

CAPITAL IMPROVEMENT PROGRAM ADVISORY COMMITTEE

RECOMMENDATIONS FOR FISCAL YEAR 2011-2012



CAPITAL IMPROVEMENT PROGRAM ADVISORY COMMITTEE

Chairman:	Crista Binder
Committee Member:	Chris Powell
Committee Member:	A.J. Paz
Committee Member:	David Atkinson
Committee Member:	Scott Houston

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Capital Improvement Program Advisory Committee

Chairman: Crista Binder
Committee Members: Chris Powell
A.J. Paz
David Atkinson
Scott Houston

DATE: September 6, 2011
TO: Honorable Mayor and City Council Members
FROM: The Capital Improvement Program Advisory Committee (CIPAC)
SUBJECT: Capital Improvement Project Recommendations for FY 2011/12

The City of El Segundo is a charming, 5.46 square mile beach community with a dynamic mix of residential and business districts. With a daytime workforce population exceeding 70,000 and a nighttime residential population of approximately 16,650, the City is committed to maintaining the vital infrastructure needed to support this world-class community.

In order to maintain and grow economic development in our region as well as to continue to provide outstanding public services, it is critical that El Segundo continue to invest in streets, sewers, water distribution, street lighting, and emergency services. Such investment also directly benefits the quality of life of our residents through beautiful parks, youth and senior community activities, downtown revitalization and high property values. In order to continue providing exceptional services, it is projected that nearly \$87 million will be needed over the next decade to adequately maintain current facilities, provide new infrastructure where needed, implement new technologies for the health and welfare of local citizens, and prepare for a major disaster. Annually, these goals can be achieved through implementation of capital projects identified and recommended by staff and the Capital Improvement Program Advisory Committee (CIPAC) and approved by City Council.

However, the current economy poses additional challenges to capital improvement projects (CIP) due to the financial constraints facing the City. Most notably, General Fund revenues used to support CIPs not typically funded through other grant sources, propositions and local returns have been greatly reduced over the past two years. This in turn has impacted our ability to support and implement community-based recreation projects, perform unfunded building repairs and conduct local street improvements.

OVERVIEW

The Capital Improvement Program Advisory Committee (CIPAC) is comprised of five members appointed by City Council to four-year terms. Each year, the committee convenes to review and rank capital projects put forward by both staff and the community through a public input process. The dynamic and well-developed ranking system used considers several factors and benefits which are described on page 5. The ranking system also incorporates the goals established in the Land Use Planning section of the General Plan.

General Plan: Land Use Element Goals

- LU1: Maintain El Segundo's "Small Town" Atmosphere
- LU2: Preservation and Enhancement of El Segundo's Cultural and Historical Resources
- LU3: Proper Distribution of Residential Land Uses
- LU4: Provision of a Stable Tax Base for El Segundo Through Commercial Uses
- LU5: Attraction of Clean and Beneficial Industrial Uses
- LU6: Maintenance of Parks and Recreation Facilities
- LU7: Provision of Quality Infrastructure

Once rankings are assigned, funding is then allocated to the highest ranking projects based on several considerations, which include:

- The source of funding (propositions, general fund, grants, enterprise fund, etc.);
- Whether the particular funding source has limitations and/or restrictions on the type of project that can be funded;
- Whether other sources of matching funds have already been secured;
- Whether the project needs partial or full funding to be carried out; and
- Whether the project was carried over from previous years, etc.

However, because no General Fund monies were available to award this year, the ranking system was not utilized. Instead, City staff brought forward and the CIPAC reviewed and approved

only those highest priority projects eligible through grant, enterprise and proposition funding sources. This final list of recommended projects was presented to the Planning Commission in August for verification of conformance with the City's General Plan and is now being forwarded to City Council as part of the 2011-12 fiscal budget.

2010/11 CIPAC

This year, five (5) projects worth a combined total of \$1,225,000 were submitted to and reviewed by CIPAC for funding consideration. The available funding pool for these projects is \$1,225,000, which is similar to the funding amount available last year but significantly less than in previous years. CIPAC recommended that all five projects receive full funding. No other

projects were considered and no projects received only partial funding this year.

FUNDING SOURCES

Available funding sources for the FY 2011/12 Capital Improvement Program (CIP) include the Water Fund, Sewer Fund, Measure R, Proposition C and Gas Tax, for a total of \$1,225,000. Unlike previous years, no funds were allocated this year from the General Fund, Proposition 1B, California Community Block Grant and Proposition 42. A summary of the estimated funding sources is as follows:

Water Fund	\$250,000
Sewer Fund	\$250,000
Measure R	\$280,000
Proposition C	\$120,000
Gas Tax	\$325,000
Total	\$1,225,000

Water and Sewer Fund

Sewer rates increase annually according to the 2004 recommendations of the Wastewater Rate Study Task Force and the 2006 Proposition 218 protest ballot process.

Water rates increase annually or semiannually according to the pass through rates set by the West Basin Water District. The pass through rate structure was approved by voters following a 2009 Proposition 218 protest ballot process. Of the five projects considered, CIPAC recommended that one project utilize both sewer and water enterprise funds for implementation of a new automated water meter reading system for commercial and industrial potable water customers.

Measure R Local Return

In November, 2008, voters in Los Angeles County approved a ½-cent sales tax to help meet Los Angeles County's transportation needs. Measure R Local Return funds can be used for qualifying transportation purposes, which include local street rehabilitation, bike lanes, street widening projects, etc. Of the five projects considered for funding, CIPAC recommended that one project utilize Measure R Local Return funds for local street pavement rehabilitation.

Proposition C

Proposition C Local Return Funds are earmarked for qualifying transit related improvements for roadways carrying fixed transit routes. In November 6, 1990, the Los Angeles County Transportation Commission measure increased the sales tax in the county by one half cent to fund transit projects and buses. Of the funds generated, 20% is returned to local jurisdictions for eligible transit, para-transit and other related services. These Prop C funds are distributed to municipalities on a per capita basis. The City uses a portion of its Prop C local return for arterial street improvements. Of the five projects considered, CIPAC recommended that one project utilize Prop C funding for arterial street rehabilitation.

Gas Tax

The State Gas Tax local return has traditionally been used for residential street, curb, gutter and sidewalk maintenance in El Segundo. This tax is collected at the pump as a surcharge on gasoline purchases. Currently in California, consumers pay \$0.36/gallon surcharge on gasoline and \$0.18/per gallon surcharge on diesel. Of the five projects considered, CIPAC recommended that two projects utilize Gas Tax funding, which include: 1) the City's annual curb and sidewalk repairs and replacement program and 2) slurry sealing streets in the southeast quadrant of the City.

PROJECT EVALUATION and SCORING CRITERIA

This year CIPAC met only once, on July 20, 2011, to discuss and consider the projects put forward for consideration. This meeting also included the advertised Public Input Workshop. However, no public input was received on the projects proposed and no new projects were put forward by anyone from the community. Also, because no General Funds were available, no competing projects were presented. Therefore the criteria used to score and rank each project were not used. Rather, CIPAC reviewed and discussed only those projects brought forward by staff that were identified as either the highest priority within each eligible funding category or part of an annual rehab program according to the City's street maintenance schedule (e.g., slurry seal). Scoring criteria included:

- **Health and Safety (0-10 points):** Degree to which the improvement would mitigate harm to the community (catastrophic, personal injury, property).

- **System Condition (0-5 points):** Degree to which improvement maintains the useful life of the system (sidewalks, streets, sewer, water, storm drain, and communications).
- **Return on Investment (0-5 points):** Degree to which improvement results in savings, efficiencies or mitigates significant future costs.
- **Joint Agreement/Legal Requirement (0-5 points):** Degree to which the City is required to implement the project by law.
- **Coordination Opportunity (0-5 points):** Degree to which improvement can be completed with another project to generate savings or efficiencies in the use of time, labor and materials.
- **Community Interest (0-5 points):** This score is used when the project is given special consideration based upon substantial community interest where the other project categories do not apply. The project will include a community impact statement to justify the project score.

10-YEAR PLAN PURPOSE

In 2007, the CIPAC Committee recommended and the City Council adopted a 10-Year, \$87 million Infrastructure and Maintenance Program. However, the extent of and cost associated with those infrastructure needs is not being met given the current budget crisis. As the City's infrastructure continues to age and deteriorate, operational costs will undoubtedly increase as efforts are redirected to repairing system failures rather than maintaining the system before failures occur. Significant capital will still be required to effectively maintain the system in serviceable condition in addition to responding to unanticipated system failures. Long term financial planning is critical if we are to meet our maintenance objectives. Methods such as bond issues, user fees, direct borrowing, pay as you go, etc. can and ultimately should be considered.

CONCLUSION

CIPAC has completed its evaluation of all proposed capital improvement projects and respectfully submits its list of recommended projects to be included in the FY 2011-2012 Capital Improvement Program (CIP). The Committee recommends that City Council adopt the FY 2011-2012 CIP projects identified in this report to be funded with Sewer and Water Enterprise, Measure R, Proposition C funds and Gas Tax funds.

2011-12 CIPAC PROJECT RECOMMENDATIONS

The following table summarizes CIPAC's recommendations for funding for FY 2011-12.

1. \$500,000 **Water Meter Conversion**
This project will convert approximately 400 commercial and industrial water meters from a manual reading system to an automatic, drive-by reading system, saving significant staff resources.

2. \$280,000 **Local Street Rehabilitation**
This project will rehabilitate local streets in El Segundo according to pavement condition index scoring criteria, targeting the streets with the lowest scores and most critical need for upgrade. This year, several streets in the Smokey Hollow area will be rehabilitated if bond funding is secured for Center Street. Otherwise, Center St. will take priority.

3. \$120,000 **Arterial Street Rehabilitation Program**
This project will rehabilitate arterial streets in El Segundo according to pavement condition index scoring criteria, targeting the streets with the lowest scores and most critical need for upgrade. This year, funds will be allocated to initiate design plans for the rehabilitation of El Segundo Blvd. between Whiting St. and Sepulveda Blvd.

4. \$100,000 **Curb and Sidewalk Replacement Citywide**
This project will replace sidewalks and curbs damaged by tree roots at various locations throughout the city.

5. \$225,000 **Annual Slurry Seal Program**
This project will implement the City's annual Slurry Seal program, which is implemented according the City's 5-year cycle. This year, the southeast quadrant of the City will be slurry sealed.

\$1,225,000 Total Funding

APPENDIX I

Project Summary Sheet By Funding Category

CIPAC Recommendations for FY 2011-12

= eligible fund source

CIPAC Priority & Page No.	Project	Requested Amount	CIPAC Score	Sewer Fund	Water Fund	Measure R	Gas Tax	Prop C	Funds Allocated to Date	Amount Recommended	Shortfall for FY 11/12
1	Arterial Street Rehabilitation Program	\$240,000						\$120,000	\$0.00	\$120,000	\$0.00
		CIPAC recommends funding this project to initiate design plans using Proposition C funds. The requested amount for this project is approximately 50% of what will be needed to complete design plans, and future years allocation will be needed to fully fund this project. The funds allocated will cover the design cost for the rehabilitation of El Segundo Blvd. between Whiting Street and Sepulveda Blvd. to increase the pavement condition to a standard pavement rating of 65.									
2	Local Streets Rehabilitation Program	\$280,000				\$280,000			\$0.00	\$280,000	\$0.00
		CIPAC recommends fully funding this project with Measure R funds. In order to match the recommended funding for our local streets as outlined in the 10-year Infrastructure Replacement and Maintenance Plan, \$400,000 would need to be appropriated to this effort every year. CIPAC recommends that in future years, more emphasis be placed on addressing the rehabilitation of our local streets.									
3	Water Meter Conversion	\$500,000		\$250,000	\$250,000				\$0.00	\$500,000	\$0.00
		CIPAC recommends this project for full funding to upgrade approximately 400 commercial and industrial water meters from a manual to automatic reading system. This upgrade will significantly reduce staff time dedicated to reading water meters in the City's commercial and industrial sectors.									
4	Annual Slurry Seal Program	\$225,000					\$225,000		\$0.00	\$225,000	\$0.00
		CIPAC recommends fully funding this project in order to administer the City's Annual Slurry Seal program, which is implemented according to a 5-year cycle. Slurry sealing helps protect and extend the useful life of El Segundo's roadways.									
5	Curb and Sidewalk Replacement Citywide	\$100,000	0	\$0.00	\$0		\$100,000		\$0.00	\$100,000	\$0.00
		CIPAC recommends fully funding for this project to be in line with the proposed 10-Year Infrastructure Replacement and Maintenance Program. This project will address the displacement of curbs and sidewalks caused by the roots of City and private trees.									
Total Project Requests		\$1,345,000		\$250,000	\$250,000	\$280,000	\$325,000	\$120,000		\$1,225,000	\$0
Available Funding by Source of Funds				\$250,000	\$250,000	\$280,000	\$325,000	\$120,000		\$1,225,000	
Balance of available funding				\$0	\$0	\$0	\$0	\$0		\$0	

APPENDIX II

Project Detail Sheets

CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR 2011/2012

PROJECT TITLE	Arterial Street Rehabilitation
REQUESTING DEPARTMENT	Public Works
DESCRIPTION	Rehabilitation of El Segundo Blvd from Whiting St. to Sepulveda Blvd.
GENERAL PLAN REFERENCE	LU7

JUSTIFICATION

On a biennial basis, Public Works inspects and rates pavements on arterials and collectors. A Pavement Condition Index (PCI, 0-100, 100 being best) is assigned to each street based on pavement condition. Agencies typically attempt to keep their average PCI above 65, which is considered a minimum standard. The City's current average PCI rating is 56 which is "fair to good". The goal of the program is to increase the condition of streets to a rating of 65. Once this PCI rating is reached, the Arterial and Collector system can be maintained through simple lower-cost measures such as slurry sealing. If this level of investment is not made, the quantity of deferred maintenance will increase and streets will no longer be candidates for lower cost rehabilitation strategies.



El Segundo Blvd has needed rehabilitation for some time now. Staff is proposing that the street not only receive new pavement overlay, but that additional features also be considered like improving ADA access and installing bike lane features.

CIPAC COMMENTS:

ESTIMATED COST	FUNDS ALLOCATED TO DATE	EXPENSES TO 9/30/11	FY 201/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
	0		\$280,000.00				

CIPAC SCORE

Score	HS	CS	RI	JL	CO	CI	TOT

FUNDING SOURCES

COST - BREAKDOWN

Proposition C	DESCRIPTION	ESTIMATED COST
	1. DESIGN	\$120,000
	2. CONSTRUCTION	
	3. MANAGEMENT/INSPECTION	
	4. CONTINGENCIES	
	5. OTHER (LIST) Soils Engineer Rep.	
	Survey	
	TOTAL	\$120,000

All costs shown in current dollars

CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR 2011/2012

PROJECT TITLE	Local Street Rehabilitation Project
REQUESTING DEPARTMENT	Public Works
DESCRIPTION	Rehabilitation of local streets according to the greatest need
GENERAL PLAN REFERENCE	LU7

JUSTIFICATION

In El Segundo, local streets are maintained through spot repair and slurry seal. As pavement ages, it get less flexible and eventually cracks. Slurry sealing helps keep water from getting into the cracks and damaging the subgrade. As environmental cracks enlarge, slurry sealing is less effective. A fresh wearing surface of conventional or rubberized asphalt is required from time to time. Throughout the industry it is generally accepted that streets can go about 30 years between overlays. Virtually all the City's local streets are much older than 30years and there is no record that any local street has been overlaid. Cracking and alligating are evident on most streets. The local street overlay program proposed will mill and overlay 5% of local streets or about 1.2 miles per year annually. This will provide a new wearing surface on all local streets in twenty years. After this goal is met, the program can be reduced to overlaying on a 30-year cycle.



Center Street: Mariposa to Imperial
 Center Street: El Segundo to Grand
 Nevada: El Segundo to Grand
 Illinois: El Segundo to Franklin
 Penn: Franklin to Grand

CIPAC COMMENTS:

ESTIMATED COST	FUNDS ALLOCATED TO DATE	EXPENSES TO 9/30/11	FY 201/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
	0		\$280,000.00				

CIPAC SCORE

Score	HS	CS	RI	JL	CO	CI	TOT

FUNDING SOURCES

COST - BREAKDOWN

Measure R Local Return	DESCRIPTION	ESTIMATED COST
	1. DESIGN	
	2. CONSTRUCTION	\$250,000.00
	3. MANAGEMENT/INSPECTION	\$10,000.00
	4. CONTINGENCIES	\$20,000.00
	5. OTHER (LIST) Soils Engineer Rep.	
	Survey	
	TOTAL	\$280,000.00

All costs shown in current dollars

CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR 2011/2012

PROJECT TITLE	Water Meter Conversion
REQUESTING DEPARTMENT	Public Works
DESCRIPTION	Conversion of Commercial Water Meters to Automatic Meter Read (AMR) System
GENERAL PLAN REFERENCE	LU7

JUSTIFICATION

El Segundo's Water Department reads approximately 5000 meters on a monthly or bi-monthly cycle. While the overwhelming majority of them are residential meters, residential use accounts for only about 25% of the City's water consumption. The other 75% of water consumed is by the City's ~400 commercial and industrial accounts.

City staff spends approximately 10-12 man-days to read the 4000+ residential meters, while over the same bi-monthly duration, staff spends 6-7 man-days to read the ~400 commercial and industrial meters. Clearly it is much more labor intensive to the non-residential sector. This is primarily due to the placement of the meters and their proximity to each other. Using an Automatic Meter Reading system would take staff approximately 3-4 hours instead of 6-7 days to read non-residential meters. Additionally, although both manual and automatic meters are highly accurate, manual meters only have the capability to register the analog reading as the water flows through it. They do not have the capability to store data, detect leaks or assess demand trends. An AMR system would keep daily (or even hourly) records of a customer's water use and have be able to provide warnings of water leaks. Most systems can also be set to automatically flag accounts with unusual use through its software alerts for further investigation by staff.



Using an Automatic Meter Reading system would take staff approximately 3-4 hours instead of 6-7 days to read non-residential meters. Additionally, although both manual and automatic meters are highly accurate, manual meters only have the capability to register the analog reading as the water flows through it. They do not have the capability to store data, detect leaks or assess demand trends. An AMR system would keep daily (or even hourly) records of a customer's water use and have be able to provide warnings of water leaks. Most systems can also be set to automatically flag accounts with unusual use through its software alerts for further investigation by staff.

CIPAC COMMENTS

ESTIMATED COST	FUNDS ALLOCATED TO DATE	EXPENSES TO 9/30/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
	0		\$500,000.00				

CIPAC SCORE

Score	HS	CS	RI	JL	CO	CI	TOT

FUNDING SOURCES

COST - BREAKDOWN

FUNDING SOURCES	DESCRIPTION	ESTIMATED COST
\$250,000 Water Enterprise Fund \$250,000 Sewer Enterprise Fund	1. DESIGN	
	2. CONSTRUCTION	
	3. MANAGEMENT/INSPECTION	
	4. CONTINGENCIES	
	5. OTHER (LIST) Equipment Purchase	\$500,000.00
	TOTAL	\$500,000.00

All costs shown in current dollars

CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR 2011/2012

PROJECT TITLE	Slurry Seal
REQUESTING DEPARTMENT	Public Works
DESCRIPTION	Pavement Slurry Sealing According to Regular Slurry Schedule
GENERAL PLAN REFERENCE	LU7

JUSTIFICATION

Application of a thin coating of asphalt slurry seal over existing pavement can significantly prolong the life and help maintain the quality of our roads. It is a preventive maintenance effort that prevents moisture intrusion and subsequent pavement deterioration, which would result in a more expensive rehabilitation at later date if not mitigated.

Approximately one-fifth (1/5) of the streets are proposed to be slurry sealed annually under an established five-year cycle over a seven year period (two years dormant). The past two years, no slurry work has been performed and thus it is now time to reinitiate the annual cycle.



Streets within the southeast quadrant of the City in residential area bounded by Mariposa Avenue, Sheldon Street, El Segundo Boulevard and Sepulveda Boulevard are due to be slurry sealed this year.

CIPAC COMMENTS

ESTIMATED COST	FUNDS ALLOCATED TO DATE	EXPENSES TO 9/30/11	FY 201/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
	0		\$225,000.00				

CIPAC SCORE

Score	HS	SC	RI	JL	CO	CI	TOT

FUNDING SOURCES

COST - BREAKDOWN

Gasoline Tax Fund	DESCRIPTION	ESTIMATED COST
	1. DESIGN	\$1,000.00
	2. CONSTRUCTION	\$200,000.00
	3. MANAGEMENT/INSPECTION	\$10,000.00
	4. CONTINGENCIES	\$14,000.00
	5. OTHER (LIST) Soils Engineer Rep.	
	Survey	
	TOTAL	\$225,000.00

All costs shown in current dollars

CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR 2011/2012

PROJECT TITLE	Annual Curb and Sidewalk Repair Citywide
REQUESTING DEPARTMENT	Public Works
DESCRIPTION	Repair of City sidewalks and curbs according to the greatest need
GENERAL PLAN REFERENCE	LU7

JUSTIFICATION

Curb and sidewalk are displaced by tree roots and other causes creating potential trip hazards. Locations for curb and sidewalk requiring repair are generated throughout the year by field surveys from the Street Maintenance Division and requests from residents. Each year the amount of work identified for repair exceeds the funding allocated. Additional funding would enable the Street Maintenance Division to reduce the backlog of resident's requests and City surveys. It is estimated that every 20 years 10% of a street's concrete curbs and sidewalk must be replaced. This results in approximately \$185,000 of concrete work needed annually.



CIPAC COMMENTS

ESTIMATED COST	FUNDS ALLOCATED TO DATE	EXPENSES TO 9/30/11	FY 201/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
	0		\$100,000				

CIPAC SCORE

Score	HS	CS	RI	JL	CO	CI	TOT

FUNDING SOURCES

COST - BREAKDOWN

Gasoline Tax Fund	DESCRIPTION	ESTIMATED COST
	1. DESIGN	
	2. CONSTRUCTION	\$90,000.00
	3. MANAGEMENT/INSPECTION	
	4. CONTINGENCIES	\$10,000.00
	5. OTHER (LIST) Soils Engineer Rep. Survey	
	TOTAL	\$100,000.00

All costs shown in current dollars