

# ***CAPITAL IMPROVEMENT PROGRAM ADVISORY COMMITTEE***

## **RECOMMENDATIONS FOR FISCAL YEAR 2007-2008**



### ***CAPITAL IMPROVEMENT PROGRAM ADVISORY COMMITTEE***

**Chairman:**

**Jason Aro**

**Vice-Chairman:**

**Anthony Hedayat**

**Committee Member:**

**A.J. Paz**

**Committee Member:**

**Don Brann**

**Committee Member:**

**Crista Binder**

**CAPITAL IMPROVEMENT PROGRAM ADVISORY COMMITTEE  
RECOMMENDATIONS FOR FISCAL YEAR 2007-2008**

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## **Capital Improvement Program Advisory Committee**

**Chairman:** Jason Aro  
**Vice-Chairman:** Anthony Hedayat  
**Committee Members:** A.J. Paz  
Don Brann  
Crista Binder

**DATE:** July 17, 2007  
**TO:** Honorable Mayor and City Council Members  
**FROM:** The Capital Improvement Program Advisory Committee (CIPAC)  
**SUBJECT:** Capital Improvement Project Recommendations for FY 2007-2008

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CIPAC has completed its evaluation of capital improvement projects and respectfully submits its recommendations for projects to be included in the FY 2007-2008 Capital Improvement Program (CIP).

### **EXECUTIVE SUMMARY**

CIPAC evaluates, scores and ranks projects using objective prioritization criteria. CIPAC's efforts this year included a review of the criteria to verify it was current and met the needs of the City. CIPAC deemed that several minor modifications were warranted. The prioritization categories remain the same with minor changes to criteria descriptions and point allocations. Override scores assigned to highlight projects were changed from point allocations to letter assignments.

Utilizing the revised prioritization criteria, fifteen (15) projects worth a total of \$5,871,000 were evaluated by CIPAC for funding in FY 2007-2008. CIPAC understands that \$3,513,000 will be available from various fund sources. CIPAC is pleased that funding will be available for 12 projects in FY 2007-2008. To allow more projects to move forward this year, CIPAC recommends that several projects be broken into components with the design component recommended for funding in FY 2007-2008.

As an additional effort this year, City Council requested that CIPAC review and recommend a 10-year plan for the maintenance of the City's infrastructure. The 10-year plan prepared by City staff (Appendix II) and reviewed by CIPAC indicates a need of approximately \$5.3 Million annually. The proposed Capital Improvement program recommended by CIPAC does not fully meet the needs indicated in the 10-year plan due to the shortage in available funds.

The extent of current infrastructure needs indicated in the 10-year plan and the escalating cost of sewage treatment is cause for the City to consider non-traditional methods in an effort to reduce costs. Additionally, and perhaps most importantly, environmental impacts of the City's infrastructure should be considered as we make

decisions regarding our future infrastructure and municipal operations. As the City's infrastructure ages, operational costs will increase as efforts are diverted to repairing system failures. Significant additional capital investment in our infrastructure is needed to maintain the system in serviceable condition and to avoid system breakdown. It is in the public's best interest that we do this.

### **PUBLIC INPUT**

In an effort to solicit public input, CIPAC conducted a Public Workshop on May 23, 2007 in the City Council Chambers. The Workshop was taped and then broadcast later on local cable. During the Workshop, CIPAC presented a summary of the project submittals, a brief explanation of the scoring process, on-going projects previously submitted in FY 2006-07 that are now being constructed, and then evaluated one project to demonstrate the evaluation process. Approximately 9 persons attended the workshop and requested that CIPAC consider one additional project for funding under the FY 2007-2008 Capital Improvement Program. A drainage project on the 600 block of Maryland Avenue just north of Mariposa Street was submitted by a resident.

### **FUNDING**

Funding levels for the FY 2007-2008 CIP including funds derived from the Water Fund, Sewer Fund, Gas Tax and Proposition C are expected to total \$3,513,000. This is an increase from FY2006-2007 levels with increases from the Water and the Sewer Funds. Available General Funds, Gas Tax Funds and Proposition C Funds remain the same as the previous fiscal year.

A breakdown of estimated funding amounts available for the FY2007-2008 CIP is as follows:

General Fund	\$750,000
Gas Tax	\$200,000

Water and Sewer rate increases are scheduled to increase again on October 1, 2007. These rate increases are consistent with the 2004 recommendations of the Water and Wastewater Rate Study Task Force as verified through a Proposition 218 protest ballot process conducted in December 2006. It is anticipated that Water and Wastewater Funds will be available for the FY2007-2008 CIP in amounts as follows:

Water Fund	\$ 986,000
Sewer Fund	\$1,477,000

Proposition C Funds are also being considered for the FY2007-2008 CIP. These funds can be spent only on transit related improvements including the improvement of roadways carrying fixed transit routes. It is expected the Proposition C funding will be available in the following amount:

Proposition C	\$100,000
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Actual CIP funding levels will depend on final budget allocations adopted by the City Council for FY 2007-2008.

## **PROJECT EVALUATIONS**

Staff submitted fifteen (15) projects for evaluation by CIPAC. During the May 23<sup>rd</sup> Public Workshop, residents requested that CIPAC consider an additional project to address gutter ponding on the 600 block of Maryland Street just north of Mariposa Street.

After review by City staff the street drainage improvement project at 640 Maryland Street will be addressed as part of the normal Public Works Maintenance activities. The estimated cost of all projects submitted is \$5,871,000. Considering the funding levels indicated above, it is evident that not all projects can be funded this year.

It is recommended that City Council adopt the FY 2007-2008 CIP including the projects identified in this report to be funded with Gas Tax, Proposition C and enterprise funds. It is further recommended that projects identified for General Funds be included in the CIP as funding permits according to the priorities established in this report.

CIPAC met on seven occasions to discuss and evaluate projects. Regular meetings were held on April 4, April 18, April 24, May 2, May 8, May 29, June 13, 2007 and June 26, 2007. A Public Workshop was conducted on May 23, 2007. Staff from four City Departments – City Manager's, Public Works, Administrative Services and Recreation and Parks made project presentations and furnished details regarding the candidate projects.

CIPAC evaluated and scored each project according to point scoring criteria in the following categories:

- **Mandate** - Degree to which the City required to implement the project by law.
- **Contractual Obligation** - The extent to which the City is contractually obligated required to implement the project.
- **Health and Safety** - Extent to which the project will mitigate hazards.
- **Funding Status** - Extent to which funds have been previously committed to the project
- **Project Readiness** - Timeliness of initiation and completion of the project.
- **Productivity Improvements / Costs Savings** - Duration of project cost payback.
- **Property, Facilities and Equipment Maintenance / Improvement** - Degree to which the project replaces repairs or extends the life of a facility
- **Community Interest** - Degree to which the public desires the project to be completed.

The following tables provide CIPAC's recommendations for FY 2007-2008.

## II. APPENDIX

### Project Detail Sheets