



Staff Report

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Honorable Mayor and Members of the Hermosa Beach City Council
Study Session of April 21, 2022

FISCAL YEAR 2022-23
CAPITAL IMPROVEMENT PROGRAM STUDY SESSION
(Public Works Director Joe SanClemente)

Recommended Action:

Staff recommends City Council receive an update and discuss the following topics related to the Capital Improvement Program (CIP):

1. Capital Improvement Program in FY 2021-22;
2. Snapshot: FY 2021-22 CIP Program Status;
3. Capital Improvement Program in FY 2022-23; and
4. Looking Ahead.

Executive Summary:

As part of the annual budget process, a study session is held to provide an opportunity for City Council and staff to discuss the status of the current fiscal year CIP and the proposed CIP budget for next fiscal year. Final approval of the proposed CIP budget and associated funding is handled through the budget adoption process.

Background:

The study session format provides an opportunity for City Council and the community to discuss and provide feedback on the new or updated projects proposed for inclusion in the Fiscal Year 2022-23 Capital Improvement Program. Project discussions assist staff in refining individual project scopes and funding allocations where needed.

Discussion:

The Capital Improvement Program Study Session will include a staff presentation outlining the status and next steps for the City of Hermosa Beach Capital Improvement Program. The PowerPoint Presentation is provided in **Attachment 1**.

In total, the proposed FY 2022-23 CIP Budget includes 50 projects or studies of which 37 are projects carried over from FY 2021-2022 and 13 are new proposed projects. The new projects, and other recommended budget adjustments, would increase the CIP by \$10,599,177 (**Attachment 2**). At this time, \$2,277,566 remains unfunded in the Capital Improvement Fund as staff is still working through

the overall budget proposal. As part of the CIP, staff is requesting additional engineering staff to assist with the existing backlog of CIP projects, non-CIP project efforts, and new project requests. **Attachment 2** summarizes the funding allocations for the proposed additional staff, by funding source.

Attachment 3 details a tentative schedule and staffing assignments for CIP and non-CIP projects. The dates in the schedule are tentative and based on the assumption that additional staffing resources will be funded in the new budget to facilitate the design and construction of CIPs. The project schedules are also subject to change as a result of unplanned work, unexpected project delays, permitting delays from outside agencies, and as other priorities are identified through the year. For further reference, the status of current FY 2021-22 CIP projects is provided in **Attachment 4**.

The CIP is one of the many components of the City's budget and staff is working through the department budget requests and will have a full picture of available funding in advance of the budget study session. At the CIP Study Session, Council will take into consideration whether some projects should be delayed until a future fiscal year if some funding is not available in FY 2022-2023.

As a reminder to City Council and the community, there are several upcoming meetings in which the Capital Improvement Program and Preliminary 2022-23 Budget will be discussed prior to final adoption. The public is invited and encouraged to virtually participate or provide feedback in advance of each meeting:

- May 15, 2022-Posting of 2022-23 Preliminary Budget
- June 2, 2022-Study Session: 2022-23 Preliminary Budget
- June 14, 2022-Public Hearing: Adoption of 2022-23 Budget

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Governance Element

Goal 1. A high degree of transparency and integrity in the decision-making process:

Policies:

- **1.1 Open meetings.** Maintain the community's trust by holding meetings in which decisions are being made, that are open and available for all community members to attend, participate, or view remotely.
- **1.2 Strategic planning.** Regularly discuss and set priorities at the City Council and management level to prioritize work programs and staffing needs.
- **1.3 Priority-based budgeting.** Utilize priority-based budgeting to ensure funding

allocations are consistent with the priorities set by the community and City Council.

- **1.4 Consensus oriented.** Strive to utilize a consensus-oriented decision-making process.

Goal 2. The community is active and engaged in decision-making processes.

Policies:

- **2.1 Multiple outreach methods.** Consistently engage in community outreach through neighborhood forums, social media, the latest technologies, personal interaction, and other methods on a regular basis.
- **2.2 Universal outreach.** Utilize diverse methods of outreach that promote public participation and ensure Hermosa Beach events are communicated to all segments of the communities.
- **2.4 Public forums.** Host periodic public forums on issues important to the community, facilitating these forums with the purpose of guiding City policy.

Fiscal Impact:

The proposed FY 2022-23 Capital Improvement Program identifies an overall budget of \$23,452,610, including \$10,599,177 in newly requested funds for the 2022-23 Fiscal Year. The funding is allocated in the following project categories:

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| • Street + Highway Improvements: | \$4,409,500 |
| • Sewer + Storm Drain Improvements: | \$5,498,983 |
| • Park Improvements: | \$580,904 |
| • Public Building + Ground Improvements: | \$10,335,705 |
| • Studies + Needs Assessments: | \$2,276,450 |
| • Reconciliation: | \$351,068 |

Attachments:

1. FY 2022-23 CIP Study Session Presentation
2. FY 2022-23 CIP Summary Sheet
3. FY 2022-23 CIP and Non-CIP Tentative Schedules
4. FY 2021-22 CIP Status

Respectfully Submitted by: Joe SanClemente, Public Works Director

Noted for Fiscal Impact: Viki Copeland, Finance Director

Approved: Suja Lowenthal, City Manager