

Agenda Report

April 23, 2018

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: PUBLIC HEARING: CITY MANAGER'S RECOMMENDED FISCAL YEAR 2019 - 2023 CAPITAL IMPROVEMENT PROGRAM BUDGET

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing on the City Manager's Recommended FY 2019 - 2023 Capital Improvement Program (CIP) Budget; and
2. Continue the public hearing to April 30, 2018 at 7:00 p.m. and thereafter at each subsequent meeting of the City Council until the City Council determines that the public hearing may close and then formally adopt the FY 2019 - 2023 CIP Budget.

BACKGROUND:

The City of Pasadena Charter requires that the Recommended FY 2019 – 2023 CIP Budget for the upcoming fiscal year be submitted to the City Council on or before the third Monday in May. As part of the process of adoption, the City Council is requested to open the public hearing on the recommended CIP Budget and continue the public hearing until the recommendation to adopt the FY 2019 - 2023 CIP is presented to the City Council.

The CIP identifies funding for major capital improvements throughout the City. In addition, the following priorities are used when identifying and creating projects and recommending funding:

- Addresses a particular safety issue;
- Existing maintenance efforts are no longer satisfactory and repair costs exceed replacement costs; and
- An existing facility or system is no longer adequate to meet the demand.

City Manager's Recommended FY 2019 CIP Budget

April 23, 2018

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The Recommended FY 2019 – 2023 CIP Budget contains 200 active projects with a total estimated cost of \$1,279,903,735 and a total recommended appropriation of \$82,259,880 to 91 projects as detailed in Attachments A and B. Twenty-four new projects have been added. In addition, the CIP Budget contains a "Future Projects" section which identifies an additional 66 projects with a total estimated cost of \$335 million. The table below summarizes this information and highlights a future funding need of approximately \$744.7 million.

| Total Estimated Cost of Active Projects | Total Estimated Cost of Future Projects | Appropriated Through FY 2018 | Recommended FY 2019 | Total Outstanding Funding Need |
|---|---|------------------------------|---------------------|--------------------------------|
| \$1,279,903,735 | \$334,850,166 | \$787,733,626 | \$82,259,880 | \$744,760,395 |

The City has funded millions of dollars of infrastructure improvements each year. However, in order to properly maintain, repair and replace aging infrastructure and address growing needs, substantial investments are needed beyond the current level of funding. In certain key areas the lack of funding poses a significant problem for the City. The following are a few notable examples from the FY 2019 Recommended CIP Budget:

- Five existing fire stations need to be completely rebuilt to address safety, structural, operational, and code-related deficiencies. This unfunded need has a total estimated cost of \$103.9 million.
- As of June 30, 2018, approximately 670,000 square feet of damaged sidewalks need to be repaired for an estimated cost of \$9 million.
- Upgrading 23 high voltage street lighting circuits with modern circuitry is necessary because these circuits have become unreliable and obsolete as replacement parts are no longer available. In a high voltage series circuit, when one light goes out, all the lights on that circuit go out as well. This becomes a safety issue for the residents, and staff who work on repairing these unreliable systems. The total estimated cost of this upgrade is \$21 million.
- The radios utilized by the Pasadena Police and Fire Departments to respond to emergency 911 calls have reached the end of their useful ten-year lifecycle and are in need of replacement. The estimated cost to replace these radios is \$8 million.
- Per the Water System Master Plan, nine miles of water mains need to be replaced each year to keep the system operational. The total estimated cost of replacing nine miles is \$16.2 million per year. Due to lack of resources, the City's Water Division has only been able to complete three miles per year at an estimated cost of \$5.5 million. The master plan will be updated in FY 2019 and infrastructure replacement goals revisited.

These projects are just a few examples of the significant capital need in the CIP budget. New and additional funding will need to be identified if the City is to address its large backlog of unfunded capital improvement projects.

Copies of the Recommended FY 2019 - 2023 CIP have been placed in all the public libraries and in the City Clerk's Office. The CIP hearings with the joint City Council/Finance Committee will also be held on April 30, 2018 from 2:30 p.m. until 5:30 p.m. and May 7, 2018 from 2:30 p.m. to 5:30 p.m. Following the review by the joint City Council/Finance Committee, a final Recommended CIP Budget is scheduled to be presented to the City Council for adoption on May 14, 2018 at 7:00 p.m. or thereafter.

COUNCIL POLICY CONSIDERATION:

All projects in the Recommended CIP address and further the City Council's six strategic plan goals to maintain fiscal responsibility and stability; improve, maintain and enhance public facilities and infrastructure; increase conservation and sustainability; improve mobility and accessibility throughout the city; support and promote the quality of life and the local economy; and ensure public safety. In addition, all projects have been found to be 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:

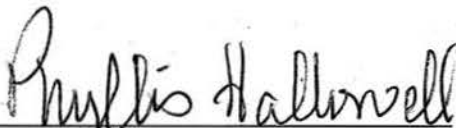
Recommended appropriations in the Recommended FY 2019 - 2023 Capital Improvement Program total \$82,259,880. Details regarding the sources of funding are included in Attachment B.

Respectfully submitted,



ARA MALOYAN, P.E.
Director of Public Works

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STEVE MERMELL
City Manager

Attachment A – Recommended FY 2019–2023 CIP Totals by Category

Attachment B – Recommended FY 2019–2023 CIP Appropriations