



Staff Reports Details (With Text)

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Date	Ver.	Action By	Action	Result
3/1/2022	1	CITY COUNCIL OF THE CITY OF NAPA	approved	Pass

To: Honorable Mayor and Members of City Council

From: Julie Lucido, Public Works Director

Prepared By: Ian Heid, Senior Civil Engineer

TITLE:

Capital Improvement Program; FY 2021-2022 Mid-Year Budget Adjustments for Various Projects

RECOMMENDED ACTION:

Deobligate funds from completed projects and obligate necessary funding for new and active projects within the Capital Improvement Program (CIP) by taking the following actions:

- (1) Adopt a resolution (1) deobligating \$46,170.21 of Capital Improvement Program CIP Facilities Reserve funds from Corp Yard Gate and Cameras (FC20PW02); (2) obligating \$80,000 of Capital Improvement Program CIP Facilities Reserve funds for Parking Facilities FCA and ADA Assessments (FC22PW06); (3) creating a new CIP project, Fire Station Access Control Replacement Project (FC22FD01), and obligating \$50,000 to the project; and thereby (4) increasing the current expenditure budget of the Capital Improvement Fund by \$83,829.79, as documented in Budget Adjustment No. BE2203501.
- (2) Adopt a resolution (1) deobligating Capital Improvement Program Measure T funds from the following projects: \$135,000 from Trancas Street Rehab (ST19PW05), \$1,436,000 from Westwood Rehab Phase 2A (ST20PW05), \$767,000 from Trower Ave. Rehab Phase 2 (ST20PW06), \$1,306,000 from Soscol Ave. Rehab Central to La Homa (ST20PW08); and (2) obligating Capital Improvement Program Measure T funds for the following projects: \$30,000 for Main St. and Lincoln Ave. Rehab (ST20PW02), \$3,000,000 for Laurel Street Rehabilitation (ST20PW10), \$1,000,000 for Browns Valley Road/1st Street-Westview to 29 (ST22PW03), and \$250,000 for Freeway Driveway Rehabilitation (ST23PW02); and thereby

(3) increasing the current expenditure budget of the Capital Improvement Fund by \$636,000, as documented in Budget Adjustment No. BE2203502.

DISCUSSION:

The City's Capital Improvement Program (CIP) is charged with the planning and programming of resources necessary for the acquisition, design, and/or construction of significant City projects. The CIP projects repair or develop community infrastructure or meet community needs, provide facilities to support City operations, and support City Council priorities.

A capital project is considered a one-time expenditure but often the projects take multiple years to deliver and fully fund. While plans are developed for at least a 5-year horizon, funding for the projects within the CIP is approved by Council as part of the budget process, or project funding can be approved by a separate City Council action when funding adjustments are necessary outside the normal budget cycle approval process. Upon completion of a project, remaining funding is deobligated and returned to the fund from which it was allocated.

As part of the mid-year budget cycle for fiscal year 2021/2022, City staff have identified opportunities to deobligate Capital Improvement Fund allocations from multiple projects that have been completed or are near completion. Additionally, several CIP projects currently in progress have been identified as having insufficient allocations for anticipated work to advance project delivery. Staff is also recommending funding the Freeway Driveway Rehabilitation Project originally planned for FY 2022/2023 in order to begin survey and design activities prior to July 1st. Lastly, a new project to improve security and access control at the City's fire station facilities is proposed. These projects fall into two categories of funding: CIP Facilities Reserve and Measure T funds. A separate resolution for budget adjustments in each of the two funding categories are proposed for adoption.

Recent completion of construction work on multiple CIP projects allows for the deobligation of funds which remain unencumbered in the projects' accounts and will be returned back to the Capital Improvement Fund. Sufficient funding to complete the administrative functions necessary during these projects' warranty and close-out periods is intended to remain in each project after the proposed deobligations.

Obligations are proposed for the following projects, separated by funding category. Sufficient fund balances for the proposed obligations will exist in each of these funds upon approval of the proposed deobligations.

CIP Facility Reserve:

- FC22PW06 (Parking Facilities FCA and ADA Assessments) - \$80,000

Additional funding is proposed to support the comprehensive completion of Facilities Conditions and Accessibility Assessments for all three of the City-owned parking structures located in the downtown area. These reports are necessary to inform current and future decisions regarding deferred maintenance, ADA barrier removal, and remaining useful life of these structures.

- FC22FD01 (Fire Stations Access Control Replacement Project) - \$50,000

The City's fire station facilities currently operate antiquated systems for the controlled access to these sensitive facilities. This project is proposed for creation and funding to replace the antiquated systems with a modern access control system. The Fire Department is working closely with the IT Division to successfully deliver this project.

Measure T:

- ST20PW02 (Main St. and Lincoln Ave. Rehab) - \$30,000

Additional allocation is required to fund the project's existing encumbrances and provide sufficient funding for the project's warranty and close-out activities.

- ST20PW10 (Laurel St Rehabilitation) - \$3,000,000

Additional funding is necessary to complete the construction documents, support the anticipated award of a construction contract, and provide resources for staff time needed to deliver Phase 1 of the project. The proposed obligation amount is also expected to be sufficient to begin the design work necessary for Phase 2 of this project. Total project allocations have previously been estimated at \$5,000,000 to deliver both Phase 1 and Phase 2. Additional allocation will be necessary to complete Phase 2 in the future.

- ST22PW03 (Browns Valley Road/1st Street-Westview to 29) - \$1,000,000

Additional funding is necessary to complete the construction documents and provide resources for staff time needed to administer the service contracts and conduct project management activities. Additional allocation will be necessary to support the award of a construction contract and resource staff time needed during construction, warranty, and close-out efforts. Total project allocation has previously been estimated at \$3,150,000 to deliver this project.

- ST23PW02 (Freeway Drive Rehabilitation) - \$250,000

Additional funding is necessary to complete the construction documents and provide resources for staff time needed to administer the service contracts and conduct project management activities. Additional allocation will be necessary to support the award of a construction contract and resource staff time needed during construction, warranty, and close-out efforts. Total project allocation has previously been estimated at \$2,650,000 to deliver this project

FINANCIAL IMPACTS:

The recommended actions propose deobligating funds from completed projects and subsequent allocation of funding to existing (and one new) priority projects. Sufficient fund balances are available to fund the following recommended CIP Project budget revisions.

CIP Facilities Reserve Fiscal Impacts:

The proposed budget adjustment, BE2203501 will result in a net impact of \$83,829.79 to the CIP Facilities Reserve Fiscal Impacts. The remaining CIP Facilities Reserve FY2021/22 available fund balance will be \$855.

- FC20PW02 (Corp Yard Gate and Cameras) - deobligate \$46,170.21 and return to the CIP Facilities Reserve.
- FC22PW06 (Parking Facilities FCA and ADA Assessments) - increase the existing project budget by \$80,000.
- FC22FD01 (Fire Station Access Control Replacement Project) - add a new project to the 2021 -2022 Capital Improvement Plan and obligate \$50,000.

Measure T Fiscal Impacts:

The proposed budget adjustment, BE2203502 will result in a net impact of \$636,000 to the Measure T fund. The remaining Measure T Reserve's FY2021/22 available fund balance will be \$1,945,590.

Deobligations - The following deobligations will return \$3,644,000 from the referenced Capital Improvement projects to the Measure T Fund Reserves and allow for these funds to be utilized for other projects within the 2021-2022 Capital Improvement Program:

- ST19PW05 (Trancas Street Rehab) - deobligate \$135,000 and return to Measure T Reserves.
- ST20PW05 (Westwood Rehab Phase 2A) - deobligate \$1,436,000 and return to Measure T Reserves.
- ST20PW06 (Trower Ave. Rehab Phase 2) - deobligate \$767,000 and return to Measure T Reserves.
- ST20PW08 (Soscol Ave. Rehab Central to La Homa) - deobligate \$1,306,000 and return to Measure T Reserves.

Obligations - The following obligations will reduce the Measure T Fund's available balance by \$4,280,000:

- ST20PW02 (Main St. and Lincoln Ave. Rehab) - increase the project budget by \$30,000.
- ST20PW10 (Laurel St Rehabilitation) - increase the project budget by \$3,000,000.
- ST22PW03 (Browns Valley Road/1st Street-Westview to 29) - increase the project budget by \$1,000,000.
- ST23PW02 (Freeway Drive Rehabilitation) - increase the project budget by \$250,000.

CEQA:

The Public Works Director has determined that the Recommended Action described in this Agenda Report is not in-and-of-itself a "project" (pursuant to CEQA Guidelines Section 15378) since it does not result in a physical change in the environment.

However, the Recommended Action is a part of a larger "project" that will be subject to environmental review in accordance with CEQA at the "earliest feasible time" prior to "approval" consistent with CEQA Guidelines Sections 15004 and 15352. The larger "project" is future Capital Improvement Projects, and staff plans to bring back a CEQA analysis of each project to Council prior to approval of each project.

DOCUMENTS ATTACHED:

ATCH 1 - Resolution (CIP Facilities Reserve fund)

EX A - Budget Adjustment No. BE2203501

ATCH 2 - Resolution (Measure T fund)

EX A - Budget Adjustment No. BE2203502

NOTIFICATION:

None.