congestion Relief funds from this project to the *Preventive Maintenance – Asphalt Streets 2005 – 2010 (73580)* project and appropriating \$57,000 in Gas Tax funds from the unappropriated fund balance to this project. The Traffic Congestion Relief funds need to be spent in fiscal year 2008. The installation of this traffic signal has been delayed due to community concerns. Staff is reviewing alternative intersection safety measures.

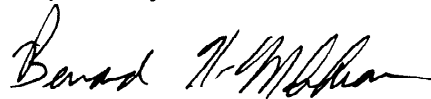
15. North Marengo Avenue Bicycle Boulevard (75703) – Staff recommends unappropriating \$25,000 in Bikeway (TDA) Article 3 funds and appropriating \$25,000 in Gas Tax funds from the unappropriated fund balance to this project. The City did not receive as much Bikeway (TDA) Article 3 funds in FY 2008 as originally anticipated.

- 16. Pasadena Bicycle Program FY 2006 – 2008 (75600)** – Staff recommends unappropriating \$4,420 in Bikeway (TDA) Article 3 funds and appropriate \$4,420 in Gas Tax funds from the unappropriated fund balance to this project. The City did not receive as much Bikeway (TDA) Article 3 funds in FY 2008 as originally anticipated.
- 17. Lincoln Avenue Corridor (73405)** - Staff recommends appropriating \$1,982 in Gas Tax funds to close this project. This project was completed in FY 2007 over budget due to additional administrative costs.
- 18. Sidewalk Improvements Along City-Owned Parking Structures – Marengo Structure and Los Robles Avenue Structure (73601)** – Staff recommends appropriating \$5,430 in Street Occupancy funds to close this project. This project was completed and is over budget due to an increase in the scope of work. The demolition of the sidewalks revealed an extensive tree root problem under the sidewalks that had to be removed.
- 19. Replacement of Five Dial-A-Ride Vans (75700)** – Staff recommends appropriating \$11,600 in Traffic Reduction Fee funds as the local match to the Federal 5317 Grant the City received.

FISCAL IMPACT

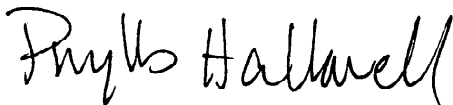
The cumulative impact of these recommendations will increase the FY 2008 CIP budget by \$7,957,598.

Respectfully submitted,



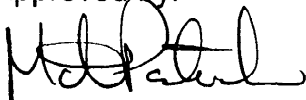
BERNARD K. MELEKIAN
City Manager

Prepared by:



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Department of Public Works

Approved by:



Martin Pastucha, Director
Department of Public Works

Attachment A

Project/Fund Source	Total Estimated Costs	Appropriations Through FY 2008	Changes	Revised Appropriation
1 Distribution Mains (1001)				
Aid to Construction (Water)	2,784,440	2,784,440	0	2,784,440
CIC Fund	29,054,580	11,154,580	1,400,000	12,554,580
Water Fund	8,664,980	8,664,980	0	8,664,980
Total	40,504,000	22,604,000	1,400,000	24,004,000
2 Fire Protection System Improvements (1019)				
CIC Fund	20,400,000	7,500,000	1,800,000	9,300,000
Fire Protection Surcharge	100,000	100,000	0	100,000
Water Fund	7,550,000	7,550,000	0	7,550,000
Total	28,050,000	15,150,000	1,800,000	16,950,000
3 Mains, Meters, and Services - Customer-Driven (1003)				
Aid to Construction (Water)	4,500,000	1,700,000	200,000	1,900,000
Total	4,500,000	1,700,000	200,000	1,900,000
4 Miscellaneous Water System Improvements (1006)				
CIC Fund	3,914,000	1,964,000	200,000	2,164,000
Water Fund	2,052,000	2,052,000	0	2,052,000
Total	5,966,000	4,016,000	200,000	4,216,000
5a Geographic Information System - Power (3005)				
Power Fund	4,521,826	4,121,826	400,000	4,521,826
Total	4,521,826	4,121,826	400,000	4,521,826
5b Geographic Information System - Water (1009)				
Water Bond	1,150,000	800,000	0	800,000
Water Fund	3,332,906	3,332,906	(400,000)	2,932,906
Total	4,482,906	4,132,906	(400,000)	3,732,906
6 Distribution System Expansion (3002)				
Power Fund	4,335,000	3,335,000	600,000	3,935,000
Total	4,335,000	3,335,000	600,000	3,935,000
7 Substation Capacitor Banks (3015)				
Power Bond	2,250,000	0	0	0
Power Fund	3,264,000	3,014,000	250,000	3,264,000
Total	5,514,000	3,014,000	250,000	3,264,000
8 New Feeders and Communication Circuits (3033)				
Power Bond	3,363,400	0	0	0
Power Fund	2,011,000	1,661,000	350,000	2,011,000
Total	5,374,400	1,661,000	350,000	2,011,000
9 Tree Replacement/Planting - Phase II				
Proposition 12 - Tree Planting Grant	49,813	49,813	0	49,813
State Environmental Enhancement and Mitigation Grant	123,704	123,704	0	123,704
Street Tree Deposit Account	48,884	0	48,884	48,884
Total	172,588	123,704	48,884	172,588
10 Central Arroyo Master Plan - Implement Master Plan (77374)				
Habitat Conservation Grant	70,000	75,000	(5,000)	70,000
Total	70,000	75,000	(5,000)	70,000
11 Lower Arroyo Seco - Master Plan Implementation (77457)				
Golf Course Fund	250,000	250,000	0	0
Proposition A (Parks) 1992	138,718	320,825	(182,107)	138,718
Residential Impact Fees	10,820	10,820	0	0
Santa Monica Mountains Conservancy Grant	200,000	200,000	0	0
State Environmental Enhancement and Mitigation Grant	67,000	67,000	0	0
Unfunded	4,652,814	0	0	0
Total	5,319,352	848,645	(182,107)	138,718
11 Lower Arroyo Seco - Casting Pond Renovations (77459)				
Proposition 40 - Per Capita	57,893	50,000	7,893	57,893
Proposition A (Parks) 1992	207,107	25,000	182,107	207,107
Unfunded	25,000	0	0	0
Total	290,000	75,000	190,000	265,000
12 Kinneloa Ave - Walnut Street Extensions and Improvements (73132)				
Charter Capital Fund	1,640,000	1,640,000	0	0
New Development Impact Fees	1,334,836	1,334,836	0	0
Gas Tax	210,000	210,000	0	0
Power Fund	675,000	175,000	500,000	500,000
Private Capital	64,802	64,802	0	0
Proposition 1B	1,368,609	0	1,368,609	1,368,609
Unfunded	3,000,000	0	0	0
Total	8,293,247	3,424,638	1,868,609	1,868,609

Attachment A

Project/Fund Source	Total Estimated Costs	Appropriations Through FY 2008	Changes	Revised Appropriation
13 Preventive Maintenance - Asphalt Street 2005 - 2010 (73580)				
Federal Surface Transportation Program	717,673	717,673	0	717,673
Gas Tax	6,021,250	3,341,250	0	3,341,250
Private Capital	149,524	149,524	0	149,524
Residential Impact Fees	11,240	11,240	0	11,240
Sales Tax Proposition C	1,900,000	1,500,000	0	1,500,000
Sewer Maintenance and Construction Fund	1,356,250	813,750	0	813,750
Street Occupancy Fees	200,000	200,000	0	200,000
Traffic Congestion Relief Program	1,549,000	1,420,000	129,000	1,549,000
Rubberized Asphalt Concrete Use Grant	89,200	0	89,200	89,200
Proposition 1B	1,000,000	0	1,000,000	1,000,000
Unfunded	3,655,191	0	0	0
Total	16,649,328	8,153,437	1,218,200	9,371,637
14 Traffic Signal at Orange Grove and Craig Avenue (75702)				
Gas Tax	177,000	120,000	57,000	177,000
Traffic Congestion Relief Program	0	57,000	(57,000)	0
Total	177,000	177,000	0	177,000
15 North Marengo Avenue Bicycle Boulevard (75703)				
Caltrans	450,000	450,000	0	450,000
TDA Article 3	25,000	50,000	(25,000)	25,000
Gas Tax	25,000	0	25,000	25,000
Total	500,000	500,000	0	500,000
16 Pasadena Bicycle Program FY 2006 - 2008 (75600)				
TDA Article 3	148,300	152,720	(4,420)	148,300
Gas Tax	4,420	0	4,420	0
Total	152,720	152,720	0	152,720
17 Lincoln Avenue Corridor (73405)				
Commercial Development Fees	173,000	173,000	0	173,000
Gas Tax	51,982	50,000	1,982	51,982
General Fund	410,000	410,000	0	410,000
Metropolitan Transit Authority	239,000	239,000	0	239,000
Proposition A (Transit)	42,000	42,000	0	42,000
Total	915,982	914,000	1,982	915,982
18 Sidewalk Improvements - City-Owned Parking Structures (73601)				
Street Occupancy Fees	95,543	90,113	5,430	95,543
Private Capital	10,947	10,947	0	10,947
Total	106,490	101,060	5,430	106,490
19 Replacement of Dial-A-Ride Vans (75700)				
Federal 5310 Grant	224,000	224,000	0	224,000
Proposition A (Transit)	11,200	11,200	0	11,200
Private Capital	65,000	65,000	0	65,000
Federal 5317 Grant	46,400	46,400	0	46,400
Metro	206,250	206,250	0	206,250
Traffic Reduction Fee	11,600	0	11,600	11,600
Total	564,450	552,850	11,600	564,450
Net Change			7,957,598	