

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: May 2, 2022

Reviewed by: NA

SUBJECT: Status Report Regarding the Albany Five-Year Capital Improvement Plan (CIP) for Fiscal Years 2019/20 through 2023/24

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SUMMARY

In November 2020, the City Council approved the five-year Capital Improvement Plan (CIP) covering fiscal years 2019/20 through 2023/24, and appropriated funding for the program through the end of fiscal year 2021/22 (Resolution No. 2020-108).

In this report, staff provides a status update for the CIP, including 20 projects in four core infrastructure programs and 26 discrete projects. The report also includes background information about the overall capital plan and serves as a precursor to kicking off a CIP update process later this fiscal year.

STAFF RECOMMENDATION

That the Council receive a presentation from staff regarding the status of programs and projects designated for implementation as part of the City's current Capital Improvement Plan.

BACKGROUND

Albany's CIP is prepared for a five-fiscal-year time horizon and updated every two years. At the time of a full update, the City Council reviews annual planned investments into core infrastructure programs, accepts recommendations on projects, and adopts budget appropriations. Adjustments may be made mid-cycle to individual projects and programs, which are reflected in off-year reporting and future CIP updates.

Program Administration

The City's Public Works Department implements the CIP in partnership with other City departments such as Community Development, Transportation Planning, Recreation, Police, Fire, and Finance.

Public Works staff involved in development and execution of the CIP are as follows:

- CIP Manager (Long-Term Planning, Program Administration, & Project Management)
- Public Works Director (Long-Term Planning)
- Program Manager (Budget & Funding)
- 2 x Associate Engineer (Core Program Planning and Project Management)
- Administrative Assistant (Administrative Support)

Except for the CIP Manager, Public Works staff have other responsibilities in addition to their CIP related assignments. The City also relies on consultants for program management, project design, construction management (e.g., inspection, materials testing), grant management, and other specialized skills.

Public Works staff also act in a support role during development and planning of capital improvement projects originating from other departments. The sponsoring department finalizes the project scope of work. Depending on the complexity of the project, this may occur during early schematic design or as late as detailed design development.

Upon finalizing of the project work scope and budget, projects are incorporated into the CIP. Public Works then oversees the execution of the project which generally includes project management, engineering support during final design and administers the project bid, construction, and closeout phases.

CIP projects fall into two broad categories of Core Infrastructure Programs and discrete Capital Improvement Projects, distinguished as follows.

Core Infrastructure Programs

A core function of Public Works is to maintain and improve existing infrastructure in the public right-of-way. The City's CIP programs annual investments into core infrastructure renewal efforts, under the auspices of structured programs. These programs rely on stable annual funding and continuous design development, feeding into annual schedules of implementation projects. Investing into this cyclic model enables the City to maintain compliance with regulatory requirements and commitments made during larger-scale planning efforts.

At this time, the City has established the following four CIP Core Programs:

- Annual Sewer Rehabilitation Program (CIP No. 32000)
- Annual Sidewalk Rehabilitation Program (CIP No. 22000)
- Annual Street Rehabilitation Program (CIP No. 21000)
- Annual Storm Drain Rehabilitation Program (CIP No. 35000)

The CIP adopted in November 2020 included \$23.7 million in committed allocations to these core programs over the first three years of the plan.

Budget for these programs is appropriated based on an annual committed investment in service of programmatic goals. Updates on projects within these programs as well as

review and approval of long-term planning efforts are brought to Council and advisory bodies at regular milestones.

Attachment 1 provides a description of each program including funding status, related regulatory requirements or planning commitments, a current project list and status of the 20 active or recent projects within the programs.

Development of additional core programs to support City assets could be considered as part of future CIPs.

Capital Improvement Projects

A Capital Improvement Project (Project) differs from a project within a Core Infrastructure Program in that a Project is generally standalone and separate from Public Works' responsibilities for rehabilitation and improvement of the City's infrastructure systems and assets. The projects are often for new facilities or amenities, have distinct finishing points, and/or require more community and departmental engagement.

Projects are sponsored by various City departments and originate from many sources including: regulatory requirements outside of those managed by Public Works; adopted planning documents (e.g., Active Transportation Plan, Parks Master Plan); recommendations from advisory bodies; public health, safety, and other legal concerns; and Staff identification of needs or improvements to City operations.

Attachment 2 provides status for the 26 Projects now included in the CIP, including four new projects added since the CIP approval in November 2020. These projects are organized into Buildings/Facilities, Parks/Trails/Creeks, Sewer/Storm Drain, and Streets/Bikeways/Ped Improvements.

Budget & Funding

The CIP adopted in November 2020 covers fiscal years 2019/20 through 2023/24 and budgeted a projected \$42.7 million in costs across the five-year span. Council appropriated approximately \$26.5 million for the first three fiscal years of the plan. **Funding sources** included:

- ACTC Measure B, BB, & VRF Direct Local Distributions (1101,1102,1201,1202,1104)
- Local Measure P1 Sidewalk Parcel Tax (1305)
- Federal Community Development Block Grants (1405)
- Local Storm Water NPDES Permit Fees (1601)
- Local Measure F Street & Storm Parcel Tax (2006)
- State SB1 Road Maintenance & Rehabilitation Distributions (2009)
- Capital Reserve Funds (Buildings, Police, Fire, Recreation)
- Lighting & Landscaping Assessment District 1996-1 (2302-4)
- Local Sewer Enterprise Fees (4002)
- Grant Funding (Federal, State, & Regional)

The CIP is primarily funded with funds that are restricted to use for specific purposes. With the understanding that the City was currently budgeting a \$1.5 million General Fund deficit at the

time, General Fund dollars were not included in appropriations for the 2020 CIP, aside from special reserve funds noted above which had previously been set aside as part of Council action to plan for future expenditures in those categories.

DISCUSSION

Since the adoption of the recent CIP, staff has made progress on the backlog of projects described at that time. Core programs are being stabilized with committed funding year over year, with planning efforts following a more developed and nuanced process to achieve desired or required goals. Additionally, many of the long-stalled standalone projects, particularly in the Streets/Bikeways/Pedestrian Improvement category, are in process with scheduled completion dates within the time horizon of the adopted plan.

Impact of COVID-19 Pandemic on Capital Projects

During the COVID-19 pandemic shutdowns, Public Works staff have continued to deliver projects despite ongoing challenges. Regulatory requirements, including timelines for sewer rehabilitation and repair, were not relaxed during the pandemic, and Staff triaged resources to ensure that regulatory compliance and ongoing City operations were prioritized.

Since the CIP update in November 2020, Staff have also encountered supply chain disruptions leading to delays in obtaining materials, unpredictable costs, impacts to contractor availability, and challenges to replacement of staff following turnover and unforeseen absences. To overcome the challenges, Staff have had to be creative and flexible to ensure continual forward momentum on projects during the last year and a half since the 2020 CIP update.

Core Infrastructure Programs

The Sewer Program is driven by the requirements of the USEPA Sewer Consent Decree (CD), which requires the City to rehabilitate 5,706 linear feet of sewer annually. Albany is currently in compliance with the requirements of the CD. Since the requirement is an absolute number that includes stipulated penalties if not met, Staff has been working to build a one-year buffer between the required total replacement and actual replacement. The success of this program is due to a number of factors, as detailed in Attachment 2, including dedicated consultant project management support.

Efforts invested into the City's Streets Program have not achieved the desired increase in citywide Pavement Condition Index (PCI). The City's PCI has stayed level or slightly declined over the past several years. To counter this trend, Staff is proposing to increase the capacity to execute projects by leveraging consultant support in a similar model as what has helped stabilize the Sewer Program. Staff is currently sourcing consultants to provide dedicated assistance in the delivery of regular paving projects. This is expected to allow Staff to continue to prioritize response to immediate issues of concern to the community and to focus on standalone CIP projects which require more nuanced attention for delivery, while maintaining project momentum under the Streets Program.

Staff has recently completed the latest Pavement Management Plan (PMP), which is expected to be presented to the Transportation Commission at an upcoming meeting. Staff plans to discuss expected increases to projected annual costs and possible scenarios for increased funding to the program going forward. Results of this analysis and associated recommendations will be incorporated into future CIP updates.

With stabilization of funding to core programs, Staff are also looking outwards for additional sources of project funding from grants for standalone CIP projects (which are generally more appealing to grant funding agencies). In support of this goal, Staff have engaged with a consultant to assist with grants management and Staff will continue to look towards outside sources of funding to augment City funding for projects.

See Attachment 2 for further details of the 20 active, in progress, and planned projects within the four core infrastructure programs.

Capital Improvement Projects

As noted previously, 22 discrete capital improvement projects were included over the five-year span of the November 2020 CIP. Since adoption of the CIP in November 2020, four new projects were added for a total of 26 discrete capital improvement projects.

New projects were established by Council independently of the November 2020 CIP. Resource allocations recommended by staff for new projects were considered within the larger scope of the City's financial and staff resources. These projects arose out of emergency need or funding availability.

Capital Improvement Project highlights are presented below. Detailed information on all 26 discrete capital improvement projects can be found in Attachments 2 and 3.

PROJECT CATEGORY	CIP No.	CIP PROJECTS	PROJECT HIGHLIGHTS
Streets, Bicycle, and Pedestrian	25011	Lower Solano Curb Ramps	Completed
	24012	Eastshore Trail Beautification Project	New Project
	24001 24010	San Pablo Pedestrian Improvements (Phase 1)	Caltrans Review. Planned Construction Spring 2023
	25007	Masonic Intersections (Ohlone Trail Safety Improvements)	Awarded. Planned construction: Fall 2022
	25008	Street Lighting Evaluation	Soliciting consultants July 2022. Ongoing preliminary assessment and data gathering
	25010	Kains/Adams Bicycle Boulevard Pilot	Advertised. Planned construction Summer 2022

PROJECT CATEGORY	CIP No.	CIP PROJECTS	PROJECT HIGHLIGHTS
Parks, Creeks, and Trails	41009	Albany Hill Access Improvements	Completed
	41015	Albany Hill Eucalyptus Project	Ongoing advanced tree studies, forest management plan, and fuel load analyses in progress.
	41016/ 41017	Prop 68 Parks Improvements	Planned construction fiscal year 2023
	43001	Codornices Creek (Phase IV)	Ongoing contract preparation. Grant eligibility July 2022
Buildings and Facilities	63000	Police CCTV Upgrade	Completed
	51009	Firehouse Doors Replacement	New Project; Completed

Even with the progress made on executing core infrastructure programs and many discrete projects, staff acknowledges that progress has not been made on several projects, particularly in the Buildings/Facilities and Parks/Trails/Creeks categories. These projects are typically smaller scale but require a higher level of project oversight due to the often complex and detailed scopes. Project budgets in these categories are not currently designed to support the addition of consultant project management support which can be very costly in relation to the relatively small project scopes. In addition, institutional knowledge is often key to successfully delivering these projects, so a consultant project manager may not have background to understand the nuance required for successful project delivery.

Organizational and capacity analysis demonstrates that the creation of a Small Projects Manager role within the Public Works department could help with the implementation of these high-touch projects and enable further progress on the CIP's committed goals. This funding request will be presented to the Council as part of a staffing resources report in the near future.

As noted previously, an updated project list with details of active projects is available as Attachment 2 to this report. CIP project pages for the four new projects are available as Attachment 3.

CITY COUNCIL STRATEGIC PLAN INITIATIVES

See Attachment 4 for details of CIP support for the following Strategic Plan initiatives.

Goal 1: Foster A Healthy & Sustainable City

Objective 3: Promote Active Transportation & Safety

Goal 3: Maximize and Improve Parks & Open Space

Objective 1: Enhance Parks

Objective 2: Enhance Open Space

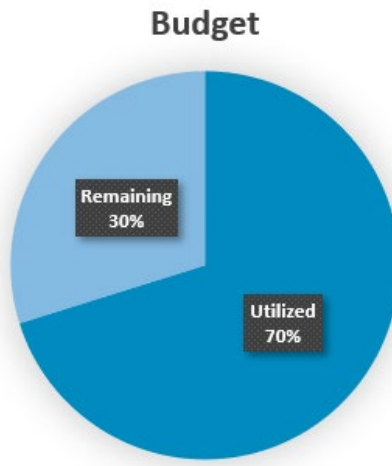
SOCIAL EQUITY & SUSTAINABILITY CONSIDERATIONS

All CIP projects are considered for comprehensive benefit to Albany's diverse community and natural resources. This includes but is by no means limited to responsible environmental stewardship and equitable active transportation development for all users. These considerations are reported on a by-project basis and are analyzed as part of ongoing planning efforts.

FINANCIAL SUMMARY

Overview

At this time, active CIP appropriations total **\$28.5 million** across all funding sources for fiscal years 2019/20 through 2021/22. Of that budget, **\$19.8 million** has been spent or encumbered to date, leaving **\$8.7 million** available to support capital programs and complete outstanding projects.



Methods

In planning a new CIP or update to a CIP, staff analyzes available funding resources with consideration for:

- Core Infrastructure Programs requiring dedicated and stable funding sources year over year to reliably deliver on scheduled commitments for rehabilitation of core infrastructure; and
- City funds already dedicated to City operations, and therefore unavailable for capital improvements;
- Funding sources with strictly defined purposes, such as transportation or parks, which have less flexibility in their assignments;
- Projects that may be a good fit for feasible grant funding opportunities.

This funding strategy complements the overall strategy of assessing and proposing the CIP as an entire program, with additional consideration for staff resources and reasonable project timelines.

November 2020 Appropriations

With the above in mind, the total funding authorized by Council for the FY20-24 CIP in November 2020 (Resolution No. 2020-108) is as follows:

Funding Source	Amount
1101 Meas B LSR (ACTC)	\$ 2,286,550
1102 Meas B B&P (ACTC)	\$ 200,000
1104 VRF (ACTC)	\$ 140,000
1201 Meas BB LSR (ACTC)	\$ 2,808,000
1202 Meas BB B&P (ACTC)	\$ 110,000
1109 Federal Highway Bridge Grant*	\$ 335,300
0005 Designated Donations	\$ 9,800
1305 Sidewalk Parcel Tax	\$ 826,000
1405 CDBG	\$ 571,706
1506 Designated Grants	\$ 750,000
1601 NPDES Storm Water Fee	\$ 150,000
2006 Meas F St & Storm Drain Tax	\$ 2,650,000
2007 General City Buildings Reserve	\$ 25,000
2009 SB1 / RMRA (State)	\$ 300,000
2202 Police Capital Reserve	\$ 15,000
2211 Recreation Capital Reserve	\$ 50,200
2302 LLAD 1996-1 Meas R Open Space	\$ 1,271,705
2303 LLAD 1996-1 Meas R Playfields	\$ 110,000
2304 LLAD 1996-1 Meas R Creeks	\$ 620,519
4001/4002/4003 Sewer Enterprise	\$ 13,300,000
Total:	\$ 26,529,780

**Federal Obligation TBD*

In order to streamline the new CIP budget and clarify the full amount of funds Council had appropriated at the time, staff combined outstanding appropriations with new appropriations, resulting in the table above. Outstanding appropriations for completed projects were released back into reserves.

New Funding

Since November 2020, new funding has also been appropriated and incorporated into the CIP budget. This includes awarded grants, regularly scheduled pass-through allocations that require commitment to a specific project, and internal allocations from fund reserves for new or existing projects.

Table: New CIP Project Funding – Grants

Program	Project	Amount	Reso. No.
ACTC 2022 Comprehensive Investment Plan – Meas B/TFCA	Codornices Creek Phase IV (CIP No. 43001)	\$826,000	2020-123
CA Parks & Recreation Prop 68 Per Capita and RIRE Programs	Albany Parks Enhancement Projects (CIP No. 41016/41017)	\$439,805	2021-115
	Total:	\$1,265,805	

Table: New CIP Project Funding – Appropriations

Funding Source	Project	Amount	Reso. No.
1107 TDA Article 3	Masonic Intersections (CIP No. 25007)	\$109,083	2021-31
1101 Meas B LSR (ACTC)	Masonic Intersections (CIP No. 25007)	\$208,917	2022-18
1202 Meas BB B&P (ACTC)	Masonic Intersections (CIP No. 25007)	\$150,000	2022-18
2009 State SB1/RMRA Annual Streets & Roads Project Allocation	Annual Streets Rehabilitation Program (CIP No. 21000) – Washington Pavement Rehabilitation Project Phase II	\$63,785	2021-54
2007 General City Buildings Reserve	Firehouse Doors Replacement Project (CIP No. 51009)	\$70,000	2021-80
1306 Measure M Parks & Open Space Tax	Albany Parks Enhancement Projects (CIP No. 41016/41017) – Grant Matching Funds	\$37,961	2021-115
2302 LLAD 1996-1 Meas R Open Space	Albany Hill Eucalyptus Project (CIP No. 41015)	\$100,000	2021-105
	Total:	\$739,746	

This new funding totals approximately \$2 million, and brings the total current CIP budget for fiscal years 2019/20 through 2021/22 up to \$28.5 million. As noted above, this budget is 70% utilized, and staff expect the remaining 30% to materialize over the coming seasons. It is of note that unlike the General Fund, Special Revenue and Reserve Funding appropriations do not expire, and project budgets will remain active until closed out. As projects are completed and reported to Council, unused appropriations are released back into the applicable program budgets or fund reserves.

NEXT STEPS:

Staff will kick off the process for an update to the CIP beginning this summer. This process will include the following elements:

- Work sessions with advisory bodies, including the Parks, Recreation and Open Space Commission and the Transportation Commission
- City Council Study Session
- City Council Plan Adoption

CIP drafts will incorporate updated priorities from adopted plans and propose implementation schedules based on available financial and staff resources, with consideration for the resources necessary for Core Infrastructure Program commitments.

ATTACHMENTS:

1. Core Infrastructure Programs (Descriptions, Status, Regulatory Requirements, Budget)
2. Discrete CIP Projects (Active Project Status)
3. New Project Pages
4. City Council Strategic Plan Initiatives