

CIP Overview

Capital Improvement Program (CIP) Summary

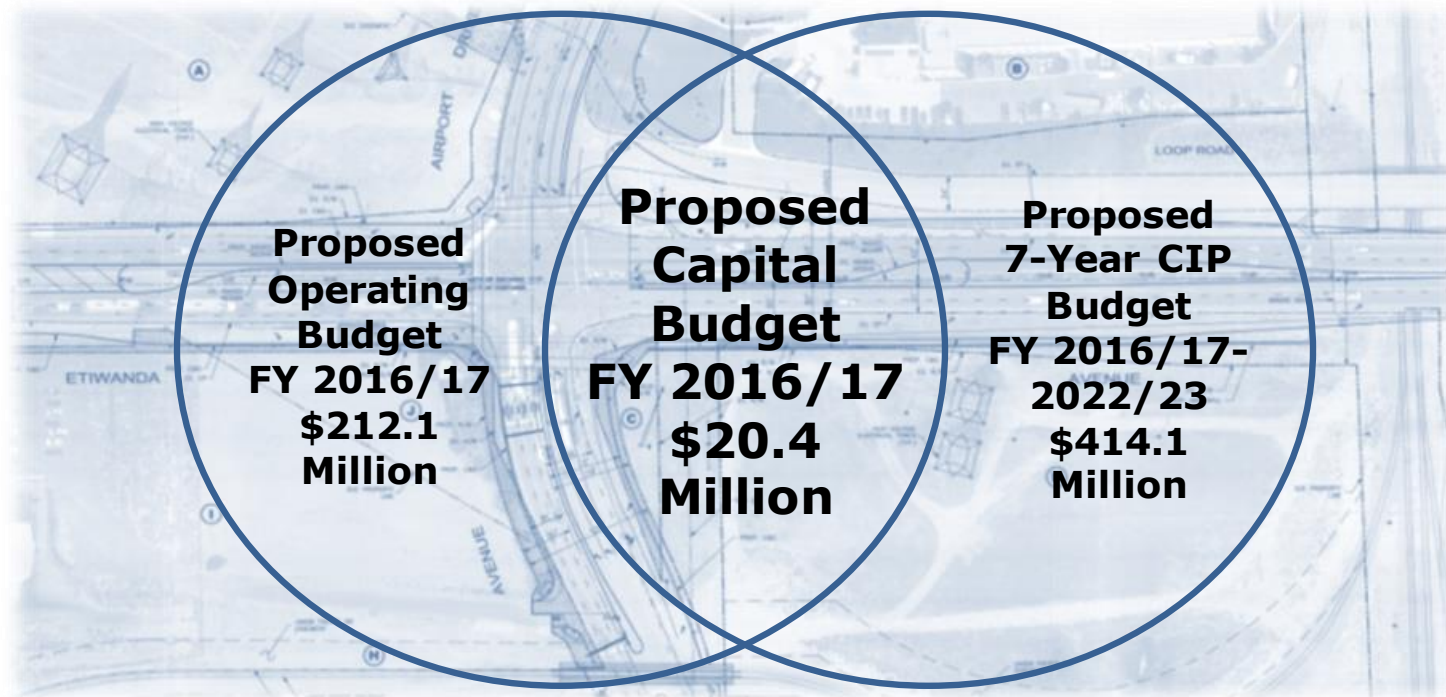
New Budget Year Activity

Seven-Year Plan

Capital Improvement Program (CIP) Summary

Government Code Section 66002 requires local agencies that have developed a fee program to adopt a Capital Improvement Program (CIP) indicating the approximate location, size, timing and cost estimate of all facilities or improvements to be financed by fees. The City of Fontana has such a fee program and is presenting this Seven-Year Capital Improvement Program (CIP) Budget document as an update of the infrastructure needs for the future.

The CIP is a separate document that is annually brought to the City Council for consideration. This document matches funding sources with capital expenditures over a seven-year schedule. The purpose of the CIP is to serve as a planning tool which coordinates the financing and scheduling of major projects undertaken by the City. The CIP has been prepared in accordance with generally accepted accounting principles (GAAP). This document is dynamic and, consequently, must be revised annually to address changing needs, priorities and financial conditions. The current year of the CIP is the funded portion and is referred to as the Capital Budget.



CIP Overview

Fiscal Year 2016/2017

A capital project involves the purchase or construction of major fixed assets such as land, buildings or permanent improvements including additions, replacements and major alterations having a long life expectancy. Generally, only those items costing \$10,000 or more are considered capital projects, and are divided into nine categories as follows:

- Flood Control & Storm Drain
- Major Corridor/Interchanges
- Open Space and Recreation
- Other Capital Project Improvements
- Public Buildings
- Sewer
- Streets
- Technology
- Traffic

Within the CIP, projects have been separated into the following project priorities:

- Priority 1:** Project is **essential** and should be started within the year.
- Priority 2:** Project is **necessary** and should be started within 1 to 3 years.
- Priority 3:** Project is **desirable** and should be started within 3 to 5 years.
- Priority 4:** Project is **deferrable** due to lack of funding or other reasons and is scheduled to start within 5 to 10 years.

Each project in the CIP has been assigned a unique identification number that will remain with the project throughout its life. The project identification number allows the City Council to track and monitor project status over multiple years.

Operating & Maintenance Cost Impacts

Projects in the CIP can have long-term impacts on the annual operating budget of the City. When a project is constructed that requires new or increased maintenance by the City, funds must be budgeted to cover these costs. Operating and maintenance costs can include labor, materials, equipment and utilities, as well as contracted cost for services. While these costs vary depending upon the specific project, listed below is the annual average cost per service for various operating and maintenance expenditures:

Street maintenance	\$3,200 per lane mile
Street sweeping	\$507 per lane mile
Facilities operation/maintenance	\$10.60 per square foot
Traffic signals	\$3,000 per signalized intersection
Parks maintenance	\$20,000 per acre

The funding sources to cover these operating/maintenance costs include:

- General Fund
- Facility Maintenance Fund
- Traffic Safety Fund
- Gas Tax Fund
- Landscape Maintenance Districts (LMDs)
- Community Facilities Districts (CFDs)

CIP Overview

Fiscal Year 2016/2017

New Budget Year Activity

As presented in the Operating Budget for Fiscal Year 2016-17, the new capital improvement project funding totals \$20.35 million for all categories of capital improvement projects reported by various City departments. This amount represents funding for both new and ongoing projects from a variety of funding sources. The following charts summarize the new budget year activity by project and funding source.

Projects	Amount (in thousands)
New Projects	
Etiwanda at Slover Intersection	\$6,000
Miller Park Amphitheater	5,080
Ralph M. Lewis Sports Park Lighting	500
Juniper Avenue at Metrolink Crossing	750
Sierra Avenue at Metrolink Crossing	500
Various Traffic Signals	675
Ongoing Projects	
Pavement Rehabilitation	5,700
Hardware Replacement Program	846
Sawtooth/Concrete	300
Total	\$20,351

Funding Source	Amount (in thousands)
Other General Funds	
102 City Technology	\$846
Special Revenue Funds	
245 Measure I Reimb 2010-2040	4,074
246 Measure I Local 2010-2040	1,925
281 Gas Tax (TCR replacement)	1,000
282 Solid Waste Mitigation	2,000
362 Community Development Block Grant	880
Capital Project Funds	
601 Capital Reinvestment	3,000
630 Circulation Mitigation	1,926
635 Parks Development	4,700
Total	\$20,351

Many projects are related to maintenance for and replacement of existing City facilities and infrastructure such as street and utility improvements or facility repairs and enhancements. These types of projects do not create significant budgetary impacts. Many of the smaller budgeted projects are components and cyclical replacement programs and also do not create significant budgetary impacts.

The potential budgetary impact of any proposed capital project is carefully considered as part of the capital improvement program review process. The recurring budgetary impact of a capital project is the anticipated project-related increase to the City's budget in the first fiscal year following completion of the project. These expenditures include additional personnel, operations and maintenance expenditures, recurring capital outlays and capital debt service. For example, a new community center will likely require additional staff as well as funding for utilities, maintenance and other similar costs.

Annual operating costs for these projects to be included in the FY 2016-17 Operating Budget will be approximately \$7,000.



Miller Park Amphitheater

This project is located at the northwest corner of Miller Park and will consist of an amphitheater and a 2,000 square foot stage with integrated storage facility including electrical, water and sewer services. The project area of two acres will provide turf grass performance viewing area with berms for elevated viewing, concrete walkways and dance floor, decomposed granite vendor areas and a decorative water feature.

Construction is estimated to begin in January 2017. The estimated completion date is June 2018.

FY 2016-17 funding:

\$5.08 million total funding

\$4.20 million from the Parks Development Fund #635

\$0.88 million from the Community Development Block Grant Fund #362

Etiwanda at Slover Intersection

This project consists of street widening and traffic signal modifications at Slover Avenue/Airport Drive and Etiwanda Avenue to include improved curb returns, additional turn lanes, associated storm drain facilities, rail crossing upgrades, and required signing and striping modifications. It will improve overall traffic circulation and capacity at the intersection of Etiwanda Avenue and Slover Avenue. Construction is estimated to begin in February 2017 and be completed in January 2018.

FY 2016-17 funding:

\$6.00 million total funding

\$4.07 million from Measure I Reimb 2010-2040 Fund #245

\$1.93 million from Circulation Mitigation Fund #630

Ralph M. Lewis Sports Park Lighting

This project will replace the sports field lighting fixtures. It is scheduled to begin in September 2016 and be completed by December 2016.

FY 2016-17 funding:

\$0.50 million from Parks Development Fund #635



CIP Overview

Fiscal Year 2016/2017

Pavement Rehabilitation

This project receives an annual allotment which varies depending on the availability of funds for ongoing work. Work typically occurs between May and October each year and includes street overlay and rehabilitation in various locations in the City. The City maintains a computerized pavement management system which is used to determine the priority for street projects.

FY 2016-17 funding:

\$5.70 million total funding

\$1.00 million from the Gas Tax Fund #281

\$2.00 million from the Solid Waste Mitigation Fund #282

\$2.70 million from the Capital Reinvestment Fund #601



Juniper Avenue at Metrolink Crossing

This project will construct six-foot wide sidewalks, curb and gutter on both sides of Juniper Avenue at the Metrolink Crossing. It will also install pedestrian crossing gates, arms and swing gates and will increase accessibility for pedestrian foot traffic. Construction is scheduled to start in May 2017 and be completed in July 2017.

FY 2016-17 funding:

\$0.75 million funding from Measure I Local 2010-2040 Fund #246

Sierra Avenue at Metrolink Crossing

This project will construct six-foot wide sidewalks, curb and gutter on both sides of Sierra Avenue at the Metrolink Crossing. It will also install pedestrian crossing gates, arms and swing gates and will increase accessibility for pedestrian foot traffic. Construction is scheduled to start in May 2017 and be completed in July 2017.

FY 2016-17 funding:

\$0.50 million funding from Measure I Local 2010-2040 Fund #246



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Fiscal Year 2016/2017

Street and Sidewalk Installation

This project receives an annual allotment which varies depending on the availability of funds for ongoing work. To install missing curb, gutter and sidewalks in all areas of the City to increase mobility and improve safety for pedestrian traffic.

FY 2016-17 funding:
\$0.30 million funding from Capital Reinvestment Fund #601

Various Traffic Signal Projects

New traffic signals will be installed at the following intersections to improve safety and circulation:

- \$150,000 Merrill Avenue and Oleander Avenue/Fontana Avenue
- \$80,000 Randall Avenue and Juniper Avenue
- \$225,000 Sierra Avenue and Riverside Avenue
- \$40,000 Valley Boulevard and Almond Avenue
- \$55,000 Valley Boulevard and Oleander Avenue
- \$125,000 Victoria Avenue and Cherry Avenue

FY 2016-17 funding:
\$0.68 million from Measure I Local 2010-2040 Fund #246



Hardware Replacement Program

This represents additional funding for an existing project to replace computers, servers, network equipment, etc. throughout the City as need on an ongoing basis. This project gets a periodic allotment which varies based on an annual inventory of technology equipment and warranty expiration dates.

FY 2016-17 funding:
\$0.85 million from City Technology Fund #102

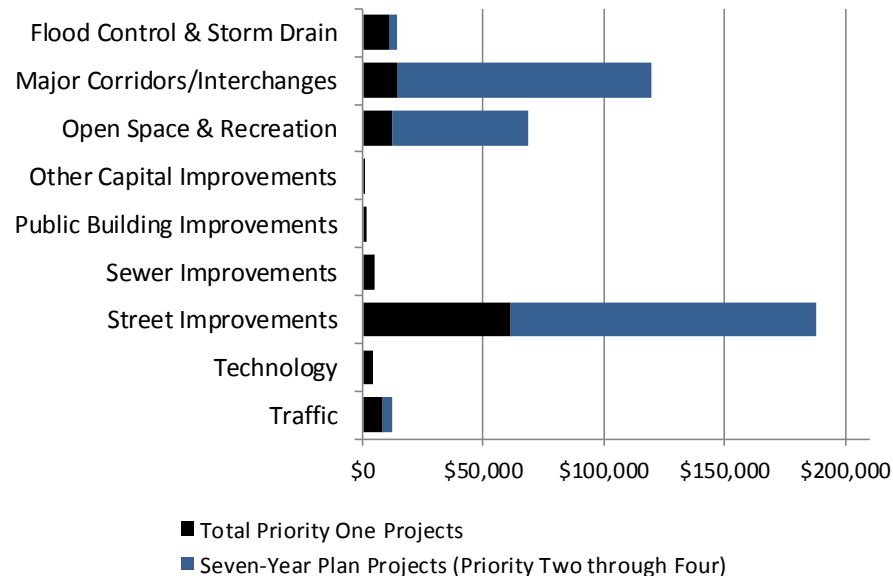
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Fiscal Year 2016/2017

Seven-Year Plan

The Seven-Year Plan totals \$414 million for 107 projects for all categories reported by various City Departments. There are 44 projects classified as Priority One projects with a total cost of \$118 million. Of that amount, future funding has been identified for \$94 million, and the remaining \$24 million is considered unfunded at this time and may be funded by other agencies.

It was expected that a significant portion of the unfunded amount would be funded by the Redevelopment Agency. As a result of the elimination of redevelopment agencies as of February 1, 2012, the City is now working toward identifying alternative funding sources for those projects. In the interim, several of the City's priority one projects have been placed on hold.



Total Seven-Year Plan Projects

# of Projects	CIP Category	Amount (in thousands)
7	Flood Control & Storm Drain	\$ 13,932
10	Major Corridors/Interchanges	119,447
14	Open Space & Recreation	68,779
1	Other Capital Improvements	179
2	Public Building Improvements	1,915
2	Sewer Improvements	4,787
44	Street Improvements	188,125
1	Technology	4,390
26	Traffic	12,584
107	Total	\$ 414,138

Total Priority One Projects

# of Projects	CIP Category	Amount (in thousands)
5	Flood Control & Storm Drain	\$ 10,803
2	Major Corridors/Interchanges	14,028
3	Open Space & Recreation	12,119
1	Other Capital Improvements	179
2	Public Building Improvements	1,915
2	Sewer Improvements	4,787
11	Street Improvements	61,570
1	Technology	4,390
17	Traffic	8,384
44	Total	\$ 118,175

CIP Overview

Fiscal Year 2016/2017

Schedule of Capital Expenditures by Category by Fiscal Year (in thousands)

Category	Completed	Carryover Funding	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Beyond	Total
Flood control & storm drain	\$7,295	\$3,519	\$-	\$-	\$-	\$-	\$-	\$-	\$3,118	\$-	\$13,932
Major corridors/ interchanges	1,716	6,028	6,000	2,000	9,843	7,540	1,850	6,350	78,120	-	119,447
Open space & recreation	6,225	5,156	5,580	880	-	-	-	-	-	50,938	68,779
Other capital improvements	-	179	-	-	-	-	-	-	-	-	179
Public building improvements	620	1,295	-	-	-	-	-	-	-	-	1,915
Sewer improvements	2,640	1,257	-	370	-	520	-	-	-	-	4,787
Street improvements	4,153	10,624	7,250	26,307	5,901	13,425	4,500	57,344	54,121	4,500	188,125
Technology	113	418	846	361	1,102	310	310	310	310	310	4,390
Traffic	643	7,066	675	1,900	900	1,400	-	-	-	-	12,584
Total	\$23,405	\$35,542	\$20,351	\$31,818	\$17,746	\$23,195	\$6,660	\$64,004	\$135,669	\$55,748	\$414,138