

Agenda Report

October 19, 2020

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (October 8, 2020)

FROM: Department of Public Works

SUBJECT: AMENDMENTS TO FISCAL YEAR 2021 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) 2021 Capital Improvement Program (CIP) Budget as detailed in Attachments A and B of this report.

BACKGROUND:

Throughout the FY, the Department of Public Works in conjunction with other impacted departments review active CIP projects to determine if budgetary changes are needed. Staff has completed this report detailing needed budget adjustments. This report includes both "carry-forwards" and amendments to the FY 2021 CIP Budget as detailed on Attachments A and B respectively. The budgetary changes are listed below:

Propose Carry-Forward Items

1. **Carry-Forward of Remaining Funds to new Project Phases** – The Department of Public Works recommends appropriations in the amount of \$2,385,668 be carried forward from closed projects in the FY 2020 CIP budget to the next five year increment of the projects in the FY 2021 CIP budget. These on-going projects are broken into five year increments for financial tracking purposes. Carrying forward the remaining funds to the new phase of the project will allow planned work to continue. As detailed

in Attachment A, the recommended appropriations represent the remaining balance of eight five year on-going projects.

Proposed Budget Amendments

2. **Implement Master Plan – Hahamongna Watershed Park – Berkshire Creek Area Improvements (77509)** – The Department of Public Works recommends appropriating \$40,000 in Residential Impact Fees and \$10,980 in remaining Proposition A (Parks) Grant Funds to this project. This \$1.8 million project went over budget by 3 percent due to construction and planting delays caused by rain and subsequent muddy conditions which hampered progress with regards to placement of slope stabilization and slope plantings. In addition, final roadway paving was delayed on multiple occasion due to wet sub-grade. This appropriation will allow this completed project to be closed.
3. **Purchase of Replacement Transit Vehicles and Expansion Fixed-Route Transit Vehicles (75085)** – The Department of Transportation recommends transferring \$1,635,612 in MTA – Multi-Year Sub-regional Program (MSP) from the *Construction of Transit Operations Maintenance Facility (75707)* to this project. In the first round for Measure M – MSP, Metro approved funding for the Transit Operations Maintenance Facility (TOMF). Due to a location not being finalized Metro has suggested the City use funds towards a more imminent project. The City intends to re-program funding from the TOMF to additional bus replacement. This funding shift will be presented to the Arroyo Verdugo Communities Joint Powers Authority Governing Board in October. While the TOMF continues to be high priority project, it cannot move forward until a permanent location is identified. Staff continues to look for a permanent location and funding options for the \$33 million project.
4. **Complete Streets Project - Union Street Cycle Track – Phase I (75087)** – The Department of Transportation recommends transferring \$150,000 in Gas Tax from the *Citywide Complete Streets Program FY 2016 – 2020 (75076)* to this project. This appropriation will allow 75076 to be closed. Construction of this project is anticipated to begin in FY 2022.
5. **ITS Phase I - Traffic Management Center (75701)** – The Department of Transportation recommends transferring \$100,000 in Traffic Reduction Fees from the *ITS Phase I – Parking Guidance (75912)* to this project. Both of these ITS projects were originally part of the same ITS project (75701) but separated into subcomponent projects in FY 2019. Additional funding is needed on this project due to additional costs associated with multiple design changes related to separating the plans and specs to current code and federal requirements. The cost of completing the ITS parking component (75912) is expected to be lower than anticipated and so the remaining funds on the project will be sufficient to complete the project.

Department of Water and Power Amendments

The Department of Water and Power 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 2021 Adopted CIP

Budget, those dollars are for work planned in FY 2021. The requests below are to address additional funds required to complete the FY 2020 work plan and phase of these projects.

6. **Distribution Mains (1001)** – The Department of Water and Power recommends transferring \$850,000 of Water Fund from the *Distribution Mains - FY 2020 – FY 2024* (1080) to this project, and increasing the budget for a like amount. The appropriation is needed to complete the Colorado Boulevard water mainline project and on-going main replacement projects that address main line failures, water quality, and system reliability and provide for the economic redevelopment of the area. Appropriations remaining in *Distribution Mains – FY 2020 – FY 2024* (1080) will be sufficient to complete the work plan in FY 2021.
7. **Well Improvements (1074)** – The Department of Water and Power recommends transferring \$1,000,000 in Water Fund from the *Distribution Mains – FY 2020 – FY 2024* (1080) and \$500,000 in Water Fund from *Booster Improvements* (1073), for a total of \$1,500,000 to this project, and increasing the budget for a like amount. The appropriation is needed to complete the Garfield Replacement Well project and other well projects including abandonments which are required for compliance with the State operational permit. Appropriations remaining in *Distribution Mains – FY 2020 – FY 2024* (1080) and *Booster Improvements* (1073) will be sufficient to complete the work plans in FY 2021.
8. **Reservoir Improvements (1093)** – The Department of Water and Power recommends transferring \$200,000 in Water Fund from *Distribution Mains – FY 2020 – FY 2024* (1080) and \$100,000 in Water Fund from *New Clean Water Well* (1088), for a total of \$300,000 to the project, and increasing the budget for a like amount. This transfer is necessary to complete work being done to correct the underdrain at Jones Reservoir. Appropriations remaining in *Distribution Mains – FY 2020 – FY 2024* (1080) and *New Clean Water Well* (1088) will be sufficient to complete the work plans in FY 2021.
9. **Power Distribution Capacity and Reliability Program (3161)** – The Department of Water and Power recommends transferring \$350,000 in Power Funds from *Replacement and Upgrade of Electrical Substructures* (3185) to this project, and increasing the budget by a like amount. The appropriation is needed for higher than anticipated costs to replace four double bus distribution switches at the Santa Anita Substation. The *Replacement and Upgrade of Electrical Substructures* (3185) project was completed under budget.
10. **Wood Utility Pole Replacement/Reinforcing Program (3117)** – The Department of Water & Power recommends transferring \$3,000 in Power Funds from *Deteriorated Pole Replacement Program* (3233) to this project, and increasing the budget by a like amount. The appropriation is needed to provide for administrative costs applied during FY 2020 year end closing of this project. The *Deteriorated Pole Replacement Program* (3233) replaces the Wood Utility Pole Replace/Reinforcing Program and has sufficient appropriations remaining to complete the FY 2021 work plan.

11. **Distribution Transformer Replacements (3237)** – The Department of Water & Power recommends transferring \$550,000 in Power Funds from *Replacement and Upgrade of Electrical Substructures (3185)* to this project, and increasing the budget by a like amount. The appropriation is needed to provide for unanticipated ancillary system improvements needed for transformer replacements on Parkwood Avenue, Oakland Avenue, Hollbrook Avenue, and Bonnie Avenue. The *Replacement and Upgrade of Electrical Substructures (3185)* project was completed under budget.

Rose Bowl Operating Company Amendments

On September 3, 2020, the Rose Bowl Operating Company (RBOC) approved the amendment to the following CIP project:

12. **Brookside Golf Course - Fairways Improvements** – The RBOC recommends appropriating \$78,000 in RBOC Restricted Capital Fund to this project so the installation of new underground fuel tanks at the golf course can be completed. During the installation of the new tanks, issues were discovered during excavation that required large rocks to be removed from excavation site and six inches of backfill material to be brought in so the ground could withstand the concrete pad that needed to be placed over the tanks. This transfer will allow work to continue and the project to be completed in FY 2021.

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:

Approval of the carry-forwards will increase the FY 2021 CIP Budget by \$2,385,668. The cumulative result of the recommended FY 2021 budget amendments will increase the FY 2021 CIP budget by an additional \$128,980. Both actions will result in a net increase of \$2,514,648.


The specific funding sources for the carry forwards and budget amendments are listed on Attachment A and B respectively.

Respectfully submitted,



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Approved by:



STEVE MERMELL
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Attachment A – Carry Forward From FY 2020 to FY 2021 CIP Budget
Attachment B – Amendments to FY 2021 CIP Budget