



Agenda Report

September 23, 2024

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Public Works

SUBJECT: AMEND THE FISCAL YEAR 2025 CAPITAL IMPROVEMENT PROGRAM

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 2025 Capital Improvement Program (CIP) Budget as detailed in Attachment A of this report.

BACKGROUND:

Throughout the fiscal year, the Department of Public Works in conjunction with other impacted departments reviews active CIP projects to determine if budgetary changes are needed. Staff has completed this report detailing needed budget adjustments and amendments to the FY 2025 CIP Budget as detailed on Attachments A. The budgetary changes are listed below.

1. **Building Maintenance FY 2021 – 2025 (71903)** – The Department of Public Works recommends recognizing and appropriating \$23,429 in Private Capital received from Crown Castle in FY 2024 to this project and increasing the budget by a like amount. This funding will be used to continue security upgrades at the City Yards.
2. **Annual Citywide Street Resurfacing and ADA improvement Program FY 2023 - 2024 (73938)** – The Department of Public Works recommends recognizing and appropriating \$77,940 in Private Capital to this project and increasing the budget by a like amount. This funding was received as a condition of development to install corner ramps at the northwest corner of Mira Monte Place and Oak Knoll Avenue,

and for paving of Oak Knoll Avenue in front of both 139 and 150 South Oak Knoll Avenue. This work will be completed in FY 2025.

3. **Street Lighting Program (74413)** – The Department of Public Works recommends recognizing and appropriating \$51,933 in Private Capital to this project and increasing the budget by a like amount. This funding was received as a condition of development for the installation of street lighting and the work was completed in FY 2024. This action will allow this project to be closed.
4. **Pedestrian Crossing Enhancements FY 2021 – 2025 (75112)** – The Department of Transportation recommends appropriating \$57,222 in Traffic Reduction Fee to this project and increasing the budget by a like amount. In FY 2024, this project received \$249,120 in Highway Safety Improvement Program grant funds and \$236,148 in Measure Multi-year Subregional Program grant funds. This appropriation will serve as the local match.
5. **Adaptive Traffic Control Network Phase II (75095)** - The Department of Transportation recommends appropriating \$3,744 in Traffic Reduction Fees to this project and increasing the budget by a like amount. The budget shortfall is due to additional staff time needed to complete this project. The appropriation will allow this project to be closed.
6. **ITS Phase I – Parking Guidance (75912)** - The Department of Transportation recommends appropriating \$27,764 in Traffic Reduction Fees to this project and increasing the budget by a like amount. The budget shortfall is due to additional work provided by a structural engineer in the design phase. This appropriation will allow this project to be closed.
7. **City Park Public Wifi Expansion (71169)** – The Department of Information Technology recommends appropriating \$1,500,000 in Housing and Urban Development Community Project Grant and unappropriating \$1,500,000 in Community Development Block Grant (CDBG) funds. Staff originally understood the funding would be CDBG, but as HUD awarded the funding, the City received Housing and Urban Development Community Project grant funds. This action is an administrative correction.
8. **DoIT Equipment Life Cycle Replacement FY 2025-2029 (71171)** - The Department of Information Technology recommends transferring the remaining balance of \$3,035,942 in Computing and Communication Fund and \$21,051 in Library Fund from the *DoIT Equipment Life Cycle Replacement FY 2020 - 2024 (71165)* project to this project. This action will allow project 71165 to be closed and the remaining balance to be used on future phases of the project.
9. **City Fiber Network Expansion FY 2025-2029 (71172)** - The Department of Information Technology recommends transferring remaining balance of \$1,253,979 in various funds as shown on Attachment A from the *City Fiber Network Expansion FY 2020 - 2024 (71167)* project to this project. This action will allow project 71167 to be closed and the remaining balance to be used on future phases of the project.

- 10. Meters and Services (1081)** – The Water and Power Department recommends transferring \$300,000 in Water Fund from the *New Water Well* (1088) project and \$300,000 in Water Fund from the *Water Operations / Training and Storage / Workshop* (1090) project to this project and increasing the budget by \$600,000. This transfer is necessary primarily due to unexpected additional service replacements and supply chain issues which has led to an increase in material costs. Appropriations remaining in the *New Water Well* (1088) and the *Water Operations / Training and Storage / Workshop* (1090) projects will be sufficient to complete the FY 2025 work plan.
- 11. Booster Improvements (1073)** – The Water and Power Department recommends transferring \$200,000 in Water Fund from the *Well Improvements* (1074) project and \$370,000 in Water Fund from the *Monk Hill Groundwater Treatment Improvements* (1076) project to this project and increasing the budget by \$570,000. This transfer is necessary due to unexpected replacements and increased design costs, additional costs related to electrical equipment procurement delays, and modifications to the electrical service for booster station projects. Appropriations remaining in the *Well Improvements* (1074) and the *Monk Hill Groundwater Treatment Improvements* (1076) projects will be sufficient to complete the FY 2025 work plan.
- 12. Emergency Transmission and Distribution System Replacements (3222)** – The Water and Power Department recommends transferring \$1,200,000 in Power Fund from the *Distribution System Expansion Program* (3228) project to this project and increasing the budget by a like amount. This transfer is due to emergency asset replacements in FY 2024, most of which were related to severe weather conditions. Appropriations remaining in the *Distribution System Expansion Program* (3228) project will be sufficient to complete the FY 2025 work plan.
- 13. Fire Threat Mitigation Tier 2 Areas (3258)** – The Water and Power Department recommends transferring \$460,000 in Power Fund from *Fire Threat Mitigation Tier 3 Areas* (3257) project to this project and increasing the budget by a like amount. This transfer is necessary due to significant scope increases related to replacing critical aging assets. Appropriations remaining in the *Fire Threat Mitigation Tier 3 Areas* (3257) project will be sufficient to complete the FY 2025 work plan.

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 2025 CIP budget by \$242,032. The specific funding sources for the budget amendments are listed on Attachment A. There is no impact to the General Fund.

Respectfully submitted,



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