



CITY COUNCIL AGENDA STATEMENT



September 25, 2018

File ID: 18-0395

TITLE

CONSIDERATION OF AMENDING THE CAPITAL IMPROVEMENT PROGRAM BUDGET FUNDED BY THE MEASURE P SALES TAX; AMENDING THE INFRASTRUCTURE, FACILITIES, AND EQUIPMENT EXPENDITURE PLAN; AND MAKING VARIOUS AMENDMENTS TO THE OPERATING AND CIP PROGRAM BUDGETS

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE FY 2019 CAPITAL IMPROVEMENT PROGRAM BUDGET BY ESTABLISHING NEW CIP PROJECTS: "ROHR PARK RESTROOMS (MEASURE P)," "FIRE STATION 2 FUELING TANK REPLACEMENT (MEASURE P)," "MAX FIELD/LOMA VERDE ACCESSIBILITY STUDY (MEASURE P)," AND "FIRE STATIONS REPAIR/REPLACEMENT PH II (MEASURE P);" AMENDING THE INFRASTRUCTURE, FACILITIES, AND EQUIPMENT EXPENDITURE PLAN TO INCLUDE SAID PROJECTS; AND AMENDING THE FY 2019 OPERATING AND CIP PROGRAM BUDGETS TO APPROPRIATE FUNDS ACCORDINGLY (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On November 8, 2016, Chula Vista voters approved Measure P, authorizing a one-half cent sales tax increase on retail sales within the City for a period of ten (10) years to repair failed or failing assets thorough out the city. Currently sales tax revenues are projected to exceed the original estimates by approximately \$9.3 million over the 10-year period. Additional allocations of approximately \$7.3 million have been added to the infrastructure categories in the Infrastructure, Facilities and Equipment Plan over the remainder of the 10-year period. A new category for Police Equipment has been added to the Expenditure Plan to meet the equipment needs of the Police Department. Staff requests (1) creating new capital improvement projects "Rohr Park Restrooms (Measure P)" (PRK0328), "Fire Station 2 Fueling Tank Replacement (Measure P)" (GGV0242), "Max Field/Loma Verde Accessibility Study (Measure P)" (PRK0333), and "Fire Stations Repair/Replacement Ph II (Measure P)" (GGV0243), and (2) amending the Infrastructure, Facilities, and Equipment Expenditure Plan to include said projects, and (3) amending the FY 2019 Operating and Capital Improvement Program budgets to add expenditure allocations from fund balance for the amended Infrastructure, Facilities and Equipment Expenditure Plan, accelerating the repair of critical assets.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the activity consists of a

governmental fiscal/administrative activity which does not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. In addition, notwithstanding the foregoing, the Director of Development Services has also determined that the “Project” qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

At the Citizens’ Oversight Committee (COC) meeting held on July 26, 2018, City staff presented the amended Infrastructure, Facilities and Equipment Expenditure Plan, which reflected year-to-date allocations and highlighted the new Police Equipment category, SWAT Vehicle purchase and additional Public Works projects. The updated plan included the estimated additional revenues of \$9.3 million to be collected over the 10 year timeframe of the temporary sales tax and the proposed allocation to infrastructure categories of approximately \$7.3 million. That leaves approximately \$1.9 million of remaining unanticipated revenues that will be allocated to the infrastructure categories at a future date. At this time, staff is recommending \$3.7 million of budget amendments in FY 2019. The COC reviewed the amended plan, the proposed allocations, and recommended it be taken to the City Council for approval.

DISCUSSION

The City Council adopted the Infrastructure, Facilities and Equipment Expenditure Plan (Plan) on December 6, 2016, relating to the expenditure of the Measure P Sales Tax. The amended Plan (see Attachments A, B and C) adds a new Police Equipment category, a Swat Vehicle and new CIP projects for the Rohr Park Restrooms, Fire Station 2 Fueling Tank Replacement, Max Field/Loma Verde Accessibility Study, and Fire Stations Repair/Replacement Ph. II.

At this time, staff is requesting appropriations from fund balance and increased FY 2019 appropriated revenues be added to the Plan as summarized in the table below, to projects that were included in the FY 2019 CIP budget or derived from the amended Plan and various expenditure categories.

ITEM DESCRIPTION	DEPARTMENT	PRIOR MEASURE P ALLOCATIONS	FY2019 REQUESTED ADJUSTMENT	NEW FY 2019 ALLOCATION
Citywide Network Replacement (GGV0236)	ITS	2,045,000	35,700	2,080,700
Rohr Park Restrooms (PRK0328)*	Public Works	-	800,000	800,000
Fire Station 2 Fueling Tank Replacement (GGV0242)*	Public Works	-	738,617	738,617
Max Field/Loma Verde Accessibility Study (PRK0333)*	Eng & Capital Proj	-	100,000	100,000
Fire Stations Repair/Replacement (GGV0230)	Eng & Capital Proj	15,220,238	(688,000)	14,532,238
Fire Stations Repair/Replacement Ph II (GGV0243)*	Fire	-	760,000	760,000
Police Facility Repairs (GGV0232)	Public Works	1,500,240	492,000	1,992,240
Public Building Repairs (GGV0234)	Public Works	5,100,000	436,000	5,536,000
Park Infrastructure (PRK0326)*	Public Works	5,500,000	400,000	5,900,000
Lauderbach Park (PRK0329)	Eng & Capital Proj	-	250,000	250,000
Police Vehicles (SWAT Equipment Truck)	Police	-	350,000	350,000
Police Communications & Dispatch System	Police	361,412	(188,882)	172,530
Body Worn Camera Equipment**	Police	-	9,384	9,384
Police Network Server Replacement	Police	-	150,000	150,000
Video Management System & Camera	Police	-	28,000	28,000
Debt Service Interest	Finance	2,791,000	(750)	2,790,250
Bond Administration	Finance	5,000	1,700	6,700
TOTALS		32,522,890	3,673,769	36,196,659

*New category/project included in Infrastructure, Facilities and Equipment Expenditure Plan

** Note: Service costs for Body Worn Camera program will be included in the General Fund baseline budget (approximately \$212k per year).

With the additional availability in fund balance and projected revenue increases, additional critical repairs/replacements were added to the Plan for FY 2019 as summarized by Attachment C. The proposed allocations will allow accelerating delivery of projects that include efficiencies to reduce future utility costs (energy, water, etc.) in the project scope. The utility efficiency scope is generally classified as boilers, chillers, plumbing and lighting related and is included in the projects associated with police facility repairs, park infrastructure, libraries, and other public buildings repairs.

The projects and work associated with these budget adjustments is generally summarized as follows:

Police Equipment

Major equipment needs for the Police Department include: body worn cameras, video management system and replacement of network servers. Use of body worn cameras has helped the Police Department gather more evidence leading to successful prosecution of cases, as well as protecting both the officer and citizens from allegations of excessive force or misconduct. The video management system will enable the Police Department to view recordings from different cameras when conducting investigations and responding to calls. In order to keep up with technology, network servers will be updated in 5-year increments.

Various City Building Facilities

Complete a general renovation of identified facility assets including: gate drive replacements, P.A. system replacement, fuel tank replacement, roof replacements or repairs, plumbing repairs or replacements, bathroom upgrades and/or renovations, repair or replace HVAC systems, flooring repairs or replacements, repainting or resurfacing (interior and exterior), and make electrical repairs and lighting efficiencies. All work will strive to meet water and energy efficiency goals and repair critical assets.

Park Infrastructure

Repair or replace park assets that have failed or reached the end of their life cycle including: smart irrigation systems, play structures, playground surfacing, barbeque grills, tables, benches, trash receptacles, drinking fountains, lighting, signage, and gazebos. All work will strive to meet water and energy efficiency goals and repair critical assets.

Citywide Network

The overall computer network which provides all the connectivity between PC's, servers, phones and other network attached devices throughout the City is obsolete, no longer supported by the manufacturer and vulnerable to security breaches. A Baseline Assessment Report of the network was completed by NCI Partners in April 2017, and found that the majority of the network equipment was no longer available for sale and 20% was beyond the "end of support" date and surmised that this was a "dangerous state to be in". Replacement of the network equipment will restore the security of the system as well as increasing the efficiency in operations and providing the capability to deploy emerging "Smart City" technologies/solutions to benefit the community. A redundant communications network will also provide a more reliable backbone in the event of breakage, damage or outages. The Citywide network supports projects that reduce traffic congestion on streets, reduce associated carbon emissions, enable enhanced energy savings in City buildings, provide advanced citizen engagement through data sharing and capabilities of virtual City Hall, and enable enhanced security at City parks and other locations.

The proposed changes for the amended 10-year Infrastructure, Facilities and Expenditure Plan are summarized in the following summary table.

Citywide Infrastructure, Facilities and Equipment Expenditure Plan
 1/2 cent Sales Tax Revenues over 10 year period
 Summary Table - July 2018 Revision

<u>Total by Major Category</u>	<u>Prior 10-Year Timeframe</u>	<u>Proposed Changes</u>	<u>New 10-Year Timeframe</u>
Fire Stations Repairs/Replacement	\$ 22,839,549	\$ 1,772,000	\$ 24,611,549
Fire Response Vehicles (Apparatus)	\$ 19,847,580	\$ -	\$ 19,847,580
Fire Safety Equipment	\$ 5,197,913	\$ -	\$ 5,197,913
Total Fire Services	\$ 47,885,042	\$ 1,772,000	\$ 49,657,042
Police Response Vehicles	\$ 12,951,470	\$ 350,000	\$ 13,301,470
Public Safety Communication Systems (Dispatch and Regional Communication Systems)	\$ 8,624,830	\$ 54,033	\$ 8,678,863
Police Facility Repairs	\$ 1,509,000	\$ 592,000	\$ 2,101,000
Police Equipment (i.e. body worn cameras, video camera equip etc)*	\$ -	\$ 611,145	\$ 611,145
Total Police Services	\$ 23,085,300	\$ 1,607,178	\$ 24,692,478
Streets (Arterials/Collectors/Residential)	\$ 24,474,861	\$ -	\$ 24,474,861
Other Public Infrast. (Public Bldgs, Storm Drains, Drainage Systems, Sidewalks, Trees etc)	\$ 14,154,295	\$ -	\$ 14,154,295
Sports Fields and Courts	\$ 16,966,595	\$ -	\$ 16,966,595
Non-Safety Vehicles (i.e. Public Works Crews)	\$ 11,195,100	\$ -	\$ 11,195,100
Public Facilities (i.e. Senior Center, Recreation Centers, Libraries, Living Coast Discovery Center, Public Works Center)	\$ 13,100,000	\$ 1,186,000	\$ 14,286,000
Traffic Signal Systems	\$ 7,000,000	\$ -	\$ 7,000,000
Park Infrastructure (Playground Equipment, Gazebos, Restrooms, Benches, Parking etc.)	\$ 7,682,740	\$ 2,625,000	\$ 10,307,740
Citywide Network Replacement	\$ 2,045,000	\$ 35,700	\$ 2,080,700
Citywide Telecommunications	\$ 2,000,000	\$ -	\$ 2,000,000
Total Infrastructure	\$ 98,618,591	\$ 3,846,700	\$ 102,465,291
Total Proposed Allocations	\$ 169,588,933	\$ 7,225,878	\$ 176,814,811
Total Debt Service	\$ 78,234,834	\$ -	\$ 78,234,834
Total Administrative Expenses	\$ -	\$ 114,129	\$ 114,129
Grand Total	\$ 247,823,767	\$ 7,340,007	\$ 255,163,774

Notes:

42% allocated to Public Safety and 58% allocated to Citywide Infrastructure
 Actual allocations to specific projects will be brought forward as part of the annual budget with the intent to allocate resources in the major categories noted above.
 Total proposed allocation is for project categories only, it does not include allocations for debt service or administrative expenses.
 *New category added in FY2019

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council of the City of Chula Vista members and has found no property holdings within 500 feet of the boundaries of the property, which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(11), for purposes of the Political Reform Act (Cal. Gov’t Code §87100,et seq.).

Staff is not independently aware, and has not been informed by any City of Chula Vista City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This action supports the Operational Excellence goal by communicating the City’s projected financial position for the current fiscal year in an open and transparent manner. This transparency supports City Initiative 1.3.1. - “Foster public trust through an open and ethical government.”

CURRENT-YEAR FISCAL IMPACT

Approval of the resolution will (1) create new capital improvement projects “Rohr Park Restrooms (Measure P)” (PRK0328), “Fire Station 2 Fueling Tank Replacement (Measure P)” (GGV0242), “Max Field/Loma Verde Accessibility Study (Measure P)” (PRK0333), and “Fire Stations Repair/Replacement Ph II (Measure P)” (GGV0243), (2) amend the Infrastructure, Facilities, and Equipment Expenditure Plan to include said projects, and (3) amend the FY 2019 Operating and Capital Improvement Program budgets to add funding from fund balance to the amended Infrastructure, Facilities and Equipment Expenditure Plan, accelerating the repair and replacement of critical assets.

ONGOING FISCAL IMPACT

The Expenditure Plan anticipates that the one-half cent sales tax increase would generate an additional \$9.3 million for a total of approximately \$186.3 million over the 10-year period. As part of the City's annual budget process, annual allocations to the Measure P Sales Tax Fund would be brought forward for City Council consideration and action. Prior to City Council consideration of the City's annual budget, staff will prepare and present to the Citizens' Oversight Committee for its review a spending plan for Measure P revenues.

ATTACHMENTS

Attachment A – Proposed Amended Fiscal Year 2019 Measure P Budget

Attachment B – Amended Infrastructure, Facilities and Equipment Plan (10-Year Period)

Attachment C – Fiscal Year 2019 Plan Allocations

Staff Contact: David Bilby, Finance Department