

City Council Adjourned Regular Meeting

Monday, April 10, 2017

4:30 PM

Manhattan Beach Police/Fire Conference Room

400 15th Street

Manhattan Beach, CA 90266



Mayor David J. Lesser
Mayor Pro Tem Amy Howorth
Councilmember Steve Napolitano
Councilmember Nancy Hersman
Councilmember Richard Montgomery

Executive Team

Mark Danaj, City Manager
Quinn Barrow, City Attorney

Robert Espinosa, Fire Chief
Teresia Zadroga-Haase, Human Resources Director
Eve R. Irvine, Police Chief
Stephanie Katsouleas, Public Works Director
Mark Leyman, Parks & Recreation Director

Nadine Nader, Assistant City Manager
Anne McIntosh, Interim Community Development Director
Bruce Moe, Finance Director
Liza Tamura, City Clerk
Sanford Taylor, Information Technology Director

MISSION STATEMENT:

The City of Manhattan Beach is recognized for providing exemplary municipal services and contributing to the exceptional quality of life afforded to residents, businesses and visitors who enjoy living in and visiting California's safest beach community

MANHATTAN BEACH'S CITY COUNCIL WELCOMES YOU!

Your presence and participation contribute to good city government.

By your presence in the City Council Chambers, you are participating in the process of representative government. To encourage that participation, this agenda provides an early opportunity for public comments under "Public Comments," at which time speakers may comment on any matter within the subject matter jurisdiction of the City Council, including items on the agenda.

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are available for review on the City's website at www.citymb.info, the Police Department located at 420 15th Street, and are also on file in the Office of the City Clerk for public inspection. Any person who has any question concerning any agenda item may call the City Clerk's office at (310) 802 5056.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Office of the City Clerk at (310) 802 5056 (voice) or (310) 546 3501 (TDD). The City also provides closed captioning of all its Regular City Council Meetings for the hearing impaired.

BELOW ARE THE AGENDA ITEMS TO BE CONSIDERED.**A. CALL MEETING TO ORDER****B. PLEDGE TO THE FLAG****C. ROLL CALL****D. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING**

I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, state under penalty of perjury that this notice/agenda was posted on Wednesday, April 5, 2017, on the City's Website and on the bulletin boards of City Hall, Joslyn Community Center and Manhattan Heights.

E. PUBLIC COMMENTS (3 MINUTES PER PERSON PER ITEM)

Speakers may provide public comments on any matter that is within the subject matter jurisdiction of the City Council, including items on the agenda. The Mayor may determine whether an item is within the subject matter jurisdiction of the City Council. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda. Each speaker may speak for up to 3 minutes.

Please complete the "Request to Address the City Council" card by filling out your name, city of residence, the item(s) you would like to offer public comment, and returning it to the City Clerk.

F. CLOSED SESSION**I. ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN
CLOSED SESSION**

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)**

The Joint Use Agreement between the School District and the City is scheduled to expire in June 30, 2017, and the District and the City are engaging in real property negotiations regarding public use of school property and potentially leasing portions thereof.

Property to be Discussed Include:

**Mira Costa Pool
Various School Athletic Fields and Grounds
Begg Pool
Polliwog Park**

**Agency Negotiator: City Attorney and City Manager
Negotiating Parties: Manhattan Beach Unified School District and
City of Manhattan Beach
Under Negotiation: Price and Terms of Payment**

II. RECESS INTO CLOSED SESSION

III. RECONVENE INTO OPEN SESSION

IV. CLOSED SESSION ANNOUNCEMENT IN OPEN SESSION

G. OLD BUSINESS

1. 2016/17 Mid-Year Review of Capital Improvement Projects (CIP) Program and Presentation Regarding the Status and Future of the 5-Year CIP Program (Public Works Director Katsouleas).

[17-0175](#)

RECEIVE AND FILE

Attachments: [List of 39 Active Projects](#)
[List of 6 Completed Projects](#)
[List of 39 Delayed Projects](#)
[Staff Hours Demand for Active Projects](#)
[Staff Hours Demand for All Projects Scheduled in Current - FY 2020-2021](#)
[Capital Improvement Policies and Capital Budget - Fiscal Policies](#)
[PowerPoint Presentation](#)

H. ADJOURNMENT

Agenda Date: 4/10/2017

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Stephanie Katsouleas, Public Works Director

Prem Kumar, City Engineer

Anna Luke-Jones, Sr. Management Analyst

SUBJECT:

2016/17 Mid-Year Review of Capital Improvement Projects (CIP) Program and Presentation Regarding the Status and Future of the 5-Year CIP Program (Public Works Director Katsouleas).

RECEIVE AND FILE

RECOMMENDATION:

Staff recommends that City Council:

- 1) Receive and file the CIP Mid-year update; and
- 2) Discuss and provide direction on the future implementation of the CIP Program based on the information presented herein and the FY 2016/17 and FY 2017/18 Adopted Capital Improvement Policy and Capital Budget Fiscal Policy.

EXECUTIVE SUMMARY:

In FY 2016/17, City Council adopted a two-year budget, with a plan to focus specifically on the CIP Program in the “off year,” or FY 2017/18. Since becoming the Public Works Director last fall, I have had the opportunity to review the entire CIP Program and the challenges it faces in achieving full and successful project implementation. This staff report provides a mid-year update on the adopted FY 2016/17 5-Year CIP, as well as a fresh look at how existing and future projects can best be implemented to achieve the proposed CIP schedule, with a specific focus on project demand versus available staff resources.

The Capital Improvement Projects (CIP) Program is a core function of the City; it includes projects and studies that address the City’s extensive infrastructure needs, and is typically projected as a 5-year program. For the current 5-year program (FY 2016-2021) five (5) projects were completed between July and December, 2016. Another 39 projects are

currently underway totaling just over \$40 million, while an additional 39 projects (worth over \$12 million) should have been but have yet to be initiated due to limited resources. Implementing capital projects require significant staff time, as almost all projects follow a thorough 5-step process which is outlined in the Discussion section of this report.

Notably, given the City's existing and projected 5-Year CIP list, there remains a sharp imbalance between the hours needed to complete approved capital projects and the staff resources currently available. In order to successfully complete the planned projects and allow necessary projects to be added each year, staffing resources will need to be augmented. Without these additional resources, Public Works will be unable to meet the current and scheduled demand in a timely manner, and revisions to the 5-year CIP will be necessary. Note that City Council will be asked to consider two alternatives after reviewing the information presented in this staff report, which are to: a) reduce the forecasted number of capital projects that can be implemented over the next five years, or b) increase resources for project implementation to meet the current demand. The outcome of that decision will guide the upcoming CIP review process and actions recommended during the budget sessions, and will include a proposal that correctly aligns the Engineering Division resources with what can realistically be accomplished during each fiscal year moving forward.

FISCAL IMPLICATIONS:

There are no fiscal implications associated with receiving and filing the CIP Mid-year Update. Any fiscal implications associated with the future implementation of the 5-year CIP program will be evaluated following direction received by City Council.

BACKGROUND:

The City of Manhattan Beach has a robust Capital Improvement Project (CIP) Program, consisting of infrastructure projects and studies that address streets, buildings, parks, water and wastewater utilities and other public and right-of-way improvements. Many of the City's infrastructure projects are routine (e.g., slurry, street resurfacing, main replacements), while other projects are "one-time," unique projects (e.g., skate park, reservoir replacement, facility upgrade). The annual CIP program also needs to have the flexibility to address emergency repairs that cannot be anticipated (e.g., elevator repair, pump malfunction). Combined, these projects and studies place a heavy demand on engineering staff resources, whose overarching goals are to complete projects under budget and on-time in conformance with the adopted Capital Improvement Policies.

Funding for the City's CIP comes from at least 20 different sources, which are grouped into four basic categories:

- City Funds (General Fund, TOT and Citations)
- Enterprise Funds (Water, Wastewater, Storm Drain, Parking Meters, State Pier Fund)
- Special Revenues and Local Returns (Prop C, Measure R, Measure M, Gas Tax, Landscaping and Lighting)
- Grants (Community Development Block Grant, Safe Routes to Schools, Parks Grants, Metro, Federal Highway Administration, South Bay Highway Program)

Combined, the City, Enterprise and Special Revenue Funds yielded a net contribution to the

CIP program of approximately \$10.7 million in FY 15/16. Over the last five years, the City has experienced growth in these funds. That trend is expected to continue, in particular with the addition of the Measure M funding starting in the fall of 2017. Collectively, these dedicated funds are and will continue to be used for future capital improvement projects. Grants fund contributions vary each year based on project awards.

Each year, the Department of Public Works proposes capital projects and studies for inclusion in the City's 5-year Capital Improvement Program. The projects proposed typically represent the basic infrastructure maintenance and replacement needs of the community, City facilities and the public right-of way. Prior to being added to the CIP, the proposed projects and studies are evaluated by the City's engineering staff for need, feasibility of implementation, cost effectiveness, potential hurdles, available funding resources and scheduling. The City Council reviews the draft list before it is presented to two commissions. Once finalized, the draft list is presented to the Planning Commission for conformance with the General Plan. The final draft is reviewed and ultimately approved by City Council (with or without modifications).

The adopted 5-year CIP is reviewed annually, and when necessary modifications are made by adding new projects, removing projects if priorities have changed, and/or rescheduling projects based on available resources. Often times, grant funding requirements or restrictions dictate how and when a project is implemented. Once the annual and 5-year CIP list is approved during the budget process, Public Works then provides a semi-annual update on their status. This staff report include a mid-year status update of the FY 2016/17 CIP Program, along with an assessment of the resources currently available the CIP versus what is needed to effectively carry out the mission of Capital Improvement Program itself.

DISCUSSION:

Historically, Manhattan Beach has had limited staff resources to carry out the volume of capital projects proposed and approved, which in turn has led to a growing backlog of projects to be implemented. In addition to the mid-year update, this staff report and associated PowerPoint presentation (Attachment 7) provide data that compares the workload demand with available staff resources, and offers alternatives for moving forward to successfully implement the CIP program.

Mid-year Update:

The 5-year CIP adopted for FY 2016/17 through FY 2020/21 identified 124 separate projects that included carry over projects from prior years as well as current projects and those scheduled to be implemented sometime within the next five years. The total allocation (appropriated and earmarked) for those projects is nearly \$108 million. However, it is worth noting that the actual number of projects that *should be* implemented by Public Works over the next five years is higher because the following projects were not listed on a previous plan but are needed:

- Water Main Replacements (annually for 5 years)
- Other Water Projects (to be determined)
- Additional Sewer Main replacements (annually for 4 years)
- Facility Improvements (listed as one line item, but will include many unique projects)
- Deferred Maintenance (listed as one line item, but will include several unique

projects)

- Required Periodic Studies and Reports (e.g., Urban Water Management Plan, Sewer System Management Plan, Pavement Management Condition report, Speed Survey)
- Additional Streets Projects (new Measure M funding)
- 19 Newly Proposed Parks Projects, received in January 2017
- Unforeseen Repairs Subject to Public Contract Code Bidding Requirements
- Upcoming Joint Watershed Storm Water Projects
- Potential Council/Community Initiatives (e.g., Begg Pool, Fire Station 2, City Hall)

Attachment 1 includes a list of the 39 projects actively underway, along with their status (e.g., design, bidding, construction and funding sources). They total approximately \$40.2 million and include:

- 2 Water Projects
- 3 Wastewater Projects
- 2 Storm Water Projects
- 23 Streets/Sidewalk/Pedestrian Projects
- 8 Facilities Projects
- 1 Parking Lot Project

It is also worth noting that several projects currently underway are significant both in terms of funding and staff resource demand. They include the Sepulveda Bridge Widening Project, replacement of Peck Reservoir and the Pier/Roundhouse Renovation Project. Combined, they total about \$23 million out of the \$40.2 million allocated to the active list of projects.

Attachment 2 includes a list of the five (5) projects completed between July - December, 2016. They include:

1. LED traffic Safety Lighting
2. Sewer Main Spot Repairs
3. Water Main Replacements and Fire Hydrant Installation
4. Slurry Seal (Areas 2 and 3)
5. Energy Efficiency Implementation Study

Attachment 3 includes a list of 39 projects that were scheduled to begin in prior years or this year, but have yet to be initiated due to limited staff resources. These projects total approximately \$12.8 million.

As mentioned above, the current 5-year CIP program has identified a total of 124 separate projects scheduled for implementation.

Future of CIP Implementation

Prior to fully evaluating the future of the CIP program, it is important to understand the level of effort required to implement a capital project, which can be divided into five separate stages. Please note that most, but not all, capital projects will require progressing through these five stages, which include:

1. Request for Proposals (RFP)

This stage includes gathering preliminary information that must be included in the RFP for design service; preparing exhibits; writing and releasing an RFP; issuing addendums (if necessary); evaluating proposals; scheduling and hosting interviews; selecting a consultant; negotiating; awarding the project; and executing a contract. The RFP stage typically demands about 15% of the total project's staff time.

2. Design Services

This stage includes preparing and providing relevant documents; hosting a kick-off meeting and other regular meetings; conducting field visits (if needed); overseeing design progress; processing invoices; reviewing draft and final plans and specifications; submitting for plan check; and often times conducting public outreach. The Design Services stage typically demands about 28% of the total project's staff time.

3. Bidding and Contract Award

Once plans and specifications are developed and approved, the project is ready for bidding. The bidding stage includes advertising for receipt of public bids; preparing for and hosting a pre-bid meeting; releasing addenda as needed; evaluating the bids received for conformance with bidding requirements; awarding the project; executing a contract; and responding unsuccessful bidders. The Bidding and Contract Award stage typically demands about 5% of the total project's staff time.

4. Construction

This stage is where largest percentage of staff time is spent. Activities include hosting a preconstruction meeting; coordinating outreach to affected communities; public meetings (if necessary), daily visits to the project site; hosting regular progress meetings; reviewing and processing requests for information (RFIs) and change orders; processing invoices; and reviewing the work completed for any deficiencies in workmanship (i.e., creating punch lists). The Construction stage typically demands about 47% of the total project's staff time.

5. Closeout

This stage includes ensuring punch list items are completed; processing the final invoices; accepting the project as complete; finalizing as-builts; releasing the retention; and preparing the file for audit. The Closeout stage typically demands about 5% of the total project's staff time.

Attachment 4 includes a detailed summary of the estimated staff hours required to implement the 39 active projects underway as they progress through each of the five stages listed above.

The Engineering Division of Public Works is the primary group responsible for implementing the CIP program using these five stages. Currently, the Division has three (3) full time engineers dedicated to the CIP program, which include two Senior Civil Engineers and one City Engineer. When feasible, the Division also utilizes the support of its Engineering Technician. The CIP program also includes some portion of administrative staff for document management and other secretarial duties. The total number of working hours that each engineer has available to work on CIP projects over the course of one year is about

1,700 hours. With three (3) current engineers at 1,700 hours each, the total annual staff resource value for CIP projects is estimated at 5,100 hours.

Given the small staff available, historically it was not uncommon for the Division to help address its CIP demand by supplementing the Engineering Division with other resources, including using other Public Works staff and on-call consultants. However, those approaches are not sustainable for several reasons. Other Public Works staff have their own core responsibilities and workload; working staff out-of-class in a prolonged manner presents equity challenges; consultants experience staff turnovers and/or reassignments, which impact the integrity of project implementation; and changes in CalPERS and federal rules governing the use of employees and contractors places strict limits how contract employees can be utilized by government agencies.

As mentioned above there are currently 39 active projects and another 39 that were scheduled to begin between FY 10/11 and FY16/17 but have not yet begun. Combined, they require nearly 18,000 hours of engineering staff time for implementation. The remaining carry over projects and those scheduled to begin this coming year (FY 17/18) will require another 12,900 hours of staff time to implement. And the remaining three years of CIP projects require an estimated 30,950 staff hours to complete (see Attachment 5). Combined, the 5-year CIP total resource demand is over 61,000 hours of staff time if the projects are to be initiated and completed according to the projected schedule. With the current annual staff resources of 5,100 hours available to the Engineering Division, it will take just over 11 years to complete the current 5-year CIP. And during that time, undoubtedly the list of needed projects will have also grown.

It is abundantly clear that the Engineering Division is significantly understaffed when compared to CIP project demand. And, as mentioned above, this need does not account for any projects that will be added to the list over the next five years or any unplanned/emergency capital projects subject to California's public contracting code, and it does not include the demands placed on the Engineering Division to complete reports and studies not listed in the CIP program but which are required on a periodic basis. In order to successfully complete the planned projects and allow necessary projects to be added each year, staffing resources will need to be augmented. Without these additional resources, Public Works will be unable to meet the current and scheduled demand in a timely manner, and revisions to the 5-year CIP will be necessary. Therefore, following direction given by City Council on April 10, 2017, staff will prepare a new 5-year CIP during the upcoming budget sessions based on the policy alternative chosen below.

POLICY ALTERNATIVES:

In preparation for presenting a revised CIP Program and budget, City Council has several options for consideration, which include:

ALTERNATIVE # 1: Consider reducing the number of capital projects forecasted to be implemented over the next five years.

PROS: The City will not need to increase staffing resources to implement CIPs, and there will be no additional financial impact to CIP budget for personnel.

CONS: The number of deferred capital projects and associated fund balances will continue to grow because projects will not be implemented in a timely manner. The Engineering Division will not be adequately staffed to carry out the core mission of the CIP Program, and facilities will continue to deteriorate, while the actual cost of construction will continue to increase as a result of the deferrals.

ALTERNATIVE 2: Consider increasing Engineering Division staffing levels to more accurately align CIP staff resources with forecasted demand.

PROS: Capital projects can be implemented in a timelier manner and in accordance with the City's Capital Budget Fiscal Policies (Attachment 6). Staff can begin clearing the backlog of capital projects that has developed over the last five years. Staff resources will more closely align with the current and foreseeable future CIP demand. The Engineering Division will be able to better meet the demands of the community, various City departments and new City Council initiatives. New positions can be funded with no net impact to the General Fund.

CONS: The number of capital projects that can realistically be implemented each year will fall short of the project demand and funding available to implement them. The current 5-year CIP will be revised into a 10-year CIP to more accurately match existing staff resources. And, Engineering staff will not be able to meet the needs of the community, various City departments and City Council initiatives.

CONCLUSION:

In summary, ensuring the proper care and management of the City's infrastructure is a core function of the City of Manhattan Beach. And as such, the CIP implementation schedule must be realistically forecasted moving forward by properly aligning staff resources with project demand. This means that either the staff resources available to implement projects must increase, or the number and complexity of infrastructure projects must decrease. Under the current framework, it will take the City's engineers more than one decade to implement the existing 5-year CIP, while the cost of construction will continue to escalate. Additionally, fund balances will continue to grow because they cannot be drawn down in a timely manner. Alternatively, more engineers will need to be hired in the immediate future if staff is to reduce the backlog and adequately meet the future annual CIP program demand. Overall, increasing staff resources in lieu of deferring projects is a cost-effective alternative when considering the rising cost of construction for each year a project is delayed.

Therefore, staff recommends that City Council consider the following:

- 1) Direct staff to bring back a revised CIP schedule as part of budget adoption that realistically aligns project implementation with the staff resources currently available. This will include revising the current 5-year CIP into a 10-year CIP so that it is in conformance with adopted Budget and CIP Policies; or
- 2) Direct staff to propose a financial plan to fund additional Engineering staff positions with no net impact to the General Fund, one that would align personnel resources with the current CIP demand. (All salaries and benefits are initially budgeted in the General Fund and then charged back to the benefitting funds accordingly.) Staff

would bring the item back as part of the budget adoption process, or sooner if desired, with specific details on how each position will be funded.

PUBLIC OUTREACH/INTEREST:

No public outreach has been conducted on this topic.

ENVIRONMENTAL REVIEW

This is not a project, and thus no environmental review is required.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachments:

1. List of 39 Active Projects
2. List of 6 Completed Projects
3. List of 39 Delayed Projects
4. Staff Hours Demand for Active Projects
5. Staff Hours Demand for All Projects Scheduled in Current - FY 2020-2021
6. Capital Improvement Policies and Capital Budget - Fiscal Policies
7. PowerPoint Presentation

39 Active Projects in the MB Capital Improvement Program

	PROJECT TITLE	Carryover Project Number	Carryover Project Original Funding Yr	Status as of 03/31/16	Previously Committed Unspent Funds	FY2016-17	FUND SOURCE(S)
WATER PROJECTS							
1	Utility Radio Telemetry	11834E	FY 2010-11	Design	\$ 272,655	\$ -	Water Fund
2	Peck Ground Level Reservoir Replacement Design	15836E	FY 2014-15	Design	\$ 1,500,000	\$ 500,000	Water Fund
WASTEWATER PROJECTS							
3	Utility Radio Telemetry	11838E	FY 2010-11	Design	\$ 93,795	\$ -	Wastewater Fund
	13th Street Sewer Main Replacement (added)		Emergency	Construction			Wastewater Fund
4	Repair/Replacement in Area 4 Rehabilitation of Sewer Mains	15844E	FY 2014-15	Design	\$ 600,000	\$ -	Wastewater Fund
STORMWATER PROJECTS							
5	Storm Drain Repairs	15842E	FY 2014-15	Design	\$ 897,395	\$ -	Storm Drain Fund
6	Stormwater Catch Basin Inserts	16401E	FY2015-16	Bidding	\$ 200,080	\$ 210,000	Storm Drain Fund
STREETS / TRANSPORTATION / OTHER ROW							
7	Street Resurfacing Project: Liberty Village		FY 2016-17	RFP for Design		\$ 800,000	Measure R Local Return
8	Sepulveda Blvd. & 8th St Intersection Improvements	14821E	FY2013-14	Pre-Design	\$ 235,535	\$ -	10% HIS; 90% Gas Tax Fund
9	Sepulveda Bridge	10827E	FY 2009-10	Design	\$ 19,450,710	\$ -	Proposition C, Safety LU, Metro Call, Measure R SBHP
10	Dual Left-Turn Lanes on MBB at Sepulveda EB, NB, WB	09823E	FY 2008-09	Design	\$ 1,362,420	\$ -	Proposition C; SBHP
11	Aviation at Artesia, SB to WB Right-Turn Lane	16104E	FY2015-16	Design	\$ 1,499,220	\$ -	Gas Tax Fund & SBHP
12	22 Intersection Pedestrian Improvements	14823E	FY2013-14	Design	\$ 248,065	\$ -	10% HSIP; 90% Gas Tax Fund
13	Cycle 3 Safe Routes to School Program	13842E	FY 2012-13	Design	\$ 464,595	\$ -	CIP Fund; State Grant Funds
14	Cycle 10 Safe Routes to School Program	13844E	FY 2012-13	Design	\$ 497,500	\$ -	10% CIP Fund; 90% State Grant
15	Annual Curb, Gutter and Ramp Replacement Project	16108E	FY 2015-16	Design	\$ 263,254	\$ 365,000	Gas Tax Fund
16	Parkview Sidewalk Project	16109E	FY 2013-14	Design	\$ 130,000	\$ -	Gas Tax Fund
17	Manhattan Ave./Highland Ave. Improvement Project (1st-8th)	10823E	FY 2009-10	Design	\$ 702,805	\$ -	Gas Tax Fund
18	Downtown Streetscape: 16 Traffic Signal Pole Replacement	13822E	FY 2012-13	Design	\$ 1,099,740	\$ -	CIP Fund
19	Pedestrian Crossing Improvements at 38th Street	15835E	FY 2014-15	Ready to Bid	\$ 143,130	\$ 100,000	CIP Fund
20	Rosecrans Ave Bike Lane Installation at Sepulveda	13829E	FY 2012-13	Ready to Bid	\$ 160,810	\$ -	CIP Fund
21	Street Resurfacing Project: MBB (Sepulveda to Aviation)	15825E	FY 2014-15	Ready to Bid	\$ 96,415	\$ 900,000	Gas Tax Fund
22	Street Resurfacing Project: Oak, Redondo, & 11th	16103E	FY2015-16	Ready to Bid	\$ 250,000	\$ -	Gas Tax Fund match
23	Street Resurfacing Project: 1100 block of 3rd St.		FY 2016-17	Ready to Bid		\$ 350,000	Measure R Local Return
24	Signalized Crosswalk: MBB @ Target Driveway	15826E	FY 2014-15	Ready to Bid	\$ 181,490	\$ -	Measure R Local Return
25	Raised Median Construction: MBB, west of Aviation	15827E	FY 2014-15	Ready to Bid	\$ 146,490	\$ -	Measure R Local Return
26	Traffic Device(s) at Highland & 38th St.	16105E	FY2014-15	Ready to Bid	\$ 159,710	\$ -	Measure R Local Return
27	Traffic Signal Preemption Devices	16106E	FY2015-16	Purchasing	\$ 75,000	\$ 75,000	CIP Fund
28	Strand Stairs: Construction	10824E	FY 2009-10	Construction	\$ 1,650,531	\$ -	CIP Fund
29	CDBG Access Ramp Construction Project	15834E	FY 2014-15	Construction	\$ 312,830	\$ 100,000	CIP Fund (CDBG Funds)
30	Street Resurfacing Project: Marine (Sepulveda to Aviation)		FY 2016-17	Design		\$ 100,000	Proposition C
FACILITIES							
31	Fiber Master Plan		FY 2016-17	RFP for Design		\$ 150,000	CIP Fund
32	Pier Improvements (Roundhouse, Water, Sewer)	15848E	FY 2014-15	RFP for Design	\$ 1,363,190	\$ -	State Pier Fund
33	Fire Station 2 Design Development	15829E	FY 2014-15	Conceptual Design	\$ 320,500	\$ -	CIP Fund
34	Field Netting at Dorsey, Live Oak and Manhattan Heights	16205E	FY2015-16	Design	\$ 150,000	\$ -	CIP Fund
35	Veterans Parkway - Landscape/Hardscape Project	15831E	FY 2014-15	Final Design	\$ 432,825	\$ -	CIP Fund
36	Pier Improvements: Comfort Station Wall Tiles		FY 2014-15	Construction Award	\$ 40,000	\$ -	State Pier Fund
37	Live Oak Tennis Office Fiber Connectivity via Joslyn Center	16202E	FY2015-16	Construction	\$ 35,420	\$ -	CIP Fund
38	Mgmt Services Welcome Center & Restroom Remodel	16215E	FY 2014-15	Partial Construction	\$ 95,015	\$ -	CIP Fund
PARKING PROJECTS							
39	#2 Parking Structure Structural Rehabilitation/Reinvestment	15846E	FY 2014-15	Construction	\$ 591,740	\$ 814,500	Parking Fund
Total Project Allocations					\$ 35,722,865	\$ 4,464,500	

5 Completed Projects During FY 16-17 in the MB Capital Improvement Program				
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	Project	Project Number	Original Funding Year	Funding Allocation	Funding Source
1	LED Traffic Safety Lighting	16107E	FY2015-16	\$ 77,000	CIP Fund
2	Spot Repairs in Area 7 Rehabilitation of Sewer Mains	13835E	FY2011-12	\$ 1,654,040	Wastewater Fund
3	Areas 2 & 3 Pipe Replacement Program and Fire Hydrant Installior	13833E	FY2012-13	\$ 1,627,010	Water Fund
4	Areas 2 & 3 Slurry Seal Project	15820E	FY2014-15	\$ 485,050	Gas Tax Fund
5	Energy Efficiency Implementation Study/Plan	16210E	FY2015-16	\$ 100,000	CIP Fund

Attachment 3

39 Delayed Projects in the MB Capital Improvement Program

	PROJECT TITLE	Carryover Project Number	Carryover Project Original Funding Yr	Previously Committed Unspent Funds	FY2016-17	FUND SOURCE(S)
WASTEWATER PROJECTS						
1	Main Repairs -Areas 5 & 7 Design	16501E	FY 2015-16	\$ 125,000	\$ -	Wastewater Fund
3	Main Repairs - Areas 5, 6 & 7 Design		FY 2016-17		\$ 100,000	Wastewater Fund
2	Poinsettia Sewage Lift Station Replacement and Force Main Replacement	15843E	FY 2014-15	\$ 300,000	\$ -	Wastewater Fund
WATER PROJECTS						
4	Larsson Street Booster Station Improvement	12828E	FY 2011-12	\$ 745,500	\$ -	Water Fund
5	Areas 5, 6 & 7 Pipe Replacement Program and Fire Hydrant Installation	16302E	FY2015-16	\$ 100,000	\$ -	Water Fund
6	Paint Block 35 Elevated Tank	15837E	FY 2014-15	\$ 498,740	\$ 365,000	Water Fund
7	Chloramination System at Wells 11 & 15	15838E	FY 2014-15	\$ 302,875	\$ -	Water Fund
8	Redrill & Equip Well 15		FY 2016-17		\$ 300,000	Water Fund
9	Water Meter Upgrade and Automation		FY 2016-17		\$ 2,670,000	Water Fund
STREETS / TRANSPORTATION						
10	Sepulveda/Oak Neighborhood Intrusion Study		FY 2016-17	\$ -	\$ 50,000	CIP Fund
11	Protected Left-Turns: Manhattan Beach Blvd at Peck Ave		FY 2016-17	\$ -	\$ 35,000	Msr R Local Return
12	Sepulveda Intersection Improvements (Rosecrans, 33rd St., Cedar, 14th St & 2nd St.)		FY 2016-17	\$ -	\$ 90,000	Proposition C
13	Street Resurfacing Project: Rosecrans Avenue (Sepulveda Blvd to Redondo Ave)	11822E	FY 2010-11	\$ 250,000	\$ -	Gas Tax Fund
14	Morningside Drive Rehabilitation (10th Pl to MBB)	15822E	FY 2014-15	\$ 75,000	\$ -	Gas Tax Fund
15	Street Resurfacing Project: Blanche, Marine, & 27th	15824E	FY 2014-15	\$ 75,000	\$ 300,000	Gas Tax Fund
16	Sepulveda Blvd Multimodal Streetscape Plan		FY 2016-17		\$ 150,000	CIP Fund
17	Annual Slurry Seal Project	16102E	FY2015-16	\$ 385,000	\$ 385,000	Gas Tax Fund
18	LED Traffic Safety Lighting	16107E	FY2015-16	\$ 77,000	\$ -	CIP Fund
19	Pedestrian Crossing Beacons on Highland at 34th, 35th and 36th	15835E	FY 2014-15	\$ 50,000	\$ 100,000	CIP Fund
20	Veterans Parkway Pedestrian Access Master Plan				\$ 80,000	CIP Fund
21	Triennial Pavement Management System Update				\$ 40,000	Gas Tax
22	Signal Battery Back-Up Installation		FY 2016-17		\$ 110,000	CIP Fund
FACILITIES						
23	Community Development Office Two (2) New Work Stations and Front Counter Modification	16203E	FY2015-16	\$ 70,000	\$ 150,000	CIP Fund
24	Human Resources Offices Improvements	16204E	FY2015-16	\$ 132,000	\$ -	CIP Fund
25	Fire Station 1 Diesel Exhaust Removal System	16212E	FY2015-16	\$ 30,000	\$ -	CIP Fund
26	Marine Ave Park Baseball Field Synthetic Turf	16209E	FY2015-16	\$ 148,075	\$ -	CIP Fund \$100k Little League Donation \$75k
27	Park Master Plan	16213E	FY2015-16	\$ 100,000	\$ -	CIP Fund
28	Replace Light Fixtures at Manhattan Village Field	16206E	FY2015-16	\$ 100,230	\$ -	CIP Fund
29	Installation of New Fitness Station and Surfacing at Miraposa Fitness Station	16207E	FY2015-16	\$ 55,000	\$ -	CIP Fund
30	Begg Field Synthetic Turf & Light Fixture Replacment	16208E	FY2015-16	\$ 1,332,000	\$ -	CIP Fund
31	Engineering Division Space Planning	16211E	FY2015-16	\$ 35,000	\$ 250,000	CIP Fund
32	Facility Improvements	15828E	FY 2014-15	\$ 1,482,980	\$ -	CIP Fund
33	Deferred Maintenance		FY 2016-17		\$ 500,000	CIP Fund
34	Wayfinding Sign Program	15832E	FY 2014-15	\$ 1,200	\$ -	CIP Fund
35	Village Field Replacement Turf		FY 2016-17		\$ 60,000	CIP Fund
36	Ceramics Studio Renovation		FY 2016-17		\$ 267,000	CIP Fund
37	City-Owned Refuse Enclosure Improvements: Design	15845E	FY 2014-15	\$ 150,000	\$ -	Refuse Fund
PARKING PROJECTS						
38	North Manhattan Beach Business Improvement District Streetscape*	07829E	FY 2006-07	\$ 84,775	\$ -	Parking Fund/ North MB BID
39	Lot 1 Retaining Wall (10th & Bayview)	15847E	FY 2014-15	\$ 100,000	\$ -	Parking Fund
Total Project Allocations				\$ 6,805,375	\$ 6,002,000	

Attachment 4: Hours Demand for Active Projects

39 Active Projects in the MB Capital Improvement Program

	PROJECT TITLE	RFP For Design	Design Services	Bidding and Contracting	Construction	Wrap Up	Total Hours
WATER PROJECTS							
1	Utility Radio Telemetry	20	50	15	130	15	230
2	Peck Ground Level Reservoir Replacement Design	200	450	60			710
WASTEWATER PROJECTS							
3	Utility Radio Telemetry (combined with Water project)	0	0	0	0	0	0
4	Repair/Replacement in Area 4 Rehabilitation of Sewer Mains	80	150	25	250	30	535
STORMWATER PROJECTS							
6	Storm Drain Repairs	40	80	25	150	30	500
5	Catch Basin Inserts	40	80	10	80	10	220
STREETS / TRANSPORTATION / OTHER ROW							
7	Street Resurfacing Project: Liberty Village	80	90	40	100	20	330
8	Sepulveda Blvd. & 8th St Intersection Improvements	30	80	20	80	10	220
9	Sepulveda Bridge	80	200	60	2510	150	3000
10	Dual Left-Turn Lanes on MBB at Sepulveda EB, NB, WB	40	200	30	200	30	500
11	Aviation at Artesia, SB to WB Right-Turn Lane	40	120	30	140	20	350
12	22 Intersection Pedestrian Improvements	30	70	25	195	30	350
13	Cycle 3 Safe Routes to School Program	30	80	25	180	35	350
14	Cycle 10 Safe Routes to School Program	30	80	25	180	35	350
15	Annual Curb, Gutter and Ramp Replacement Project	20	30	15	100	15	180
16	Parkview Sidewalk Project	15	30	10	50	15	120
17	Manhattan Ave./Highland Ave. Improvement Project (1st-8th)	40	65	20	150	25	300
18	Downtown Streetscape:16 Traffic Signal Pole Replacement	70	90	60	250	30	500
19	Pedestrian Crossing Improvements at 38th Street	50	55	20	150	25	300
20	Rosecrans Ave Bike Lane Installation at Sepulveda	25	60	15	30	15	145
21	Street Resurfacing Project: MBB (Sepulveda to Aviation)	40	80	35	265	30	450
22	Street Resurfacing Project: Oak, Redondo, & 11th	15	30	15	50	15	125
23	Street Resurfacing Project: 1100 block of 3rd St.	30	35	25	90	20	200
24	Signalized Crosswalk: MBB @ Target Driveway	15	25	15	35	10	100
25	Raised Median Construction: MBB, west of Aviation	10	15	10	25	10	70
	Traffic Device(s) at Highland & 38th St. (Combined with above)	-	0	0	0	0	0
26	Traffic Signal Preemption Devices			15	10		25
27	Strand Stairs: Construction	55	150	15	160	20	400
28	CDBG Access Ramp Construction Project	20	80	15	55	30	200
29	Skate Spot				40	10	50
30	Street Resurfacing Project: Marine (Sepulveda to Aviation)	40	70	15	150	25	300
FACILITIES							
31	Fiber Master Plan Support	30	80	5	25	10	150
32	Pier Improvements (Roundhouse, Water, Sewer)	60	250	35	425	30	800
33	Fire Station 2 Design Development	30	120	25	250	30	455
34	Field Netting at Dorsey, Live Oak and Manhattan Heights	30	40	20	190	20	300
35	Veterans Parkway - Landscape/Hardscape Project	15	50	20	50	30	165
36	Pier Improvements: Comfort Station Wall Tiles (included with Pier Improvements)		0	0	0	0	0
37	Live Oak Tennis Office Fiber Connectivity via Joslyn Center	15	50	10	20	10	105
38	Mmgt Services Welcome Center & Restroom Remodel	25	50	25	130	20	250
PARKING PROJECTS							
39	#2 Parking Structure Structural Rehabilitation/Reinvestment	40	80	25	325	30	500
Total Project Allocations							13,835

Attachement 5

CIP Projects: Projected Hours Demand for Each Project By Year (Current through FY 2020/21)		Previous Year(s) or Current Year	2017/18	2018/19	2019/20	2020/21
WATER PROJECTS						
1	Utility Radio Telemetry	230				
2	Peck Ground Level Reservoir Replacement	710	1620			
3	Larsson Street Booster Station Improvement	450				
4	Areas 5, 6 & 7 Pipe Replacement & Fire Hydrant Installation	535				
5	Block 35 Elevated Tank Rehab/Painting	350				
6	Block 35 Ground Level Reservoir Replacement		200	1200	100	
7	Redrill & Equip Well 15	100	200			
8	Chloramination System at Wells 11 & 15	200				
9	Well Collection line From Well 11A to Block 35		100	350	100	
10	Water Meter Upgrade and Automation	100				
11	Water Meter Upgrade and Automation		100			
12	Water Main Replacement		535			
13	Water Main Replacement			535		
14	Water Main Replacement				535	
15	Water Main Replacement					535
16	Water Master Plan			300		
17	Other Projects TBD			1700	3000	3000
WASTEWATER PROJECTS						
18	Wastewater Master Plan Update					300
19	Utility Radio Telemetry (combined with water project)	0				
20	Pier Lift Station Upgrade and Force Main Replacement		300			
21	13th Street Sewer Main Replacement	50				
22	Repair/Replacement in Area 4 Rehabilitation of Sewer Mains	535				
23	Main Repairs -Areas 5, 6 & 7	170	460			
24	Poinsettia Lift Station Replace. and Force Main Replace.	150	500			
25	Pacific Lift Station Upgrade and Force Main Replace.		650			
26	Voorhees Lift Station Upgrade and Force Main Replacement			650		
27	Meadows Lift Station Upgrade and Force Main				650	
28	Palm Lift Station Upgrade and Force Main Replacement					650
29	Main Repair/Replacement		535			
30	Main Repair/Replacement			535		
31	Main Repair/Replacement				535	
32	Main Repair/Replacement					535
STORMWATER PROJECTS						
33	Catch Basin Inserts	220				
34	Catch Basin Inserts		220			
35	Catch Basin Inserts			220		
36	Catch Basin Inserts				220	
37	Catch Basin Inserts					220
38	Storm Drain Repairs	500				
39	Storm Drain Repairs			500		
40	Storm Drain Repairs				500	
41	Storm Drain Repairs					500
42	Storm Drain Master Plan		300			
STREETS / TRANSPORTATION						
43	Sepulveda Bridge	200	1500	1300		
44	Street Resurfacing Project: Liberty Village	330				
45	Street Resurfacing Project: MBB (Sepulveda to Aviation) & Crosswalk	450				
46	Raised Median Construction: MBB, west of Aviation	70				
47	Street Resurfacing Project: Oak, Redondo, & 11th	125				
48	Street Resurfacing Project: 1100 block of 3rd St.	200				
49	Street Resurfacing Project: Blanche, Marine, & 27th	50	250			
50	Street Resurfacing Project: Rosecrans (Sepulveda to Redondo)	450				
51	Street Resurfacing Project: Marine (Sepulveda to Aviation)	300				
52	Sepulveda Blvd. & 8th St Intersection Improvements	220				
53	Sepulveda Intersection Improvements (Rosecrans, 33rd, Cedar, 14th & 2nd)	100	450			
54	Manhattan Ave./Highland Ave. Improvements (1st-8th)	300				
55	Aviation at Artesia, SB to WB Right-Turn Lane	350				
56	Morningside Drive Rehabilitation (10th Pl to MBB)	150				
57	Dual Left-Turn Lanes on MBB at Sepulveda EB, NB, WB	500				
58	Protected Left-Turns: Manhattan Beach Blvd at Peck Ave	200				
59	Signalized Crosswalk: MBB @ Traget Driveway	100				
60	Downtown Streetscape:16 Traffic Signal Pole Replacement	500				

CIP Projects: Projected Hours Demand for Each Project By Year (Current through FY 2020/21)		Previous Year(s) or Current Year	2017/18	2018/19	2019/20	2020/21
61	Traffic Signal Preemption Devices	25				
62	Traffic Signal Preemption Devices		25			
63	Traffic Signal Preemption Devices			25		
64	Live Oak Tennis Office Fiber Connectivity via Joslyn Center	105				
65	Field Netting at Dorsey, Live Oak and Manhattan Heights	300				
66	Strand Stairs: Construction	400				
67	Pedestrian Crossing Improvements at 38th Street/Highland	300				
68	Traffic Devices at 38th Street/Highland (combined with above)	0				
69	Ped. Crossing Beacons /Highland at 34th, 35th and 36th	300				
70	22 Intersection Pedestrian Improvements	350				
71	Cycle 3 Safe Routes to School Program	350				
72	Cycle 10 Safe Routes to School Program	350				
73	Parkview Sidewalk Project	120				
74	Ocean Drive Walkstreet Crossings			80	180	
75	Rosecrans Ave Bike Lane Installation at Sepulveda	145				
76	Strand Bikeway Pier Undercrossing					250
77	Non-Motorized Trans Project: Crosswalks, Bike Lanes		200			
78	Non-Motorized Trans Project: Crosswalks, Bike Lanes			200		
79	Non-Motorized Trans Project: Crosswalks, Bike Lanes				200	
80	Non-Motorized Trans Project: Crosswalks, Bike Lanes					200
81	CDBG Access Ramp Construction Project	200				
82	CDBG Access Ramp Construction Project		200			
83	CDBG Access Ramp Construction Project			200		
84	CDBG Access Ramp Construction Project				200	
85	CDBG Access Ramp Construction Project					200
86	Annual Curb, Gutter and Ramp Replacement Project	180				
87	Annual Curb, Gutter and Ramp Replacement Project		180			
88	Annual Curb, Gutter and Ramp Replacement Project			180		
89	Annual Curb, Gutter and Ramp Replacement Project				180	
90	Annual Curb, Gutter and Ramp Replacement Project					180
91	Annual Slurry Seal Project	300				
92	Annual Slurry Seal Project		300			
93	Annual Slurry Seal Project			300		
94	Annual Slurry Seal Project				300	
95	Annual Slurry Seal Project					300
96	Sepulveda/Oak Neighborhood Intrusion Study	80				
97	Triennial Pavement Management System Update		75			
98	Triennial Pavement Management System Update					75
99	Sepulveda Blvd Multimodel Steetscape Plan	150				
100	Signal Battery Back-Up Installation	25				
101	Veterans Parkway Pedestrian Access Master Plan	70				
FACILITIES, STUDIES and OTHER						
102	Fiber Master Plan Support	150				
103	Park Master Plan Support	100				
104	Wayfinding Sign Program Study	50				
105	Fire Station 1 Diesel Exhaust Removal System	75				
106	Fire Station 2 Design Development	455				
107	Mmgt Services Welcome Center & Restroom Remodel	250				
108	CommDev Office: 2 New Work Stations/Front Counter Mod.	100				
109	Human Resources Offices Reconfiguration & Improvements	200				
110	Engineering Division Space Planning	200				
111	Pier Improvements (Roundhouse, Water, Sewer)	800	700			
112	Veterans Parkway - Landscape/Hardscape Project	165				
113	Skate Spot	50				
114	Ceramics Studio Renovation	200				
115	Village Field Replacement Turf	50	300			
116	Begg Field Synthetic Turf & Light Fixture Replacment	50	350			
117	Marine Ave Park Baseball Field Synthetic Turf	50	300			
118	Replace Light Fixtures at Manhattan Village Field	100				
119	New Fitness Station & Surfacing at Miraposa Fitness Station	230				
120	City-Owned Refuse Enclosure Improvements: Design	100				
121	Facility Improvements	700				
122	Facility Improvements		1800			
123	Facility Improvements			1800		
124	Facility Improvements				1800	

CIP Projects: Projected Hours Demand for Each Project By Year (Current through FY 2020/21)		Previous Year(s) or Current Year	2017/18	2018/19	2019/20	2020/21
125	Facility Improvements					1800
126	Deferred Maintenance	250				
127	Deferred Maintenance		500			
128	Deferred Maintenance			500		
129	Deferred Maintenance				500	
130	Deferred Maintenance					500
PARKING PROJECTS						
131	#2 Parking Structure Structural Rehabilitation/Reinvestment	500				
132	North Manhattan Beach BID Streetscape*	50				
133	Pier Lot Safety Lighting	75				
134	Lot 1 Retaining Wall (10th & Bayview)	150				
135	Downtown Parking Facility Capital Investment Plan		50			
136	Downtown Parking Structure Rehab #3			1500		
137	El Porto Parking Structure Rehab #4				500	
138	Intelligent Parking Occupancy System (Lots 2, 3 & M)			65	65	
Total Hours		17,745	12,900	12,140	9,565	9,245

Blue: Active Projects

Black: Inactive and/or Upcoming

Red: Need to be added to CIP

Total CIP NEED: 61,595 Hours Over 5 Years

CAPITAL IMPROVEMENT POLICIES

DEDICATED CIP FUNDING SOURCES

Most of the City's infrastructure has a designated revenue source to pay for its upgrade or replacement as appropriate. For example, water/wastewater rates fund utility infrastructure needs; gas tax revenues fund street needs; and storm drainage needs are paid for with related fees and assessments. However, our public buildings and our park system are the primary beneficiaries of the City's Capital Improvement Fund (CIP). Specific revenue sources have been designated to provide permanent funding in support of general operational infrastructure. In particular, the City has dedicated:

- 15% of annual hotel transient occupancy tax (1.5% of the 10% tax);
- Fifty cents of the per hour charge for all on-street city parking meter collections;
- \$4 of each parking citation (with the exception of expired meter cites).

Transfers into the CIP Fund will be processed by the Finance Department on a monthly basis and recorded as such in the annual adopted budget.

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM (CIP)

The City shall annually prepare a capital improvement spending program projecting capital needs for a five year period. This CIP shall address all of the City's funds. The first year of the five year CIP will be consistent with, and adopted as a component of, the annual operating budget. In the development of the Capital Improvement Program, the operating costs associated with the capital project will be projected and considered in conjunction with the CIP.

ENTERPRISE FUND CAPITAL IMPROVEMENTS

Capital Improvements funded from the Enterprise Funds shall be paid for in combination of "pay-as-you-go" financing and the use of long-term debt. The City shall periodically review its enterprise capital needs and establish capital spending plans that are appropriate and reflect a combination of debt and "pay-as-you-go," while attempting to keep our rates competitive with those in the surrounding area.

Adopted Budget Policies

7) Capital Budget – Fiscal Policies

- a. Capital project proposals shall include substantially complete, reliable and attainable cost estimates. Project cost estimates for the Capital Budget should be based upon a preliminary analysis of the project and are expected to be as reliable as the level of detail known about the project.
- b. Proposals shall include a comprehensive project sheet. The project sheet shall include a detailed description of the scope of the project, approximate schedule, and proposed funding plan.. The plan should indicate resources necessary to complete any given phase of the project, e.g., design, rights-of-way acquisition, construction, project management, , contingency, etc.

- c. All proposals for capital projects will be presented to the City Council within the framework of a Capital Budget. Consideration will be given to the commitment of capital funds outside the presentation of the annual capital budget review process for emergency capital projects, time sensitive projects, projects funded through grants or other non-city funding sources and for projects that present and answer the following questions for Council consideration: 1) Impacts to other projects, and 2) Funding sources.
- d. Capital project proposals shall include all reasonably attainable cost estimates for operating and maintenance costs necessary for the life cycle of the asset.
- e. Major changes in project cost must be presented to the City Council for review and approval. These changes are typically reviewed by City Council as part of the annual CIP process or through specific recommended actions for individual projects.
- f. Staff shall seek ways of ensuring administrative costs of implementing the Capital Budget are kept at appropriate levels.
- g. The Capital Budget shall contain only those projects that can be reasonably expected to be accomplished during the budget period, unless the project is a multi-year funded project. The detail sheet for each project shall contain a project schedule with milestones indicated.
- h. Capital projects that are not expensed during the budget period will be re-budgeted or carried over to the next fiscal period except as reported to the City Council for its approval. Multi-year projects with unexpended funds will be carried over to the next fiscal period.
- i. A capital project will not be budgeted unless there is a reasonable expectation that funding is available.

Capital Improvement Program

City of Manhattan Beach Department of Public Works

Stephanie Katsouleas, P.E., Director

Prem Kumar, P.E., City Engineer

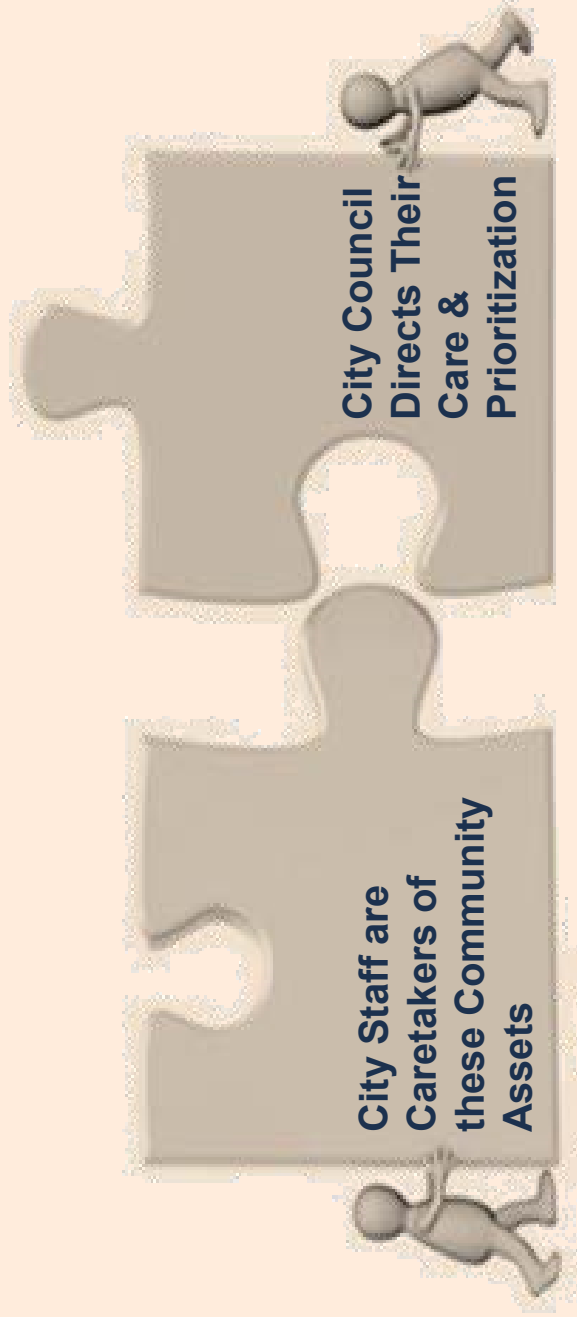
Anna Luke-Jones, Senior Management Analyst



What is the CIP Program?

- ▶ Includes pipes, buildings, parks, roads, sidewalks, equipment
- ▶ Valued at over \$500 million in assets
- ▶ Planning, funding and implementation processes
- ▶ Guidelines defined in CA Public Contracting Code and Labor Code

Care and Management of City Infrastructure

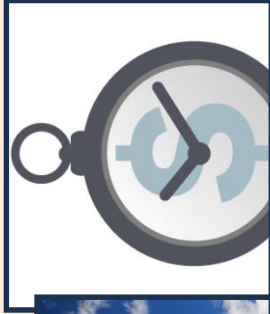


Goals of the CIP Program

Adequately Prepare for Current and Future CIP Needs of the City & Community



Provide Adequate Training of Staff for Core Mission



Implement Projects On Time, Under Budget of Great Quality



Be Responsive

Support the Needs Departments, Council, and Community



Ensure that Resources are Adequate to Carry Out CIP Objectives



Streamline Processes Wherever Possible



Streets



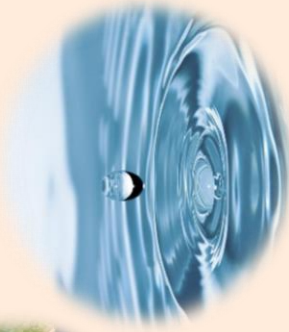
Other ROW



Buildings



Water



Wastewater



Parks



Storm Water



CIP Categories

Studies & Evaluations





Types of CIP Projects



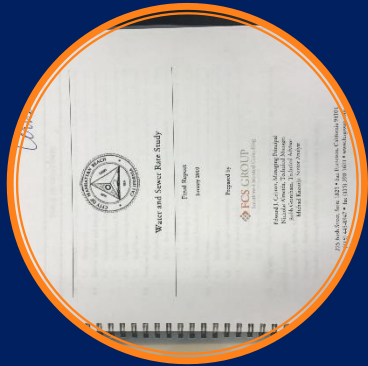
Core Projects

- Slurry Seal
- Street Rehab
- Sidewalk
- Main Replacement



One Time Projects

- Park Facilities
- Peck Reservoir
- Pier Renovation
- Building Repairs



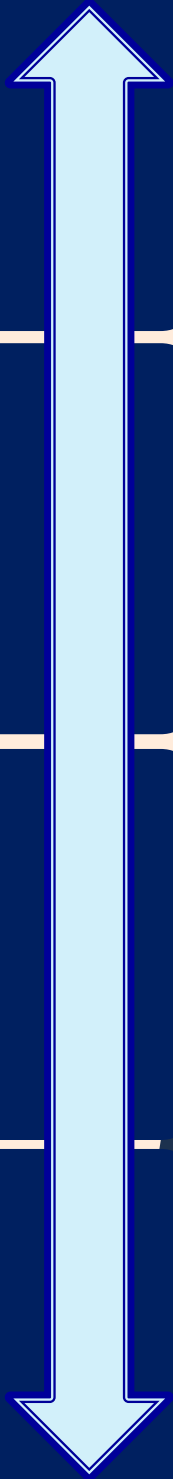
Initiatives and Studies

- Council Projects
- Grant Awards
- Master Plans
- Community Needs

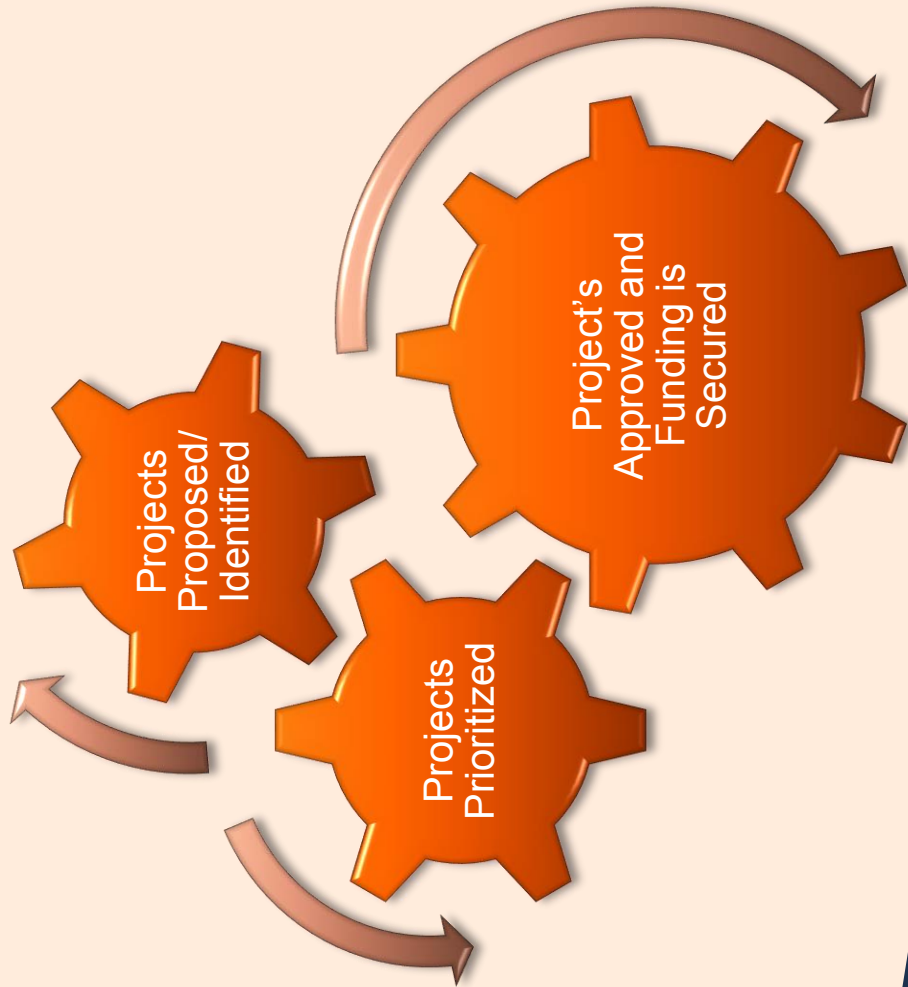


Emergency Responses

- HVAC
- Elevator Repairs
- Flooding Issues
- Pump Replacement



The CIP Process



Staff, Council and the Community can propose projects

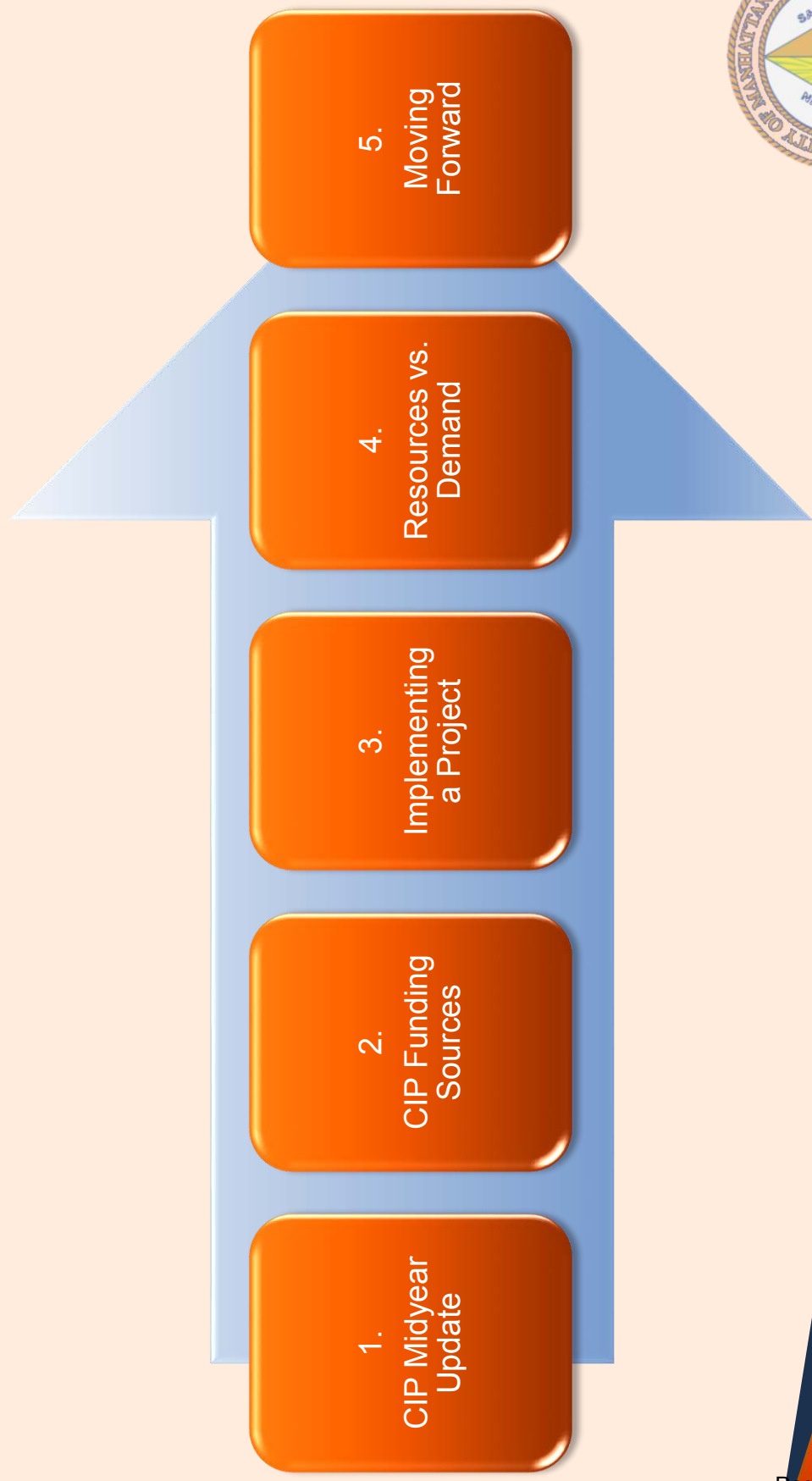
Staff evaluate the need for, feasibility of, and projected cost of the projects

City Council ultimately reviews and approve the projects proposed and allocates funding for implementation





CIP Presentation Overview





1. CIP Mid-Year Update

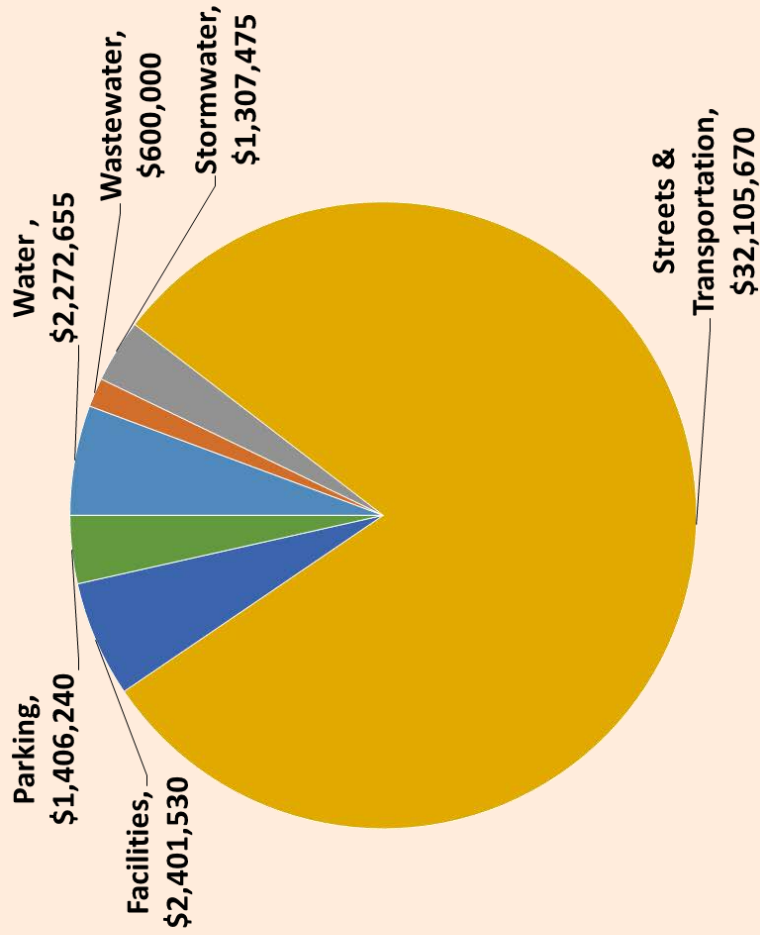
CIP Mid-Year Update

SNAPSHOT:

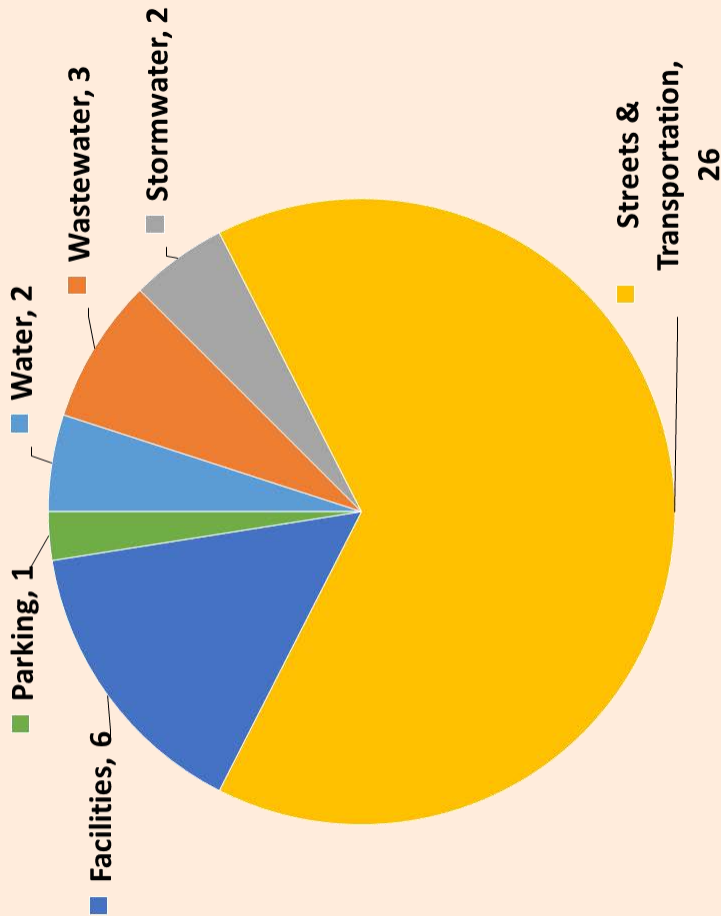
39 Projects Underway
\$40+ Million in Funding
6 Projects Completed in 2016

Snapshot of 39 Current Projects at Midyear

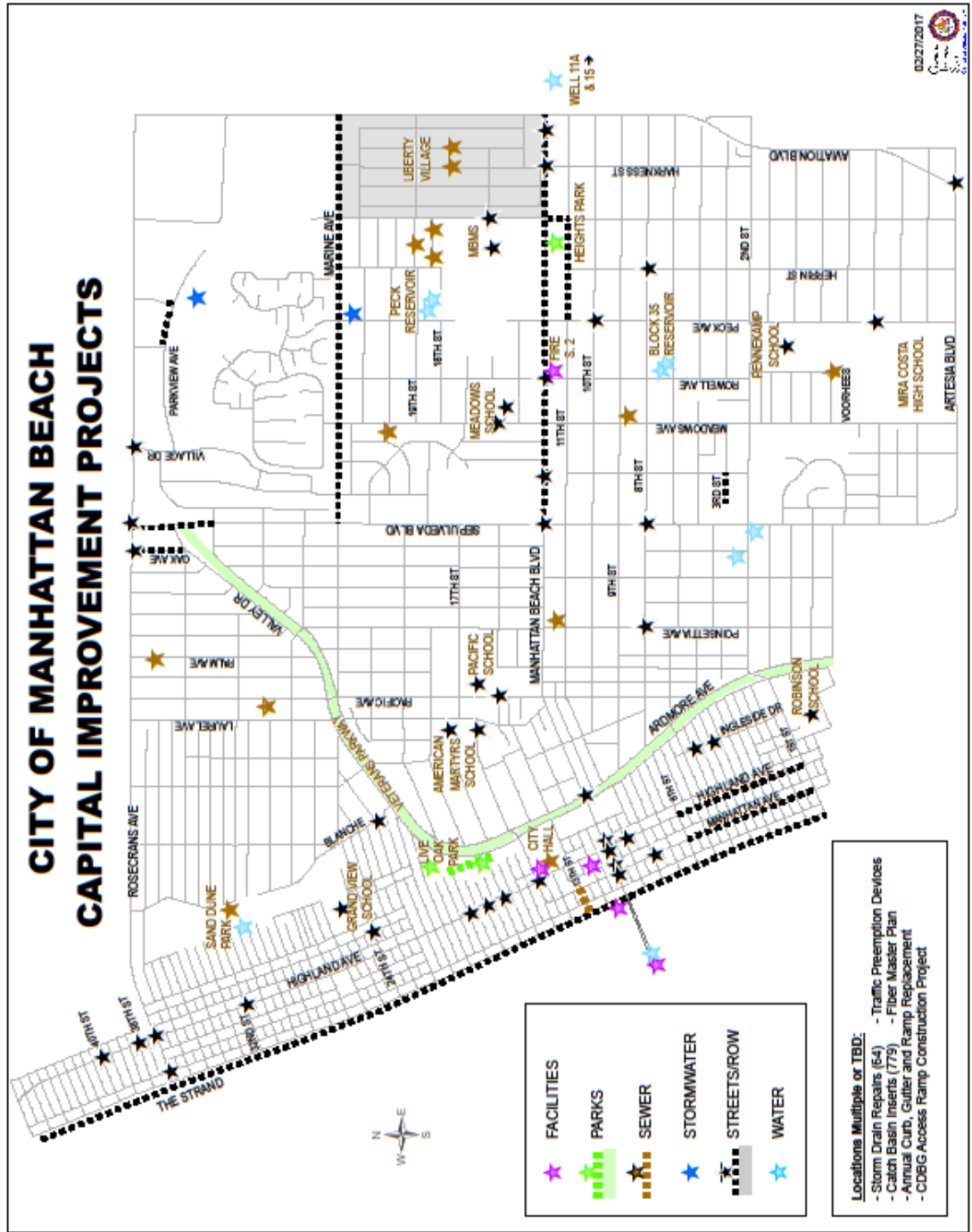
Project Funding Allocations



Projects by Type



Active Projects (GIS)



3 High Profile Projects

They account for more than 50% of the funding allocation of active projects



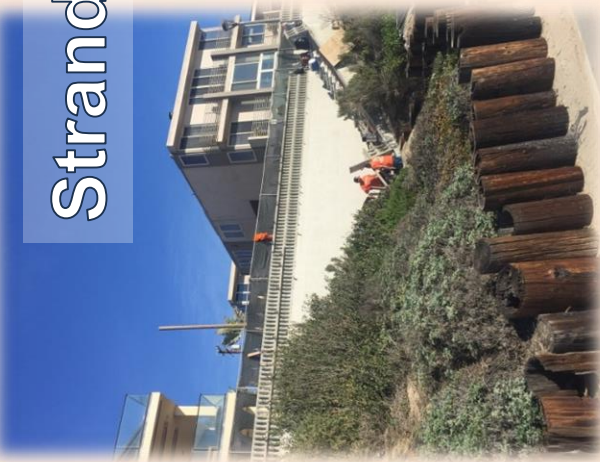
Pier and Roundhouse Improvements
\$2.5 Million

Sepulveda Bridge Widening
\$19.4 Million

Peck Reservoir
\$2 Million (design only)



Photos of Active Projects



Strand Stairs



Skate Spot



Parking Structure 2



5 Completed Projects

1. LED Traffic Safety Lighting
2. Sewer Main Repairs in Area 7
3. Water Main Repairs & Fire Hydrant Installation, Areas 2 and 3
4. Slurry Seal Project, Areas 2 and 3
5. Energy Efficiency Implementation Study/Plan





2. CIP Funding Sources

**CIP
Funding
Sources**

SNAPSHOT:

- 5-Year Capital Budget: \$107,793,940
- 4 Primary Categories of Funding
- 20 Different \$ Sources

20 CIP Funding Sources

CIP Funds	Enterprise Funds	Specials Revenues Local Returns	Grants
General Fund	Water	Prop C	CDBG
TOT	Wastewater	Measure R	Safe Routes
Parking Citations	Storm Drain	Measure M	SBHP
	City Parking Meters	Gas Tax	Parks Grants
	County Parking	Landscape and Street Lighting	Metro Call for Projects
	State Pier Fund		Federal (ICE-TEA, TIP)
\$17,008,381	\$56,549,395	\$16,882,999	\$17,353,165

5-YEAR TOTAL: \$107,793,940



FY 15/16 Annual Contribution to CIP

Funding Source	Annual Contribution
CIP (TOT/Meters/Citations)	\$780,000
Water Enterprise	\$4,700,000
Wastewater Enterprise	\$1,900,000
State Pier Fund	\$630,000
Prop C	\$600,000
Measure R*	\$430,000
Measure M (FY 2017/18)	\$430,000
Gas Tax	\$780,000
Deferred Maintenance (TOT)	\$500,000
TOTAL Annual Funds	\$10,750,000

FY 2015/16 Actual Results, Net of Operational Costs and Debt

*Measure R: Amount before transfers to Prop A



3. CIP: Step-by-Step Implementation

Implementing a Project

1. RFP Process
2. Design Services
3. Bidding and Awarding
4. Construction
5. Closeout



Implementing a Project

RFP Process	Design Services	Bidding & Award	Construction	Closeout
<ul style="list-style-type: none"> As-Built Review Compile Exhibits Draft/Release RFP Issue Addendums Evaluate Proposals Oral Presentations Make Selection Award Project and Execute Contract <p>15%</p>	<ul style="list-style-type: none"> Host Kickoff Mtg. Prep/Provide Docs Conduct Field Mtgs Oversee Work and Process Invoices Review Draft & Final Products Plan Check Public Outreach <p>28%</p>	<ul style="list-style-type: none"> Release Bid Host Pre-Bid Mtg. Release Addenda Evaluate Bids Award Project Execute Contract Respond to all bids <p>5%</p>	<ul style="list-style-type: none"> Pre-con Meeting Coord. Outreach Daily Visits to Site Host Regular Meetings Process RFIs Review/Approve Change Orders Process Invoices <p>47%</p>	<ul style="list-style-type: none"> Complete Punch List Process Final Invoices Accept as Complete Finalize As-Builts Prepare Audit File <p>5%</p>



Example of Level of Effort

	PROJECT TITLE	RFP For Design	Design Services	Bidding and Contracting	Construction	Wrap Up	Total Hours
	WATER PROJECTS						
1	Utility Radio Telemetry	20	50	15	130	15	230
2	Peck Ground Level Reservoir Replacement Design	200	450	60			710
	WASTEWATER PROJECTS						
3	Utility Radio Telemetry (combined with Water project)	0	0	0	0	0	0
4	Repair/Replacement in Area 4 Rehabilitation of Sewer Mains	80	150	25	250	30	535
	STORMWATER PROJECTS						
6	Storm Drain Repairs	40	80	25	150	30	500
5	Catch Basin Inserts	40	80	10	80	10	220
	STREETS / TRANSPORTATION / OTHER ROW						
7	Street Resurfacing Project: Liberty Village	80	90	40	100	20	330
8	Sepulveda Blvd. & 8th St Intersection Improvements	30	80	20	80	10	220
9	Sepulveda Bridge	80	200	60	2510	150	3000
10	Dual Left-Turn Lanes on MBB at Sepulveda EB, NB, WB	40	200	30	200	30	500
11	Aviation at Artesia, SB to WB Right-Turn Lane	40	120	30	140	20	350



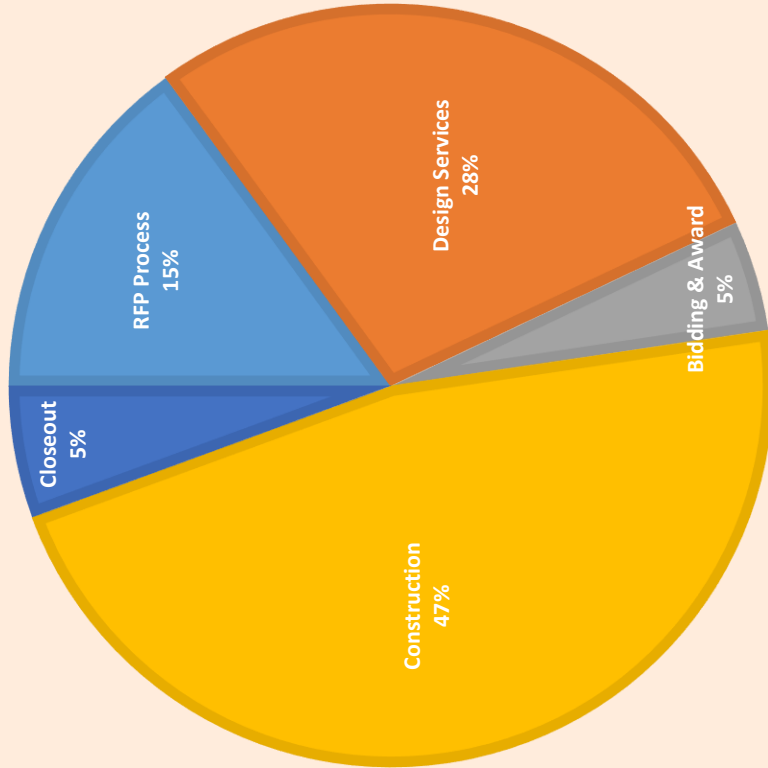
Distribution of Effort

EXAMPLE – MIDSIZE PROJECT:

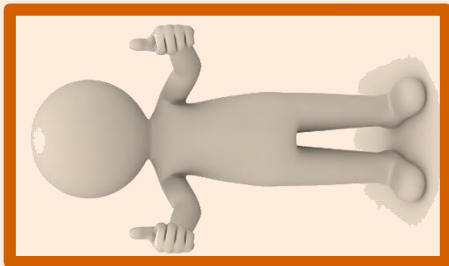
Water Main Replacement (2000-3000 ft)

RFP Process: 80 hours
Design Oversight: 150 hours
Bid Award: 25 hours
Construction: 250 hours
Closeout: 30 hours

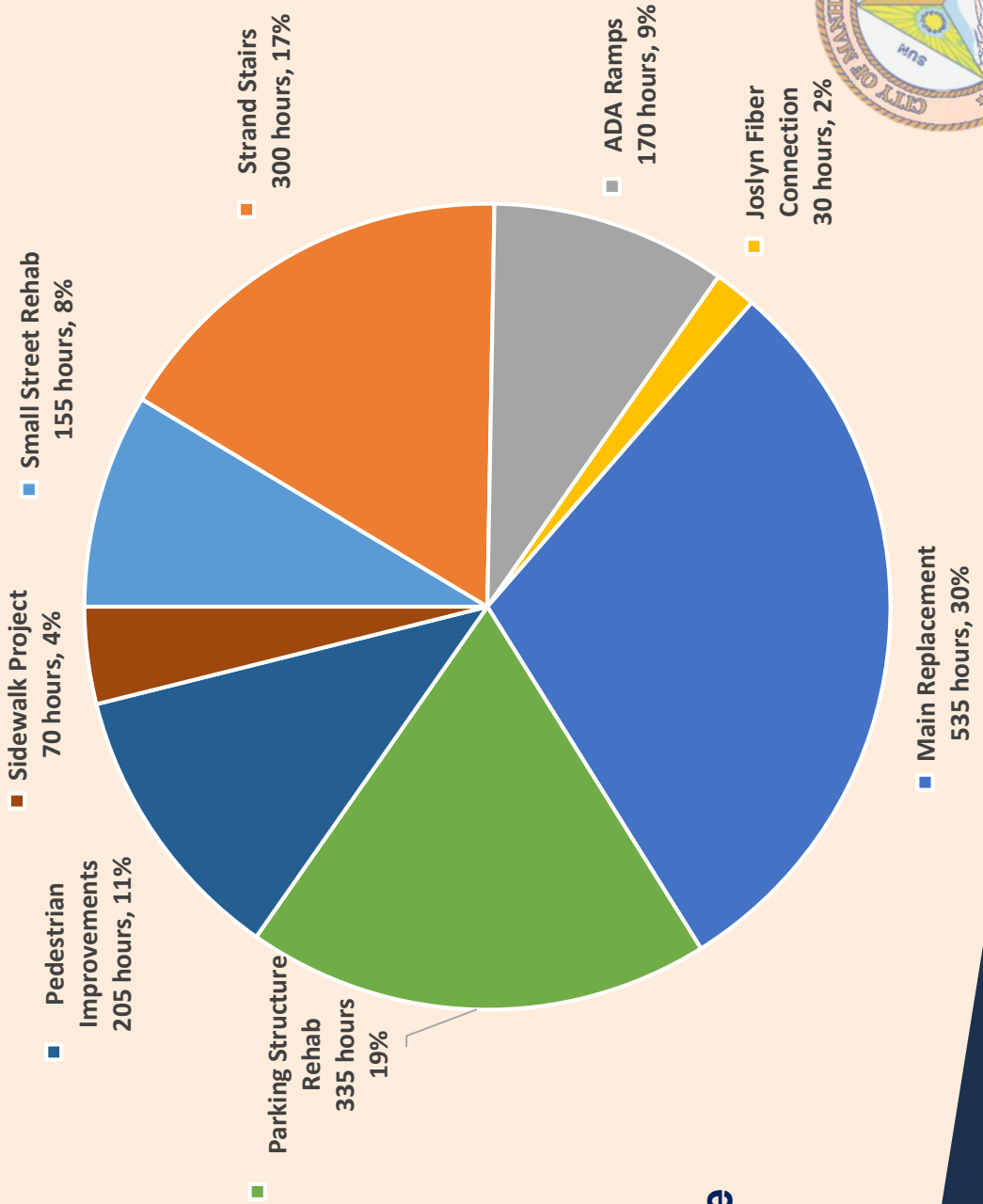
Total: 535 hours
31% of one FTE



1 Full Time Engineer Workload



This workload represents a combination of 8 small and midsize projects





4. Resources vs. Demand

Aligning Resources With Demand

Overview of active projects and those
in the queue

Summary of available staff resources

CIP Project Demand

5-Year Capital Program

39 Active Projects

39 Pending Projects

46 Projects in 2017/18 Through 2020/21

124 Total Projects Active and in the Queue

[138 Projects When Considering Actual Need]



5-Year CIP Hours Demand

Category	Current	2017/18	2018/19	2019/20	2020/21
Water	2675	2755	4085	3735	3535
Wastewater	905	2445	1185	1185	1485
Storm Water	720	520	720	720	720
Streets/ROW	8345	3180	2285	1060	1205
Facilities	4325	3950	2300	2300	2300
Parking	775	50	1565	565	0
Totals	17,745	12,900	12,140	9,565	9,245

Total Hours Demand:
61,595 hours
 (7 FTE)



Annual Demand vs. Resources

■ 2016/17 ■ 2017/18 ■ 2018/19 ■ 2019/20 ■ 2020/21

Difference = 12,645 Hours
 Difference = 20,445 Hours
 Difference = 27,485 Hours
 Difference = 31,950 Hours
 Difference = 36,095 Hours



STAFF HOURS

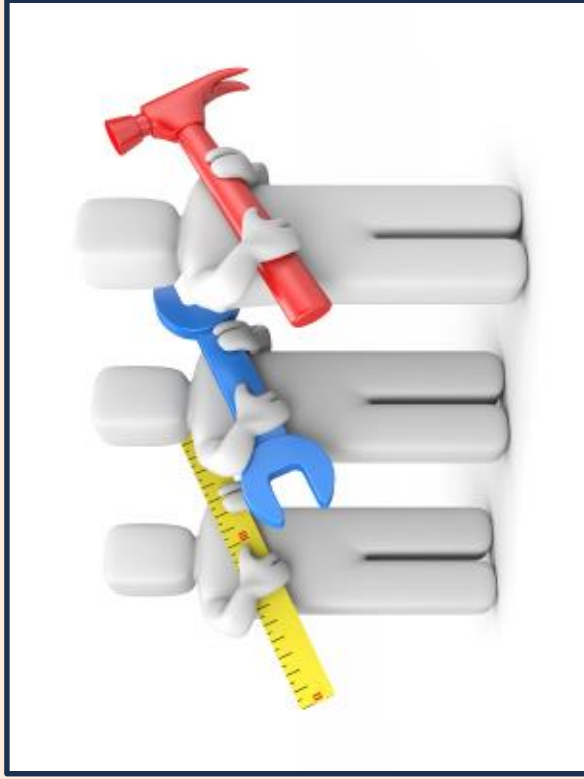


CIP HOURS

Hours Available: 25,500 (3 FTE)
Shortfall: 36,095 (4 FTE)



Result: We Are out of Alignment



3 CIP Project Engineers but
7+ Engineers' worth of work



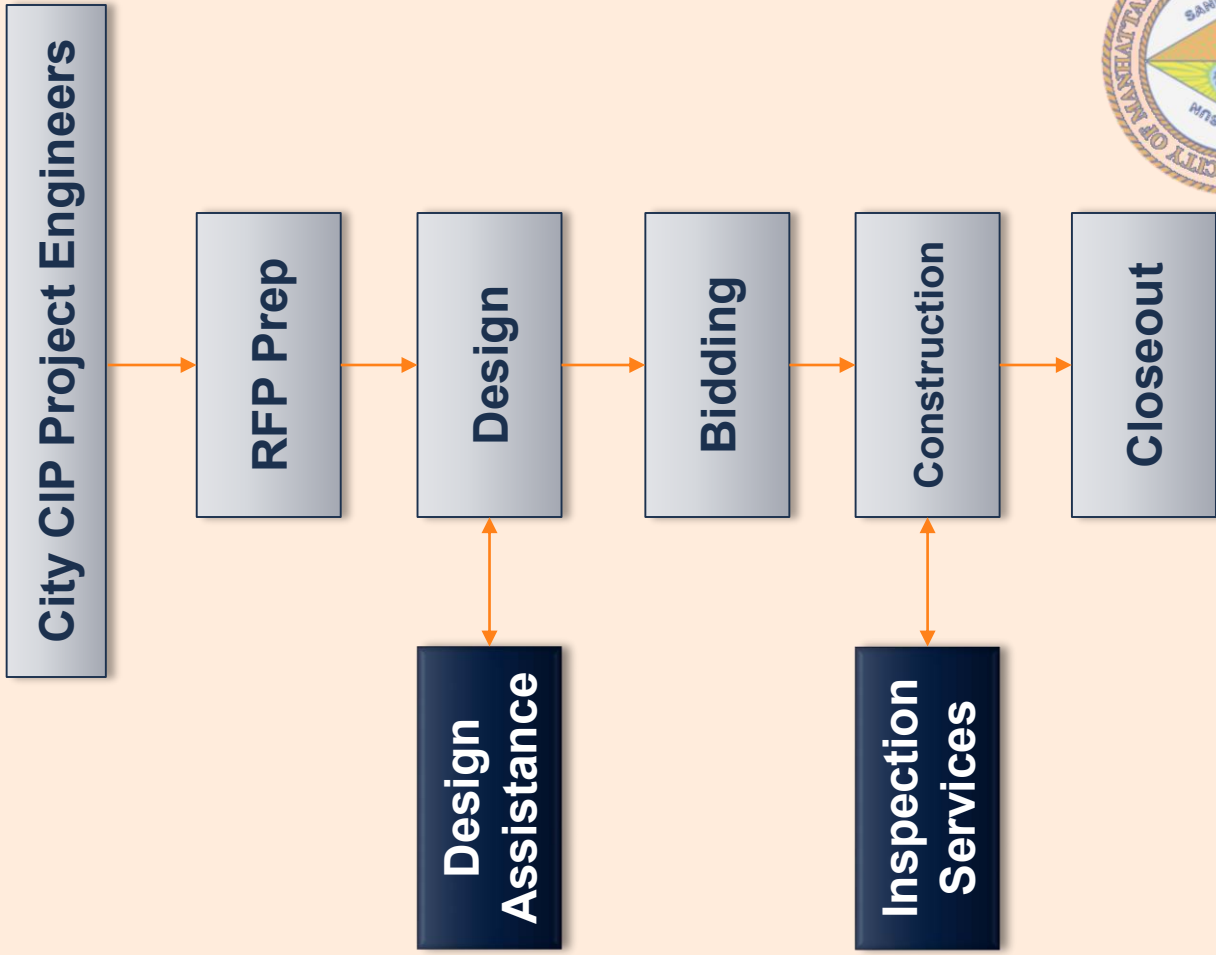
Other Considerations

- ▶ Staff shortages delay project implementation but do not ultimately save money due to increases in construction costs resulting from the deferral.
- ▶ And there's more: Non-CIP work, including studies, special projects, council initiatives and emergencies.
 - Sewer System Management Plan (5yr)
 - Urban Water Management Plan (5 yr)
 - Pavement Management Index Report (3 yr)
 - Speed Surveys (5 yr)
 - Water Rate Study (5yr)



Outside Resources

- ▶ How we use outside resources to support CIP projects



Staff Recommendations

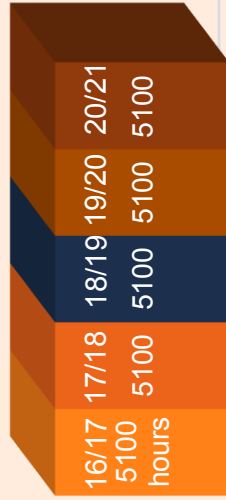
1. Receive and file the FY 2016/17 Mid-year Update
2. Consider the following:
 - A. Revise the 5-Year CIP to match existing staff resources; or
 - B. Increase staff resources to match existing CIP



Annual Demand vs. Resources

■ 2016/17 ■ 2017/18 ■ 2018/19 ■ 2019/20 ■ 2020/21

Difference = 12,645 Hours
 Difference = 20,445 Hours
 Difference = 27,485 Hours
 Difference = 31,950 Hours
 Difference = 36,095 Hours



STAFF HOURS



CIP HOURS

Hours Available: 25,500 (3 FTE)
Shortfall: 36,095 (4 FTE)



Questions and Answers






Funding Sources for New Engineers

1 FTE Water Enterprise	1 FTE Sewer Enterprise
1 FTE CIP Fund (TOT, Citations)	1 FTE Other Funds (e.g., Local Return)

NOTE: This is possible with no additional impact to the General Fund



Proposed Allocation of Resources

CIP FUND	Water/Sewer Categories	LOCAL RETURN and GRANTS
TOT	Water	Prop C CDBG
Parking Citations	Wastewater	Measure R Safe Routes
City Parking Meters		Measure M SBHP
		Gas Tax Parks Grants
		Metro Call for Projects
		Federal (ICE-TEA, TIP)
		
\$24,183,161	\$49,374,615	\$34,236,164

