

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-15

Urgent  Routine

AGENDA DATE December 4, 2007

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Consideration of the County's Preliminary Capital Improvement Plan for Fiscal Year 2007-2008 - Chief Executive Office

STAFF RECOMMENDATIONS:

1. Approve the County's Fiscal Year 2007-2008 Preliminary Capital Improvement Plan.
2. Direct Staff to Submit the Preliminary Capital Improvement Plan to the County Planning Commission for findings of General Plan Consistency.
3. Authorize Staff to Proceed with all the steps necessary to prepare the Preliminary Capital Improvement Plan for the Board's final consideration and adoption.

FISCAL IMPACT:

The County's Capital Improvement Plan (CIP) Preliminary Project List includes 304 capital projects requested over the next twenty (20) year period. Capital projects include one-time expenditures for major infrastructure, facility and equipment acquisition or construction. The total preliminary cost estimate for the entire requested project list is approximately \$1.468 billion. The County's share of this total cost is projected to be approximately one billion dollars. Various other agencies will partner with the county on many projects providing the remainder of the funded needed, if all projects are to be pursued over the 20 year period. The requested projects have been categorized by Board of Supervisors' priority and by

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2007-947

On motion of Supervisor Grover, Seconded by Supervisor Mayfield  
and approved by the following vote,

Ayes: Supervisors: Mayfield, Grover, Monteith, DeMartini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

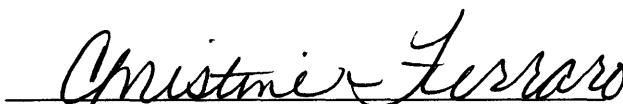
1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

(which have been approved by the Board or for which funding sources have been budgeted) equal approximately \$243.1 million<sup>1</sup>, of which the County's portion of the project costs are estimated to be \$125.4 million. Costs for the remaining projects have been estimated but the specific funding sources have not been clearly identified nor has the project feasibility been analyzed. Funding plans for many projects are suggested that use a wide variety of sources, including the use of Public Facilities Fees (PFF), State grant funding, various enterprise funds and County General funds. It is anticipated that Public Facility Fees will fund a portion of future capital projects that are required to mitigate the impacts from population growth. Other funding sources over the twenty year life of the CIP will be identified and approved by the Board prior to specific project planning and implementation. Each CIP project is considered on a project by project basis as to its impact on the County's operating budget and the County's debt burden, prior to proceeding past the initial design phases. Each individual project is presented to the Board of Supervisors for major milestone approval on a case by case basis.

**DISCUSSION:**

The Capital Improvement Plan Preliminary Project List provides a forecast of the capital expenditure needs for Stanislaus County for the next twenty years. The Project List may change from time to time based on the availability of funding, population growth, changes in County service delivery, sale and acquisition of property and the Board's priorities.

A capital project is defined as a one-time expense usually greater than \$100,000 attributable to acquisition, remodel, construction, demolition, or improvement of real property. Acquisition of vehicles, technology improvements, equipment expenditures, and major deferred maintenance are also included in a CIP. Periodic and recurring maintenance efforts are not included in the CIP.

The Preliminary CIP for Fiscal Year 2007-2008 was compiled after considerable discussion with County Department Heads, their staff and others. Also, Board priorities, and master plans previously approved by the Board were reviewed. This preliminary list of CIP projects is provided for the Board of Supervisors' consideration for inclusion in the County's Capital Improvement Plan. The project list, once finalized and adopted by the Board, is then submitted to the Stanislaus County Planning Commission for review and consideration of the projects' consistency with the County's General Plan. The final Capital Improvement Plan is then returned to the Board of Supervisors for adoption.

The Board's adoption of a CIP does not give approval or provide funding for individual projects in the CIP. Each project requires its own implementation and financing plan along with any necessary environmental impact assessment.

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<sup>1</sup> Combination of "Approved/Funded" and "Pending Implementation" projects.

**Organization of the Preliminary Capital Improvement Plan List**

The Capital Improvement Plan preliminary project list is organized by Board of Supervisors' priority and by project implementation status. Seventy-seven percent (77%) of the proposed projects (234 of 304 projects) promote the Board's priority of providing a well-planned infrastructure system; 21 projects support a safe community; 16 projects provide for a healthy community and the remaining 33 projects promote a strong local economy, a strong agricultural economy/heritage and efficient delivery of public services. Numerous projects are also partnership efforts with other agencies, jurisdictions or private entities.

The Preliminary Project List is also sorted by implementation readiness into four categories: Approved/Funded; Pending Implementation; Future Project/Master Planned; or Future Project/Pending Analysis.

CIP Implementation Categories are as follows:

**"Approved/Funded"** – Includes those projects that have either been approved by the Board or for which funding sources have been budgeted.

**"Pending Project Implementation"** – Includes those projects that have been discussed with, but not necessarily approved by, the Board of Supervisors. In some cases, projects "pending implementation" may be waiting additional funding or approval prior to proceeding.

**"Future Project - Master Planned"** – Includes those projects included in a Board approved master plan or the 1992 Public Facilities Fees Plan.

**"Future Project - Pending Analysis"** – Includes proposed projects awaiting further Board direction, further business case justification, or identification of potential funding sources.

**Projects By Board of Supervisors' Priority**

<b>Implementation Category</b>	<b>Projects</b>	<b>Total Est. Cost</b>
Approved/Funded Projects	40	\$160,230,910*
Projects Pending Implementation	75	\$82,871,510*
Future Project/Master Planned	129	\$730,832,197
Future Project/Pending Analysis	60	\$494,648,000
<b>TOTAL</b>	<b>304</b>	<b>\$1,468,582,617</b>

\* High priority projects (which have been approved by the Board or for which funding sources have been budgeted.)

**Deferred Maintenance:** Building and annual road maintenance requests are listed in the CIP appendix based on total projected needs over the next twenty years. The Fiscal Year 2007-2008 budget includes \$500,000 for deferred maintenance projects of County facilities. These projects include improvements to County structures and repaving and improvement of County parking areas. The identified needs far exceed the amount included in the budget at this time. These projects are planned to meet the cost of protecting and extending the County's fixed assets into the future.

**Unincorporated Islands:** County staff has been working with representatives from the cities of Ceres, Modesto and Turlock to develop strategies to address needed improvements to County unincorporated islands with the goal of eventual annexation. Although still in the early stages of development, it is anticipated that within the next year or two agreements can be reached with the cities for the improvement and annexation of several areas including, but not limited to, the 5th Street Island in Turlock, the Collins Area in Ceres and the Shackelford Area in Modesto. Staff is currently preparing prioritization criteria, infrastructure cost estimates, potential funding models and draft agreements. Upon completion of this analysis, each of these island areas will be established as a project for inclusion in the CIP.

### **Summary of Changes to CIP Project List for Fiscal Year 2007-2008**

Several substantial changes were incorporated into the Capital Improvement Plan (CIP) Preliminary Project List, Fiscal Year 2007-2008. Sixty-three (63) new projects were included in the Capital Improvement Plan Preliminary Project List, Fiscal Year 2007-2008. They include, but are not limited to the:

- Implementation of the Integrated County Justice Information System;
- Implementation of the Countywide Voice-Over-Internet Protocol System;
- Design and construction of the Fink Road Landfill Interior Expansion, Ash Cell 4, and Municipal Solid Waste Cell 5;
- Implementation of the Integrated Public Safety System – Computer Assisted Dispatch;
- Construction of the Geer Road Solid Waste Transfer Station;
- Improvement and/or expansion of law enforcement facilities (Riverbank Joint City-County, high-tech crimes, firearms range, and emergency vehicle operations driving course);
- Improvements to Heron Point at Woodward Reservoir Regional Park;
- Series of road improvement projects for 2008-2009 and 2009-2010 (County Overlay, Rubberized Chip Seal, Conventional Chip Overlay, Road Resurfacing);
- Expansion of Clerk-Recorder/Elections Office;

- Improvements to Claribel Road (McHenry Avenue to Oakdale Road and Coffee Road Traffic Signals);
- Implementation of the Morgan Road Operations Yard Facility Master Plan;
- Construction of the North County Transportation Corridor;
- Improvements to Parklawn Park in the South Modesto area; and
- Construction of Multi-Modal Transfer Facility and purchase of three 40-foot buses for Stanislaus Regional Transit.

Twenty-two (22) projects have been completed and were removed from the CIP, including, but not limited to the:

- Construction of the Gallo Center for the Arts;
- Construction of the 12<sup>th</sup> Steet Office Building and Parking Garage;
- Development of the Salida Community Master Plan;
- Sewer Improvements to Robertson Road Sewer Improvements;
- Construction of Keyes Storm Drain System Phase I ;
- Upgrade/Replace of Existing Computer-Aided Dispatch System;
- Installation of Traffic Signals (Geer Road at Hatch Road and State Route 132 and Albers Road);
- Widening of Sperry Avenue from Baldwin Road to Interstate 5; and
- Remodel of the Paradise Medical Office in West Modesto.

The remaining projects have been modified to reflect new cost estimates, anticipated start and completion dates, funding sources or other details. A number of projects have been started in previous years and are currently underway.

### **Operating Impact of the Capital Improvement Plan**

Stanislaus County considers each capital project in terms of its potential impact on the operating budget. Typical areas of impact include additional staffing, one-time costs not budgeted in the capital improvement plan, ongoing operations and maintenance costs and debt service payments. The planning and needs assessment process includes the initial projection of these costs, so that their impact can be part of the County's long range funding modeling process. The capital project budget for each of the County's building projects is established in the County's Capital Projects Fund with all expenditures and funding included in the project budget for the term of the actual building project which may include one or more fiscal years.

### **Stanislaus County Debt Capacity**

On June 26, 2007, the Board of Supervisors accepted the County's Financial Advisor's Review for the Stanislaus County Debt Capacity Study. This analysis outlines the county's financial position and forms the framework for future borrowing opportunities and limitations.

There are two primary factors to be considered when acquiring public debt. The first is market rating and access. The second is local budgetary constraints which include economic and financial trends.

The analysis concluded that a future borrowing of \$72 million is prudent as a result of the County's strong budget controls and current financial ratios. Also, the County has steadily increased the unreserved General Fund fund balance. There is a significant amount of offsetting revenues (42%) to fund debt service payments. The current repayment schedule will make possible pay off of approximately 65% of the County's debt in the next ten years.

An additional debt of \$72 million would result in an annual total debt service of approximately \$5.7 million annually. If revenues offsets are to remain at the same level, the annual debt payment on the new borrowing would be approximately \$3.3 million annually. A significant portion of the high-priority project needs would also be funded from Public Facilities Fees, grant funding, enterprise funds and other sources.

This is a guide to the county's future possibly financing options. Individual financing recommendations will accompany each project as well as the Capital Improvement Plan.

The preliminary Capital Improvement Plan has been reviewed with the Board of Supervisors Capital Facilities Committee comprised of Supervisors Mayfield and Grover who have recommended the plan be forwarded to the Board of Supervisors for your consideration.

#### **POLICY ISSUES:**

The Board should determine if Preliminary CIP Project List adequately addresses the County's current and future capital needs consistent with the Board's priorities, the request of County Department Heads and the need assessment of the Chief Executive Office.

#### **STAFFING IMPACT:**

There are no additional staffing impacts associated with the Board of Supervisors' approval of the Capital Improvement Plan or the Preliminary CIP Project List. Each project plan, funding plan and staffing impact will be considered by the Board of Supervisors separately prior to implementation.