

Agenda Report

May 12, 2014

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: City Manager

SUBJECT: ADOPTION OF FY 2015 – 2019 CAPITAL IMPROVEMENT PROGRAM BUDGET AND APPROVE JOURNAL VOUCHER AMENDING FY 2014 – 2018 CAPITAL IMPROVEMENT PROGRAM

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt by resolution the City's FY 2015 – 2019 Capital Improvement Program budget as summarized in Exhibit B contained in the resolution and any changes passed by a motion of the City Council at the May 12, 2014 meeting; and
2. Approve a journal voucher resulting in no net increase amending three projects in the Fiscal Year 2014 Capital Improvement Program Budget as detailed in the Fiscal Impact section of this report.

ADVISORY COMMISSION RECOMMENDATIONS:

On March 4, 2014, the Recreation and Parks Commission voted to support the *Parks and Landscaping* and the *Arroyo Projects – Central Arroyo* and *Arroyo Projects – Lower Arroyo* sections of the Recommended FY 2015 – 2019 Capital Improvement Program (CIP).

On March 13, 2014, the Northwest Commission voted to support the projects located completely or partially in Northwest Pasadena in the Recommended FY 2015 – 2019 CIP.

On March 25, 2014, the Hahamongna Watershed Park Advisory Committee voted to support the *Arroyo Projects – Hahamongna* section of the Recommended FY 2015 – 2019 CIP.

On March 26, 2014, the Planning Commission found the 16 new projects consistent with the General Plan.

On March 27, 2014, the Transportation Advisory Commission voted to support the *Streets and Streetscapes* and *Transportation* sections of the Recommended FY 2015 – 2019 CIP with two additional recommendations:

- Fund the installation of the *Traffic Signal at Electronic Drive and Sierra Madre Villa Blvd* (currently unfunded); and
- Fund the *Rose Bowl Pedestrian Loop Improvements* project in the Arroyo Projects section of the CIP, and expand the scope of the project to consider other potential design alternatives (such as rubberized asphalt) to improve the user experience of the loop by walkers and joggers (currently unfunded).

BACKGROUND:

On April 28, 2014, a public hearing on the Recommended FY 2015 – 2019 CIP budget was opened. Concurrently, copies of the Recommended FY 2015 – 2019 CIP were placed in all public libraries. The budget document was also made available on the City's website at http://cityofpasadena.net/PublicWorks/Capital_Improvement_Program/.

On April 28, 2014 and May 5, 2014, a Joint Finance Committee/City Council meeting was held to review and discuss the Recommended FY 2015 – 2019 CIP budget. Councilmembers supported forwarding the budget recommendations to the City Council for adoption.

This five-year capital plan contains 226 active projects with a total estimated cost of \$901,096,797. The attached resolution contains Exhibit B which details and recommends an appropriation of \$72,319,778 to 79 projects for FY 2015. This process of adopting a formal resolution complies with City ordinances.

In addition, the FY 2015 CIP budget identifies approximately \$644 million of unfunded needs. This need consists of the *Future Projects* section of the CIP which identifies an additional 183 projects with a total estimated cost of nearly \$551 million and the active project list which identifies \$93 million of either partially unfunded or fully unfunded projects. While the City funds millions of dollars of infrastructure improvements each year, it still is not enough. New and additional funding will need to be identified if the City is to ever address its large back log of unfunded capital needs.

Attachment A is a summary of each project category showing the total dollars funded in the Recommended FY 2015 – 2019 CIP. The following adjustments to the printed Recommended FY 2015 - 2019 CIP have been reviewed by the Finance Committee and are incorporated into the budget document.

1. **Restoration and Renovation of Historic Civic Auditorium Exhibit Hall** – The Pasadena Center Operating Company recommends appropriating \$100,000 in Pasadena Center Operating Company Funds to this project and changing the name of project from *Restoration and Renovation of Historic Civic Auditorium Ballroom* to *Restoration and Renovation of Historic Civic Auditorium Exhibition Hall*. When the old

Ice Skating Center sign was removed, a sign with the building's original name, Exhibition Hall was exposed. The name change of the building reflects the historical building's name. This appropriation will allow for the installation of a new restroom in this facility.

2. **Restoration, Upgrades, and Repairs of the Civic Auditorium, Convention Center and Ice Rink – FY 2015 – FY 2017** – The Pasadena Center Operating Company recommends appropriating \$50,000 in Pasadena Center Operating Company Funds instead of \$150,000 in Pasadena Center Operating Co – Facility Restoration Fund as printed in the Recommended FY 2015 – 2019 CIP budget book. The construction of a new restroom in the Historic Civic Auditorium Exhibit Hall was deemed a higher priority for the FY 2015 funding. The FY 2015 workplan for this project will include the replacement and/or repair of the HVAC equipment and upgrades to the CCTV systems.
3. **Electric System** – The Pasadena Water and Power Department identified a \$41 million discrepancy between the total estimated project cost of the Electric System section of the Recommended FY 2015 – 2019 CIP budget book and the actuals. The primary reason is nine Electric System projects were adjusted mid-year and these changes were not entered into the CIP budget system prior to the printing of the Recommended CIP book. The correct total estimated cost of the projects in the Electric System section is \$314 million instead of the \$273 million listed in the Recommended FY 2015 – 2019 Recommended CIP book. This adjustment does not impact the FY 2015 appropriations.

Attachment B represents changes made to prior years' appropriations. The budgetary changes listed below must be recognized through the journal voucher process so they can be incorporated and reflected in the FY 2014 CIP budget.

1. **Pasadena Wayfinding System (75044)** – The Department of Transportation recommends appropriating \$1,426,020 in MTA Grant – Local Transportation Funds to this project and unappropriating \$1,426,020 in Pasadena Economic Development Funds from this project and return to fund balance. The City received an MTA grant for this work, and as a result, these local funds are no longer needed on the project.
2. **Hahamongna – Implement Master Plan – Sycamore Grove Multi-Purpose Field (77506) and Soccer Field – Muir High School (78055)** – The Department of Public Works recommends unappropriating \$1,000,000 in 2004 Youth Soccer & Recreational Development Program Grant from the Hahamongna – Implement Master Plan – Sycamore Grove Multi-Purpose Field (77506) project and appropriating it to the Soccer Field – Muir High School (78055) project. These funds will be used to build a soccer field at Muir High School. Construction will be in FY 2015.

COUNCIL POLICY CONSIDERATION:

All projects in the Recommended CIP address the City Council's strategic goals to maintain fiscal responsibility, improve, maintain, and enhance public facilities and infrastructure, as well as increase conservation and sustainability, improve mobility and

accessibility throughout the City, support and promote the quality of life and local economy and ensure public safety. Further, all the projects are consistent with the General Plan.

ENVIRONMENTAL ANALYSIS:

As work for each project moves through the City’s approval process, the appropriate environmental analysis will be conducted and brought to the City Council.

FISCAL IMPACT:

Approval of the City Manager’s Recommended CIP budget and the proposed budget revisions detailed in this report will establish the FY 2015 – 2019 Capital Improvement Program with a total appropriation of \$72,319,778. Details regarding the sources of funding are summarized below and in Exhibit B, which is a part of the resolution.

Funding Source	Appropriation
Power Funds – Various	\$35,950,009
Rose Bowl Funds	\$5,450,000
Water Funds – Various	\$5,275,618
Grants – Federal/County	\$4,814,266
Parking Revenue – Various	\$3,580,709
Underground Utility Fund	\$3,239,898
Gas Tax Fund	\$2,727,446
Residential Impact Fees	\$2,581,000
Sewer Maintenance and Construction Fund	\$2,409,155
Project Management Fund – Various	\$1,535,943
General Fund	\$1,255,436
Building Preventive Maintenance Fund	\$900,000
Computing and Communication Fund	\$850,336
Golf Course Fund	\$700,000
Commercial Development Fees	\$470,452
Sewer Facility Charge	\$300,000
Traffic Reduction Fee	\$100,000
Telecommunication Fund	\$78,483

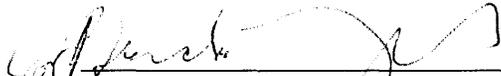
Funding Source	Appropriation
Refuse Fund	\$46,983
Building Services Fund	\$29,260
Fleet Maintenance Fund	\$24,607
Proposition 1B - Local Streets and Road Improvement	\$177
Total Recommended Appropriations	\$72,319,778

Respectfully submitted,



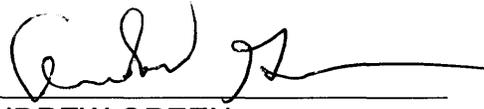
SIOBHAN FOSTER
Director of Public Works

Prepared by:



Phyllis Hallowell
Management Analyst V

Concurred by:



ANDREW GREEN
Director of Finance
Department of Finance

Approved by:


for MICHAEL J. BECK
City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA ADOPTING THE FISCAL YEAR 2015 – 2019 CAPITAL IMPROVEMENT PROGRAM BUDGET

WHEREAS, the City Council of the City of Pasadena has received and reviewed the City Manager's recommendations for the Fiscal Year 2015 – 2019 Capital Improvement Program as amended by the Finance Committee; and

WHEREAS, pursuant to Section 903 of the City Charter, a notice of public hearing on the proposed FY 2015 – 2019 Capital Improvement Program Budget was published in the *Pasadena Journal* on April 10, 2014, and the public hearings thereon were held on April 28, May 5, and May 12.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena that:

Section 1. In conformance with Section 904 of the Charter of the City of Pasadena, the recommended FY 2015 – 2019 Capital Improvement Program Budget, as submitted by the City Manager, amended by the Finance Committee and reviewed by the City Council, is approved and adopted, and the City Clerk is directed to file a certified copy thereof in the Office of City Clerk and to file another copy, likewise certified, with the Director of Finance. The Capital Improvement Program for FY 2015 - 2019 is shown on Exhibit B which is attached hereto and made part hereof.

Section 2. The specific sums of money set forth opposite the names of funds, activities and projects as shown on Exhibit B are appropriated to these funds, activities and projects in order to carry out the approved Capital Improvement Program for FY 2015 – 2019 and shall go into effect immediately.

Adopted at the _____ meeting of the City Council on the ____ day of _____, 2014, by the following votes:

AYES:

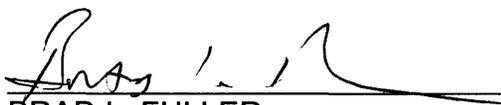
NOES:

ABSENT:

ABSTAIN:

MARK JOMSKY
CITY CLERK

Approved as to form:



BRAD L. FULLER
Assistant City Attorney