



Agenda Report

September 23, 2019

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Public Works
SUBJECT: AMENDMENTS TO FISCAL YEAR 2020 CAPITAL IMPROVEMENT PROGRAM BUDGET

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed actions are not "projects" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(4) and (5) of the State CEQA Guidelines and, as such, are not subject to environmental review; and
2. Amend the Fiscal Year (FY) 2020 Capital Improvement Program Budget as detailed in Attachment A of this report.

BACKGROUND:

Throughout the FY, the Department of Public Works in conjunction with other impacted departments review active Capital Improvement Program (CIP) projects to determine if budgetary changes are needed. Staff has completed this report detailing needed budget adjustments. The budgetary changes to the projects are listed below.

1. **Parking Lot Improvements at City Facilities (71909)** – Staff recommends appropriating \$500,000 in General Fund to this project for parking lot improvements at the Norton Simon Museum. The parking lot at Norton Simon Museum is owned by the City and is ranked in poor condition according to the 2015 Parking Lot Master Plan. This appropriation will allow the City to fulfill its lease obligation for this property. Design will begin in FY 2020.
2. **Annual In-Fill Street Lighting and Repair and/or Replacement of Existing Street Lighting Systems (74413)** – The Department of Public Works recommends transferring the remaining balance of \$34,905 in Private Capital and \$26,024 in General Fund from the *Walnut Street Improvements (73128)* to this project and

increasing the budget by a like amount of \$60,929. This transfer will allow project 73128 to be closed.

- 3. Street Lights – Various Development (74414)** – The Department of Public Works recommends appropriating \$47,628 in Private Capital from various developers to this project. Also, staff recommends transferring the remaining balance of \$122,053 in Street Occupancy Fees from this project to the *Annual In-Fill Street Lighting and /or Replacement of Existing Street Lighting Systems (74413)* and increasing the budget by a like amount. These actions will balance the budget for the project and allow it to be closed.
- 4. Annual Citywide Street Resurfacing and ADA Improvement Program FY 2019 (73325)** – The Department of Public Works recommends appropriating \$92,000 in CalRecycle Grant funds to this project and increasing the budget by a like amount. This appropriation will be utilized for resurfacing various city streets with rubberized asphalt. This project is currently under construction.
- 5. Guardrail Improvement Program (73930)** – The Department of Public Works recommends transferring the remaining balance of \$25,304 in Gas Tax Fund from *Installation/Replacement of Guard Rails FY 2016-2020 (73911)* to this project. This will allow 73911 to be closed and the remaining balance to be used on future guardrail improvements.
- 6. Curb Ramp Pedestrian Access Improvements FY 2017-2021 (73925)** – The Department of Public Works recommends appropriating \$2,097 in Street Occupancy Fees to this project so it can be closed.
- 7. Miscellaneous Concrete Improvement (73928)** – The Department of Public Works recommends appropriating \$109,207 in Private Capital to this project. These funds have been collected from property owners and developers as conditions of development or sales of the property. This appropriation will be used for repairs to curbs, gutters and sidewalks.
- 8. Annual Citywide Street Resurfacing and ADA Improvement Program – FY 2020 (73931)** – The Department of Public Works recommends appropriating \$66,408 in CalRecycle Grant funds to this project. This appropriation will be utilized for resurfacing portions of Orange Grove Boulevard with rubberized asphalt. Construction is anticipated to be completed in FY 2021.
- 9. Annual Storm Drain System Repair and Improvements (76913)** – The Department of Public Works recommends transferring the remaining balance of \$66,293 in Sewer Fund from *Corrugated Metal Pipe Storm Drain Rehabilitation FY 2016-2020 (76907)* to this project. This will allow 76907 to be closed and the remaining balance to be used on future storm drain improvements.

The next seven budget amendments are transfers or re-appropriations of Proposition A grant funding that is dedicated for work within the Lower Arroyo and Hahamongna Watershed Park. For the Lower Arroyo, the City received Proposition A 1992 funding of \$1.47 million; for the

Oak Grove and Berkshire Creek areas of Hahamongna, the City received Proposition A 1992 funding of \$1.86 million and Proposition A 1996 funding of \$1 million. As projects are completed within the scope of these grants, Proposition A grant fund balances can be moved to other CIP projects within the same grant funded areas. The following budget amendments are being recommended as a means to maximize the utilization of the entirety of Proposition A grant funding within each grant's prescribed timeline.

- 10. Lower Arroyo Seco – Habitat Restoration (77410)** – The Department of Public Works recommends appropriating the remaining available balance of \$255,400 In Proposition A 1992 (Parks) to this project and increasing the budget by a like amount. This project was created as part of the FY 2020 CIP budget. This appropriation will allow staff to maximize the grant funding remaining from other completed projects in the Lower Arroyo by the grant expiration date. The scope of the project will be expanded to include additional plantings throughout the Lower Arroyo. Environmental assessment and design will be completed in FY 2020.
- 11. Lower Arroyo - Master Plan - Entrance Improvement (77407)** – The Department of Public Works recommends appropriating \$36,253 in Proposition A 1992 (Parks) to this project. This \$266,000 project was completed under budget for \$236,253. However, this project received an additional payment of \$36,253 in Proposition A funding from Los Angeles County Regional Park and Open Space District office. This action will allow the project to be closed and the remaining Residential Impact Fees to be returned to fund balance.
- 12. Lower Arroyo Trail Restoration (77406)** – The Department of Public Works recommends appropriating \$185,682 in Residential Impact Fee (RIF) and \$9,200 in Recreational Trail grant to this project and unappropriating \$155,610 in Proposition A 1992 (Parks) from this project so it can be closed. This project provided for the reconstruction and/or stabilization of arroyo stone walls at various locations throughout the Lower Arroyo. This project was completed in three phases. Phase I and II were completed in FY 2006, and phase III was completed in FY 2011. This \$487,500 project was completed over budget by \$30,072 for a total expenditures of \$526,772. However, a total appropriation of \$185,682 is needed because not all of the expenses were reimbursable through the granting agency. Staff received \$94,390 of the \$250,000 in Proposition A appropriated to this project. The remaining \$155,610 in Proposition A funds is being transferred to the *Lower Arroyo Seco – Habitat Restoration (77410)* project to be utilized on grant eligible construction cost as part of #10 of this report.
- 13. Implement Master Plan – Hahamongna Watershed Park – Berkshire Creek Area Improvements (77509)** – The Department of Public Works recommends appropriating \$225,000 in RIF and \$237,000 in Proposition A 1992 to this project. In addition, staff recommends transferring \$55,492 in Proposition A 1996 from the *Hahamongna – Oak Grove Area Improvements (77506)* to this project for a total appropriation of \$517,492 and increasing the budget by a like amount. The original estimate to complete this project was created in FY 2006. Due to cost increase in environmental compliance and regulatory permits, this additional funding is needed to complete the Berkshire Creek Area Improvements. Construction is underway and will be completed by the grant deadline of March 2020.

- 14. Hahamongna - Removal Asphalt on Trails (77563)** - The Department of Public Works recommends appropriating \$28,937 in RIF to this project and unappropriating \$48,000 in Proposition A 1992 from this project so it can be closed. This \$48,000 project was completed under budget. However, the expenses were not reimbursable through the granting agency. The remaining Proposition A grant funds is part of the appropriation recommended to the *Implement Master Plan – Hahamongna Watershed Park – Berkshire Creek Area Improvements* project as part of #13 of this report.
- 15. Hahamongna Master Plan – Habitat Restoration (77508)** – The Department of Public Works recommends transferring \$104,366 in Proposition A 1996 from the *Hahamongna – Oak Grove Area Improvements (77506)* project to this project, and increasing the budget by a like amount. The original estimate to complete this project was created in FY 2006. Due to cost increase in environmental compliance and regulatory permits, this additional funding is needed to balance the project budget and allow this project to be closed.
- 16. Hahamongna Master Plan – Trail Development (77507)** – The Department of Public Works recommends appropriating \$146,717 in RIF to this project and unappropriating \$80,000 in Proposition A 1992 from this project so it can be closed. The cost of environmental work and planning efforts for future phases were higher than anticipated. This action will balance the project budget and allow this project to be closed. The remaining Proposition A grant funds is part of the appropriation recommended to the *Implement Master Plan – Hahamongna Watershed Park – Berkshire Creek Area Improvements* project as part of #13 of this report.

Moving forward, the Department of Public Works now has a dedicated team of Management Analysts who are responsible for the management of all park grants. The responsibilities of this team is to ensure that grant billing is completed in a timely manner and in compliance with grant regulations.

- 17. Bus Stop Improvement (75900)** – The Department of Transportation recommends appropriating \$40,000 in Foothill Transit Bus Stop Enhancement Grant. This reimbursable grant was approved in 2019 and provides cities and counties within the service area of Foothill Transit with funding support for bus stop enhancements.
- 18. Enterprise Resource Planning System (71149)** – The Department of Information Technology recommends appropriating \$2,362 from the Fleet Maintenance Fund and unappropriating a like amount from the 311 Call Center Fund. This action is an adjustment to the type of funds used and does not impact the overall project budget.
- 19. Land Management System Replacement (71152)** – The Department of Information Technology recommends appropriating \$8,636 in Technology Fees to this project. This appropriation will be used to fully fund this project.
- 20. DoIT Equipment Life Cycle Replacement FY 2020-2024 (71165)** – The Department of Information Technology recommends transferring the remaining balance of \$1,913,157 from the *DoIT Equipment Life Cycle Replacement FY 2015 - 2019 (71157)*

project to this project. This action will allow 71157 to be closed and the remaining balance to be used on future phases of the project.

- 21. City Fiber Network Expansion FY 2020-2024 (71167)** – The Department of Information Technology recommends transferring remaining balance of \$701,653 from the *City Fiber Expansion (71212)* project to this project. This action will allow 71212 to be closed and the remaining balance to be used on future phases of the project

The Water and Power Department reviews the Electric System and Water System CIP project budgets on a regular basis and requests appropriations for one year's work plan at a time. Although new appropriations were approved for the FY 2020 Adopted CIP Budget, those dollars are for work planned in FY 2020. The requests below are to address additional work/costs required to complete the FY 2019 work plan and phase of these projects.

- 22. Distribution Mains (1001)** – The Water and Power Department recommends transferring \$500,000 in CIC Funding from *Booster Improvements (1073)* and \$200,000 in Water Fund from *Water Systems and Resources Plan (1077)* to this project. Additionally, the Water and Power Department recommends appropriating \$1,100,000 from the unappropriated Water Fund balance to this project; for a total appropriation of \$1,800,000, and increasing the budget for a like amount. The appropriation is needed to complete the main replacement at Washington Boulevard from El Molino Avenue to Hill Avenue. This work will be begin in FY 2020 and be completed by first quarter of FY 2021. Appropriations remaining in *Booster Improvement (1073)* and *Water Systems and Resources Plan (1077)* will be sufficient to complete the work plan in FY 2020.

- 23. Wood Utility Pole Replacement/Reinforcement Program (3117)** – The Water and Power Department recommends transferring \$150,000 in Power Funds from *4kV Distribution System Conversion (3191)* to this project, and increasing the budget by a like amount. The appropriation is needed to support additional Joint Pole replacement costs for new poles that are being installed by Southern California Edison in compliance with new fire safety standards, and the Water and Power Department shares a portion of costs through the Joint Pole Agreement. The *4kV Distribution System Conversion (3191)* projects for FY 2019 were completed under budget and new work will be completed with new FY 2020 budgeted appropriations.

- 24. Emergency Transmission and Distribution System Replacements (3222)** – The Water and Power Department recommends transferring \$230,000 in Power Funds from *4kV Distribution System Conversion (3191)* to this project, and increasing the budget by a like amount. The appropriation is needed to fund additional unplanned replacements and repairs of equipment that has failed. The *4kV Distribution System Conversion (3191)* projects for FY 2019 were completed under budget and new work will be completed with new FY 2020 budgeted appropriations.

- 25. Distribution System Fault Indicators / Recorders (3035)** – The Water and Power Department recommends transferring \$150,000 in Power Funds from *Installation of Fiber Optic Services (3168)* to this project, and increasing the budget by a like amount. Additional funding is needed to complete distribution system projects that were started

but not completed in FY 2019, and the corresponding cost increases in resource support to complete in FY 2020. The *Installation of Fiber Optic Services* (3168) project scope for FY 2019 was completed under budget and new phase will be completed with new FY 2020 budgeted appropriations.

26. SCADA System Expansion (3073) – The Water and Power Department recommends transferring \$350,000 in Power Funds from *Distribution System GIS Enhancement* (3034) to this project, and increasing the budget by a like amount. The appropriation is needed to provide funding for additional upgrade requirements and corresponding increases in internal resource support. The *Distribution System GIS Enhancement* (3034) project scope was completed under budget and new work will be completed with new FY 2020 budgeted appropriations.

27. Switchgear Upgrades for Power System Facilities (3090) – The Water and Power Department recommends transferring \$100,000 in Power Funds from *Distribution System GIS Enhancement* (3034) and \$325,000 from *Fiber Optic Cable Expansions* (3143) to this project, and increasing the budget by a like amount. The appropriation is needed to provide additional funding to address cost increases to complete the automatic transfer switches and panel upgrades at T.M. Goodrich. The *Distribution System GIS Enhancement* (3034) and the *Fiber Optic Cable Expansions* (3143) project scopes for FY 2019 were completed under budget and new work will be completed with new FY 2020 budget appropriations.

28. Substation Control and Protection Upgrades (3208) – The Water and Power Department recommends transferring \$250,000 in Power Funds from *Power Meter Installation and Replacement Program* (3173) and \$200,000 from *Distribution System GIS Enhancement* (3034) to this project, and increasing the budget by a like amount. The appropriation is needed to provide additional funding to complete the 34-12 Tele-Protection and Santa Anita East Protection and Control Upgrades, and corresponding increases in internal resource support. The *Power Meter Installation and Replacement Program* (3173) and the *Distribution System GIS Enhancement* (3034) project scopes for FY 2019 were completed under budget and new work will be completed with new FY 2020 budget appropriations.

COUNCIL POLICY CONSIDERATION:

All of the above projects and actions address City Council's goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure.

ENVIRONMENTAL ANALYSIS:

CEQA excludes from environmental analysis those actions that are not "projects" as defined by State CEQA Guidelines Section 15378. That section excludes from the definition of "project" the creation of government funding mechanisms and fiscal activities which do not yet commit the lead agency to any specific project, and also excludes organizational or administrative governmental activities that do not result in physical changes to the

environment. The actions proposed herein are budgetary and part of the City's normal administrative process as it takes early steps to prepare for the possibility of undertaking a project, and therefore they are not yet "projects" as defined by CEQA. As the City becomes more certain it will undertake one of the projects, and before it commits itself to the project, the appropriate environmental analysis will be conducted and brought to the appropriate City body for approval.

FISCAL IMPACT:

The cumulative result of these recommendations will increase the FY 2020 CIP budget by \$2,806,555. The specific funding sources for the budget amendments are listed on Attachment A.

Respectfully submitted,



ARA MALOYAN, P.E.
Director of Public Works

Prepared by:



Phyllis Hallowell
Management Analyst V

Approved by:



STEVE MERMELL
City Manager

Attachment A – Changes to FY 2020 CIP