



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 Brad Donohue, Director of Public Works
 VIA: Brian Dossey, City Manager
 MEETING DATE: January 26, 2022
 SUBJECT: 2021 Capital Closeout and 2022 Capital Amendment

RECOMMENDATION

Staff recommends that the City Council adopt the following resolution:

RESOLUTION AMENDING THE FISCAL YEAR 2021-22 CAPITAL IMPROVEMENT BUDGET TO \$1,191,434, INCLUDING CLOSING OUT 5 CAPITAL PROJECTS; CARRYING OVER \$230,409 OF UNSPENT PROJECT BUDGET TO FY 2021-22; TRANSFERRING \$40,000 FROM CAPITAL FUND RESERVE (31) TO STREET CIP FUND (32); AND, RELEASING UNSPENT FUNDING OF \$15,210 TO CAPITAL RESERVE, \$2,604 TO FLEET REPLACEMENT, AND \$40,000 TO CITY PROPERTY FUND RESERVES.

EXECUTIVE SUMMARY

The Town conducts periodic reviews of its operating budget and its capital program. A periodic review provides transparency and accountability. Attachment B of this report lists all 11 actively funded Capital projects in FY 2020-21. The report contains a brief description of each capital project, the status each project as of June 30, 2021, and the corresponding financial information.

Within the report, five projects will be closed as of June 30, 2021, releasing \$57,814 to various reserve funds. There are six projects that will continue into FY 2021-22, with a total carryover of \$230,409. Additionally, staff is requesting to increase the Mission Road Improvement Project and the F-Street Retaining Wall projects by \$55,000. The increase of \$55,000 includes \$40,000 for the design of landscaping and irrigation and high visibility crosswalk on Mission Road and \$15,000 for geotechnical and engineering support for the F-Street Retaining Wall (902) project.

Staff is also requesting to adjust the Equipment Purchase and Replacement (984) program scope for FY 2021-22 to include Council Chamber AV System upgrades. The project will utilize unspent Equipment Purchase and Replacement budget from FY 2020-21.

FISCAL IMPACT

Increase the FY 2021-22 Capital Program Budget to \$1,191,434, which includes \$230,409 of carryover funds from FY 2020-21, \$906,025 – the original FY 2021-22 Budget request, and \$55,000 of additional funds needed for the F-Street Retaining Wall and Mission Road Improvement Project.

The Town will also release \$57,814 of unused project funding from FY 2020-21 to various fund reserves.

BACKGROUND

On October 28, 2020, the City Council approved the following Capital program for fiscal year 2020-21.

Project Title and Number	Project Budget Through 6/30/2021
El Camino Real Bicycle and Pedestrian Improvement Plan (914)	\$ 225,000
Mission Road Bicycle and Pedestrian Improvement Project (903)	2,800,000
Climate Action Plan Update (994)	35,000
Creekside Villas Repair and Painting (952)	95,000
General Plan Update (991) – Includes Budget Increase	653,000
IT Infrastructure Upgrades (986)	50,000
Vehicle Replacement (987)	194,156
Equipment Purchase & Replacement (984)	250,000
Total	\$ 4,302,156

For FY 2020-21, the Town focused on projects with legal obligations or were essential to Town operations during a global pandemic.

On March 10, 2021, three additional capital projects were added, bringing the total FY 2020-21 capital program budget to \$4,527,156. The three additional projects were:

- F-Street Retaining wall - \$25,000;
- Housing Element Update - \$100,000 (\$85,000 grant funded); and
- Zoning Code Update - \$100,000

ANALYSIS

Table 1 is a summary of the Town's FY 2020-21 and FY 2021-22 Capital Program. It lists all active projects as well as the available funding through FY 2021-22. The total project budget since inception to June 30, 2021 is \$4.53 million. The Town spent \$4.24 million of the project budget

by June 30, 2021, leaving \$288,223 as unspent project budget. Attachment B of this report includes more details on the projects' descriptions, status, and funding and spending summary.

Table 1			Unspent	Project Budget	Additional	Additional	Available
FY 2020/21 Capital Program Update	Project Budget	Spending Thru	Project Budget	Carryover to	Request @	Request @	Project
Project Title (Number)	Thru 6/30/2021	6/30/2021	at 7/1/2021	7/1/2021	7/1/2021	12/31/2021	Budget
	[a]	[b]	[a] - [b]	[c]	[d]	[d]	in FY21/22
							[c] + Σ [d]
Category 1: Streets, Sidewalks, and Bikeways							
Annual Roadway Rehabilitation and Preventive Maintenance Program (906)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000		\$ 150,000
El Camino Real Bicycle and Pedestrian Improvement Plan (914)	\$ 225,000	\$ 224,998	\$ 2	\$ 0	\$ 0		\$ 0
F-Street Retaining Wall (902)	\$ 25,000	\$ 25,410	\$ (410)	\$ (410)	\$ 7,000	\$ 15,000	\$ 21,590
Mission Road Bicycle and Pedestrian Improvement Project (903)	\$ 2,800,000	\$ 2,858,431	\$ (58,431)	\$ (58,431)	\$ 60,000	\$ 40,000	\$ 41,569
Category 2: Sewers & Storm Drains							
None	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0
Category 3: City Facilities & Long-Range Plans							
Climate Action Plan Update (994)	\$ 35,000	\$ 34,557	\$ 443	\$ 0	\$ 0		\$ 0
Colma Museum Facility Repair & Painting (951)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,000		\$ 75,000
Creekside Villas Repair and Painting (952)	\$ 95,000	\$ 55,000	\$ 40,000	\$ 0	\$ 0		\$ 0
Facility Parking Lot Upgrades (953)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 99,025		\$ 99,025
General Plan Update (991)	\$ 653,000	\$ 594,835	\$ 58,165	\$ 58,165	\$ 0		\$ 58,165
Housing Element Update (996)	\$ 100,000	\$ 1,254	\$ 98,746	\$ 98,746	\$ 0		\$ 98,746
Zoning Code Update (997)	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000	\$ 0		\$ 100,000
Category 4: Major Equipment, Technology & Fleet							
Equipment Purchase and Replacement (984)	\$ 250,000	\$ 217,661	\$ 32,339	\$ 32,339	\$ 201,000		\$ 233,339
Financial Software Replacement (965)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000		\$ 100,000
IT Infrastructure Upgrades (986)	\$ 50,000	\$ 35,235	\$ 14,765	\$ 0	\$ 50,000		\$ 50,000
Vehicle Replacement (987)	\$ 194,156	\$ 191,552	\$ 2,604	\$ 0	\$ 164,000		\$ 164,000
Total	4,527,156	4,238,933	288,223	230,409	906,025	55,000	1,191,434

Of the projects in FY 2020-21, six projects will continue into FY 2021-22 and five projects will be closed.

Continued Projects

By June 30, 2021, the **F-Street Retaining Wall** and **Mission Road Bicycle and Pedestrian Improvements** projects had gone over their respective project budget. Staff noticed this potential issue while developing the FY 2021-22 Operating and Capital Project Programs in April 2021. Rather than requesting for a capital budget amendment in May and an operating and capital budget approval in June, the FY 2021-22 Operating and Capital budget accounted for the additional \$7,000 needed for the F-Street Retaining Wall and the additional \$60,000 needed for the Mission Road Bicycle and Pedestrian Improvement Project was part of the project Notice of Completion on July 14, 2021.

The **Housing Element Update** and **Zoning Code Update** were funded in March 2021 and were pending the completion of the **General Plan Update**. As of June 30, 2021, the three plans have available project budget totaling \$256,911.

The **Equipment Purchase and Replacement** program is an ongoing program for miscellaneous major equipment purchase and replacement. For FY 2020-21, the Town completed upgrading the police station radio and dispatch system with an available budget balance of

\$32,339. Due to COVID-19 and the increased reliance on virtual meetings, the AV system in the Council Chamber needs to be upgraded to allow hybrid meetings, if necessary. As a result, rather than releasing the available fund of \$32,339 to Capital Fund reserve, Staff is proposing to carryover the \$32,339 to FY 2021-22 for the Council Chamber AV system upgrade.

The combination of the projects discussed above, the total carryover budget to FY 2021-22 is \$230,409.

Closed Projects

- **El Camino Real Bicycle and Pedestrian Plan** was completed in January 2021 and can be closed. Staff time in securing additional grants will be absorbed into the operating budget.
- **Climate Action Plan Update** was completed in October 2020. Available funding of \$443 will be released to Fund 31.
- Phase 1 of **Creekside Villas Repair and Painting** was completed in 2019. Phase 2 of the project is on hold due to the lack of interested contractors. Rather than keeping the project open, the minor repairs will be absorbed into the operating facilities budget, and the available \$40,000 will be released back to Fund 83 reserve.
- The **IT Infrastructure Upgrades** and the **Vehicle Replacement** programs are ongoing in nature. For both projects, the FY 2020-21 portion of the program has been completed and available funds can be released to its respective fund reserves.

Fund Release Summary

Total funds to be released back to the various reserve balances is \$57,814 with the following amounts:

Fund 31 – Capital reserve	\$15,210
Fund 61 – Fleet Replacement reserve	\$2,604
Fund 83 – City Properties reserve	\$40,000
Total	\$57,814

Budget Amendments

In reviewing the FY 2020-21 and FY 2021-22 Capital programs, Staff noted the following budget amendments are needed.

- F-Street Retaining Wall – Additional \$15,000 for geotechnical and engineering work
- Mission Road Landscaping and Crosswalk – Additional \$40,000 for design of landscape and irrigation work, and high visibility crosswalk.

Reasons For the Recommended Action/Findings

Staff recommends the City Council adopt the resolution amending the FY 2020-21 Capital Improvement Program Budget to be \$1,191,434 as listed in Table 1 above. This approval includes:

1. Carry over of \$230,409 from FY 2020-21 to FY 2021-22;
2. Add Chamber AV System Update to the Equipment Purchase and Replacement project;
3. Increase Mission Road Project Budget by \$40,000 to design the landscape, irrigation, and high visibility crosswalk;
4. Increase F-Street Retaining Wall project budget by \$15,000 for geotechnical and engineering work
5. Release \$57,814 of available unused funds with \$15,210 to Capital reserve Fund 31, \$2,604 to Fleet Replacement Fund 61, and \$40,000 to City Property Fund 83.

Council Adopted Values

Periodic review of the Capital Program is an exercise of government transparency, fiscal accountability, and thoughtfulness in the use of public funds. Periodic review provides a brief project scope and progress update, project budget and spending summary, and explanation for budget amendments and project delays. It allows the City Council to thoughtfully decide and direct staff whether to continue the current course or to shift priorities.

CONCLUSION

Overall, the Town's capital program stayed within program budget.

ATTACHMENTS

- A. Resolution
- B. 2020-21 Capital Program Status Update



**RESOLUTION NO. 2022-##
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

RESOLUTION AMENDING THE FISCAL YEAR 2021-22 CAPITAL IMPROVEMENT BUDGET TO \$1,191,434, INCLUDING CLOSING OUT 5 CAPITAL PROJECTS; CARRYING OVER \$230,409 OF UNSPENT PROJECT BUDGET TO FY 2021-22; TRANSFERRING \$40,000 FROM CAPITAL FUND RESERVE (31) TO STREET CIP FUND (32); AND, RELEASING UNSPENT FUNDING OF \$15,210 TO CAPITAL RESERVE, \$2,604 TO FLEET REPLACEMENT, AND \$40,000 TO CITY PROPERTY FUND RESERVES

The City Council of the Town of Colma does resolve as follows.

1. Background

- (a) On March 18, 2020, the City Council approved and adopted the FY 2020-21 Budget which consists of FY 2019-20 operating budget appropriations and the FY 2020-21 capital improvement plan as presented in the 2019-2024 Capital Improvement Plan;
- (b) The original FY 2020-21 Budget was adopted without further analysis as it was the start of the global pandemic (COVID-19);
- (c) After six of months of closely monitoring the local, national and global market, the Town amended the FY 2020-21 in its entirety on October 28, 2020 and approved the following FY 2020-21 Capital Program Budget;

Project Title and Number	Project Budget Through 6/30/2021
El Camino Real Bicycle and Pedestrian Improvement Plan (914)	\$ 225,000
Mission Road Bicycle and Pedestrian Improvement Project (903)	2,800,000
Climate Action Plan Update (994)	35,000
Creekside Villas Repair and Painting (952)	95,000
General Plan Update (991) – Includes Budget Increase	653,000
IT Infrastructure Upgrades (986)	50,000
Vehicle Replacement (987)	194,156
Equipment Purchase & Replacement (984)	250,000
Total	\$ 4,302,156

- (d) On March 10, 2021, the Town added three more capital projects to the FY 2020-21 Capital program, bringing the total project budget to \$4,527,156;
- (e) The five completed projects have an available project balance of \$57,814, with \$15,210 to be released and returned to Capital reserve, \$2,604 released and returned to Fleet

Replacement; and \$40,000 released and return to City Property reserve.

(f) The six incomplete projects to be continued into FY 2021-22 have a carryover balance of \$230,409;

(g) Transfer \$55,000 from the Capital Reserve Fund (31) to Street Capital Fund (32) and increase the capital budget for F-Street Retaining Wall by \$15,000 for geotechnical and engineering services and for Mission Road Improvement by \$40,000 for the design of landscaping and irrigation and high visibility crosswalk;

(h) The City Council duly considered the proposed budget amendments and public comments, if any, thereon.

2. Findings and Order.

The City Council hereby approves and orders the following changes:

(a) *Summary of New FY 2020-21 Capital Program Budget.* Table 1 Column titled "2021-22 Project Budget" shall be and is hereby approved as the new FY 2021-22 Capital Program Budget.

Table 1	Project Budget Thru 6/30/2021	Spending Thru 6/30/2021	Unspent Project Budget at 7/1/2021	Project Budget Carryover to 7/1/2021	Additional Request @ 7/1/2021	Additional Request @ 12/31/2021	2021/22 Project Budget
Project Title (Number)	[a]	[b]	[a] - [b]	[c]	[d]	[d]	[c] + [d]
Category 1: Streets, Sidewalks, and Bikeways							
Annual Roadway Rehabilitation and Preventive Maintenance Program (906)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000		\$ 150,000
F-Street Retaining Wall (902)	\$ 25,000	\$ 25,410	\$ (410)	\$ (410)	\$ 7,000	\$ 15,000	\$ 21,590
Mission Road Bicycle and Pedestrian Improvement Project (903)	\$ 2,800,000	\$ 2,858,431	\$ (58,431)	\$ (58,431)	\$ 60,000	\$ 40,000	\$ 41,569
Category 2: Sewers & Storm Drains							
None	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0
Category 3: City Facilities & Long-Range Plans							
Colma Museum Facility Repair & Painting (951)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,000		\$ 75,000
Facility Parking Lot Upgrades (953)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 99,025		\$ 99,025
General Plan Update (991)	\$ 653,000	\$ 594,835	\$ 58,165	\$ 58,165	\$ 0		\$ 58,165
Housing Element Update (996)	\$ 100,000	\$ 1,254	\$ 98,746	\$ 98,746	\$ 0		\$ 98,746
Zoning Code Update (997)	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000	\$ 0		\$ 100,000
Category 4: Major Equipment, Technology & Fleet							
Equipment Purchase and Replacement (984)	\$ 250,000	\$ 217,661	\$ 32,339	\$ 32,339	\$ 201,000		\$ 233,339
Financial Software Replacement (965)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000		\$ 100,000
IT Infrastructure Upgrades (986)	\$ 50,000	\$ 35,235	\$ 14,765	\$ 0	\$ 50,000		\$ 50,000
Vehicle Replacement (987)	\$ 194,156	\$ 191,552	\$ 2,604	\$ 0	\$ 164,000		\$ 164,000
Total	4,172,156	3,924,378	247,778	230,409	906,025	55,000	1,191,434

(b) *Summary of Project Closeout.* Table 2, columns titled "Fund Release" below, summarizes project budgets to be closed and the amount to be released to various funds.

Table 2

Project Closeout Summary Project Title (Number)	Project Budget	Spending Thru	Unspent	Project Budget	Additional	2021/22	Fund Release	
	Thru 6/30/2021	6/30/2021	Project Budget	Carryover to	Request @	Project Budget	Fund No	Amount
	[a]	[b]	[a] - [b]	[c]	[d]	[c] + [d]		
Category 1: Streets, Sidewalks, and Bikeways								
El Camino Real Bicycle and Pedestrian Improvement Plan (914)	\$ 225,000	\$ 224,998	\$ 2	\$ 0	\$ 0	\$ 0	Fund 31	\$ 2
Category 2: Sewers & Storm Drains								
None	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Category 3: City Facilities & Long-Range Plans								
Climate Action Plan Update (994)	\$ 35,000	\$ 34,557	\$ 443	\$ 0	\$ 0	\$ 0	Fund 31	\$ 443
Creekside Villas Repair and Painting (952)	\$ 95,000	\$ 55,000	\$ 40,000	\$ 0	\$ 0	\$ 0	Fund 83	\$ 40,000
Category 4: Major Equipment, Technology & Fleet								
IT Infrastructure Upgrades (986)	\$ 50,000	\$ 35,235	\$ 14,765	\$ 0	\$ 50,000	\$ 50,000	Fund 31	\$ 14,765
Vehicle Replacement (987)	\$ 194,156	\$ 191,552	\$ 2,604	\$ 0	\$ 164,000	\$ 164,000	Fund 61	\$ 2,604
Total	599,156	541,341	57,815	1	214,000	214,001		57,814

(c) *Drawdown on Reserve.* The Annual Roadway Rehabilitation and Mission Road Improvement projects require a transfer of \$55,000 from the Capital Reserve Fund (31) to Street Capital Fund (32). The City Council hereby orders and approves the drawdown on reserve and approves this change to amend the Fiscal Year 2021-2022 Capital Improvement Budget.

Certification of Adoption

I certify that the foregoing Resolution No. 2022-## was duly adopted at a regular meeting of the City Council of the Town of Colma held on January 26, 2022, by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fisicaro, Mayor					
Raquel "Rae" Gonzalez					
Joanne F. del Rosario					
John Irish Goodwin					
Diana Colvin					
<i>Voting Tally</i>					

Dated _____

Helen Fisicaro, Mayor

Attest: _____

Caitlin Corley, City Clerk