

# Agenda Report

April 27, 2015

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** City Manager

**SUBJECT: ADOPTION OF FY 2016 – 2020 CAPITAL IMPROVEMENT PROGRAM BUDGET AND APPROVE JOURNAL VOUCHER AMENDING FY 2015 – 2019 CAPITAL IMPROVEMENT PROGRAM**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt by resolution the City's FY 2016 – 2020 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 April 27, 2015 meeting; and
2. Approve a journal voucher resulting in \$12,576,791 net decrease amending 13 projects in the Fiscal Year 2015 Capital Improvement Program Budget as detailed in the body of this report.

**ADVISORY COMMISSION RECOMMENDATIONS:**

On March 12, 2015, the Northwest Commission voted to support the projects located completely or partially in Northwest Pasadena in the Recommended FY 2016 – 2020 Capital Improvement Program (CIP).

On March 17, 2015, 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 2016 – 2020 CIP with the following change to the use of appropriations proposed for the *Desiderio Park – Development of a New Park* project: Proposed appropriations should first be prioritized to meet the National Parks Service requirements, then to construct a parking lot and park restroom, and then other amenities. The City should seek to accomplish as much as possible with funding provided and seek future funding to finish the project.

On March 25, 2015 and April 22, 2015, the Planning Commission found the 18 new projects consistent with the General Plan.

On March 26, 2015, the Transportation Advisory Commission voted to support the *Streets and Streetscapes* and *Transportation* sections of the Recommended FY 2016 – 2020 CIP.

### **BACKGROUND:**

On April 13, 2015, a public hearing on the Recommended FY 2016 – 2020 CIP Budget was opened. Copies of the Recommended FY 2016 – 2020 CIP were placed in all public libraries and the City Clerk's office on March 30, 2015. The budget document was also made available on the City's website at [http://cityofpasadena.net/PublicWorks/Capital\\_Improvement\\_Program/](http://cityofpasadena.net/PublicWorks/Capital_Improvement_Program/).

On April 13, 2015 and April 27, 2015, Joint Finance Committee/City Council meetings were held to review and discuss the Recommended FY 2016 – 2020 CIP Budget. Councilmembers supported forwarding the budget recommendations to the City Council for adoption.

This five-year capital plan contains 238 active projects with a total estimated cost of \$1,113,670,334. The attached resolution contains Exhibit B which details and recommends an appropriation of \$85,544,705 to 92 projects for FY 2016. This process of adopting a formal resolution complies with City ordinances.

In addition, the FY 2016 CIP budget contains a "Future Projects" section which identifies an additional 80 projects with an estimated cost of approximately \$364 million of unfunded needs. 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 2016 – 2020 CIP. Attachment B represents the following adjustments to the printed Recommended FY 2016 - 2020 CIP which have been reviewed by the Finance Committee and are incorporated into the budget.

1. **Citywide Sidewalk Improvements (New)** – The Department of Public Works recommends this project be added to the FY 2016 CIP budget (see Attachment C) appropriating \$1,000,000 in General Fund and \$250,000 in Community Development Block Grant in FY 2016.

DESCRIPTION: This project provides for citywide sidewalk improvements. This program will be defined during fiscal year 2015 after a presentation by Public Works staff to the Municipal Services Committee. The Pasadena Municipal Code holds property owners solely responsible for repair of sidewalks abutting their properties. This program will allow sidewalk repairs to begin using City funds. Construction will begin in FY 2016.

2. **Building Preventative Maintenance FY 2016 – 2020 (New phase)** – The Department of Public Works recommends appropriating \$46,435 in Library Services Fund to this project and increasing the total estimated project cost by the same amount. The Information Services Department is funding the following work in FY 2016: Interior

painting and ADA door hardware at Lamanda Park Library; interior painting at Linda Vista Library; and replacement of water service to outside restroom at La Pintoresca Library.

3. **Fiber Optic Communication System – City and Department (3143)** – The Department of Water and Power (PWP) recommends moving this project from the FY 2015 CIP future project list to priority 60 in the Electric System section of the FY 2016 CIP Budget. This is PWP's funding portion of the *City Fiber Network Expansion (71212)* project that is being managed by the Department of Information Technology. This project has sufficient remaining funds to complete the work schedule for FY 2016.
4. **Restoration and Renovation of Historic Civic Auditorium Exhibit Hall** – The Pasadena Center Operating Company recommends reducing the total estimated project cost of this project and the amount appropriated through FY 2015. The correct project budget is \$5,879,000 and appropriated through FY 2015 is \$1,060,000. In FY 2015 an additional \$200,000 was inadvertently added to this project.
5. **Civic Auditorium Gold Room Floor Refinish/Replacement** – The Pasadena Center Operating Company recommends removing this project from the FY 2016 CIP budget as it is no longer needed. This \$250,000 project was a new addition for FY 2016 and assumed the wood floor in the Gold Room required replacement. PCOC staff has subsequently located a vendor that will refinish the floor for under \$7,000. Funding for this work will be included in PCOC's operating budget.
6. **Rose Bowl - Preventative Maintenance FY 2016** – The Rose Bowl Operating Company recommends lowering the FY 2016 appropriation to this project from \$720,000 to \$692,000 in Rose Bowl Funds and lowering the total estimated project cost by same amount. The amount of available funds was lower because of a mid-year appropriation to the *Rose Bowl Major Improvements Projects FY 2013 – 2017* project which lowered fund balance. Sufficient funds will remain in this project to complete all scheduled work.
7. **Rose Bowl – Preventive Maintenance FY 2017 – 2021** – The Rose Bowl Operating Company recommends adding the next five year phase of the preventive maintenance project to the FY 2016 CIP Budget. This project provides for maintenance and upgrades to the Rose Bowl facility on an annual basis and includes: electrical; plumbing, irrigation, sewage and drainage; structural; HVAC (heating, ventilation and air conditioning); concrete, stone, and asphalt surfaces; floor, wall, ceiling, and roof surfaces; preventive maintenance to scoreboards and video boards; and other miscellaneous repairs and services. The total estimated cost is \$3,937,251.
8. **Rose Bowl Major Improvement Projects FY 2017 – 2021** – The Rose Bowl Operating Company recommends adding the next five year phase of the major improvement project to the FY 2016 CIP Budget. This project provides for major capital improvements to the existing systems and services such as ticket booth replacement, flooring replacement, locker replacement, broadcast cabling upgrades, audio system upgrades and replacements, new restroom, concrete structure

replacement, and stadium seating replacement. The total estimated cost is \$17,895,000.

Attachment D 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 2015 CIP Budget.

1. **Traffic Mitigation Improvements – Phase I (75711)** – The Department of Transportation recommends appropriating \$183,000 in Playhouse Parking Meter Operations Fund to this project and unappropriating \$183,000 in General Fund from this project and returning it to fund balance. On February 2, 2015 the City Council approved the use of General Fund for the City's share of the cost to construct the raised pedestrian speed table on El Molino Avenue between Colorado Boulevard and Green Street to mitigate pedestrian safety concerns resulting from the Playhouse Plaza Commercial Development. The Playhouse Parking Meter Operations Fund now has sufficient balance to fund the City's share of \$183,000 from fund balance.
2. **Replacement of Medium Duty Transit Vehicles (75040) and Purchase Fixed-Route Vehicles (75051)** – The Department of Transportation recommends transferring \$86,824 in Proposition C Fund from *Replacement of Medium Duty Transit Vehicles (75040)* to *Purchase Fixed-Route Vehicles (75051)*. This action will allow the payment of an invoice to Metro for grant administration. Once this is completed, both projects will be closed.
3. **Traffic Signal Improvements at Intersection of Pasadena Avenue and Walnut Street (75049)** – The Department of Public Works recommends appropriating \$50,000 in Traffic Reduction and Transportation Improvement Fund to this project. Improvements to this State-owned intersection are subject to Caltrans oversight and approval which resulted in design changes and an expanded scope of work including ADA upgrades of curb ramps. Construction bids also came in higher than anticipated resulting in the need for this additional appropriation to complete the project.
4. **Lower Arroyo – Implement Master Plan – Habitat Restoration (77422)** – The Department of Public Works recommends appropriating \$21,208 in Proposition A (Parks) 1992 to this project. This funding is available from a completed project with a remaining balance. This action will allow part of the next phase of identified habitat restoration in the Lower Arroyo to continue.
5. **Recycle Water Project (1013)** – PWP recommends unappropriating \$10,000,000 in Water Fund from this project to align with the workplan. There will be sufficient funds remaining to complete the EIR and any redesign work that might arise from the comments. The amount of the appropriation being reduced has been carried for several years, and is related to the construction of the project. Construction is not anticipated to begin until FY 2017 at the earliest. Future appropriation requests will be made when the construction schedule becomes more certain.

6. **New Well Projects (1021)** – PWP recommends unappropriating \$1,000,000 in Water Fund from this project to align with the workplan. PWP has partnered with the Metropolitan Water District on this project. The scope has been revised to conduct studies to determine whether it is advantageous to drill new wells or rehabilitate existing wells. Sufficient funds will remain in this project to complete all scheduled work.
7. **Customer Information System (1011 & 3022)** – PWP recommends unappropriating \$1,321,918 in Water Fund from project #1011 and unappropriating \$576,081 in Power Fund from project #3022 to align with the workplan. The scope has been revised to accommodate the schedule and resources for other technology projects, particularly the Enterprise Resource Planning project. During FY 2015, action will be taken to engage consulting services to complete a requirement definition for replacement or upgrade of the Utility Customer Billing System. Sufficient funds will remain in both projects to complete all scheduled work which includes a study of system requirements and definitions.
8. **Water and Power Warehouse Modernization (1056 & 3175)** – PWP recommends unappropriating \$1,650,893 in Water Fund from project #1056 and appropriating \$1,650,893 in Power Fund to project #3175. This change in funding sources from the Water Fund to the Power Fund will adjust the original appropriation balance in each fund to reflect the actual allocation of costs for the project.
9. **Enterprise Resource Plan (ERP) CIP (1072 & 3207)** – PWP recommends appropriating \$75,000 in Water Fund to project #1072 and \$175,000 in Power Fund to project #3207. These appropriations are for ERP costs unique to PWP and include business analysts, temporary employees for back-fills, contract services and development of customer interfaces between Tyler Munis and other systems that are a part of the ERP implementation such as utility billing system and warehouse management system.

#### **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; 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.

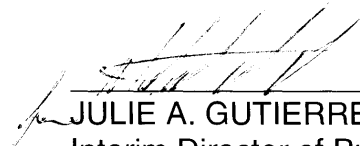
**FISCAL IMPACT:**

Approval of the City Manager's Recommended CIP Budget and the proposed budget revisions detailed in this report will establish the FY 2016 – 2020 Capital Improvement Program with a total appropriation of \$85,544,705. Details regarding the sources of funding are summarized below and in Exhibit B, which is part of the resolution.


Funding Source	Appropriation
Power Funds – Various	\$51,200,000
Water Funds – Various	\$7,699,405
Rose Bowl Funds	\$3,692,000
Grants – State/Federal	\$3,052,571
Residential Impact Fees	\$2,830,000
Gas Tax Fund	\$2,680,834
Traffic Reduction Fee	\$1,886,243
General Fund	\$1,822,945
Sewer Maintenance and Construction Fund	\$1,776,573
Computing and Communication Fund	\$1,382,983
Project Management Fund – Various	\$1,334,989
Parking Revenue – Various	\$1,230,302
Underground Utility Fund	\$1,100,000
Building Preventive Maintenance Fund	\$900,000
Technology Fee	\$900,000
Golf Course Fund	\$750,000
Pasadena Center Operating Company	\$600,000
Sewer Facility Charge	\$500,000
Sales Tax - Proposition A	\$250,000

Transportation Fund - Measure R	\$242,500
Bikeway Fund	\$100,000
Telecommunication Fund	\$76,759
Refuse Fund	\$46,983
Fleet Maintenance Fund	\$24,606
Building Services Fund	\$14,783
Commercial Development Fees	\$229
Total Recommended Appropriations	\$85,544,705

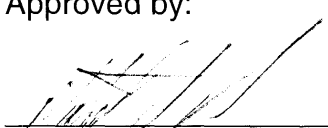
Respectfully submitted,

  
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Approved by:

  
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Attachment A – FY 2016 – 2020 Recommended CIP – Totals by Category  
Attachment B – Changes to FY 2016 Recommended CIP  
Attachment C – Citywide Sidewalk Improvements Project  
Attachment D - Changes to FY 2015 CIP