



AGENDA REPORT

City Council

MEETING DATE: November 16, 2022

PREPARED BY: Pamela Antil
City Manager

COUNCIL MEMBERS: Joy Lyndes
Joe Mosca

DEPARTMENT: City Manager

CITY MANAGER: Pamela Antil

SUBJECT:

Creation of a community Infrastructure Task Force (ITF)

RECOMMENDED ACTION:

The infrastructure subcommittee (Lyndes and Mosca) recommend that the City Council proceed with the formation of a one-year community task force to evaluate the City's infrastructure (roads, bridges, facilities, etc.) backlog, prioritization, and anticipated financial needs and opportunities for funding for future infrastructure.

ENVIRONMENTAL CONSIDERATIONS:

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a "project" under Section 15378(b)(5) of CEQA Guidelines. Today's action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change to the environment.

This item is not related to the Climate Action Plan.

BACKGROUND:

The Capital Improvement Program (CIP) represents any project that is over \$100,000 and has a useful life of five years or more. Examples include roads and sidewalks, trails, buffered bike lanes, buildings such as the library, marine safety center, city hall, and fire stations. All of these affect the quality of life in Encinitas. The city is tasked with ensuring that there is adequate infrastructure added where needed and upgrading older infrastructure.

The City typically adopts a six-year CIP that is funded with multiple restricted funding sources, as well as from the General Fund. Unlike the City's operating budget, capital projects have assigned budget amounts that are not tied to a single fiscal year. Some projects may take several years of funding to complete.

The City has routinely transferred General Fund dollars to supplement the CIP to address and fund critical infrastructure needs in the City. Unfortunately, as is true for most cities across the nation, the amount available each year is insufficient to cover the costs of new infrastructure projects and updates to older, failing infrastructure (roads, bridges, facilities, etc.). The Council discussed this issue during budget deliberations and identified Council Members Mosca and Lyndes to serve on a subcommittee tasked with outlining a meeting structure for a Task Force to address the gap between CIP needs and estimated funding available over the next 10 years.

The Council Subcommittee identified a draft mission and overarching goals for the ITF:

1. Identify the City's capital improvement backlog and future needs for the 2025 to 2035 timeframe.
2. Define criteria and clarify processes for identifying and prioritizing future city CIP needs, projects, and funding opportunities.
3. Ensure that the CIP program and prioritization is linked to the City's policies and planning priorities.
4. Ensure transparency in communications about infrastructure needs, challenges, and the work of the ITF.
5. Make recommendations regarding funding the City's infrastructure backlog at the conclusion task force work.

DISCUSSION

Scope of Work

The Council Subcommittee identified a draft scope of work for the ITF to consider as presented by appropriate City staff:

1. Identify the City's infrastructure backlog, future needs, and what criteria should be used to prioritize the needs identified.
2. Estimate total cost of the infrastructure backlog including likely escalation in City project construction estimates and budgets, as well as increases in the cost of labor, equipment, and materials due to continuing price changes over time.
3. Estimate cost of a ten-year infrastructure future forecast (beyond the backlog) including likely escalation in City project construction estimates and budgets, as well as increases in the cost of labor, equipment, and materials due to continuing price changes over time.
4. Make recommendations that address funding the infrastructure backlog and 10-year future forecast at the conclusion of the ITF meetings in early 2024 considering:
 - Public/private development partners.
 - Public agency partners (State, Federal, Regional grant funding).
 - Potential financing measures.
 - Optimizing and leveraging existing city and partner investments for matching funds, and/or
 - Other funding mechanism (assessment district, etc.).
5. Determine if the City's infrastructure needs can be prioritized, financed, and effectively implemented given current staff resources.

Task Force Deliverables and Schedule

It is recommended that the ITF be selected by January to begin this work. The ITF would meet bi-monthly from January 2023 through January 2024, culminating in a final report with recommendations and presentation to Council in February or March 2024. An interim discussion with Council would occur at the approximately halfway mark of the Task Force after infrastructure needs analysis is complete and presented to task force and Council.

Topics presented by internal and consulting staff will include:

- General Overview
 - Meeting housekeeping (Brown Act, meeting schedule, etc.)
 - Why there is an infrastructure backlog
 - Role and responsibilities of ITF
 - Infrastructure Needs Analysis

Topics presented by internal and consulting staff (continued):

- Finance Framework - Expenditures
 - Municipal finance and budget overview
 - Long range financial forecast
- Finance Framework – Revenues
 - Grants – Federal, State, Regional
 - General Fund
 - Enterprise Fund
- Infrastructure Framework - Categories
 - Catch-up, keep-up, and other needed improvements
 - Above Ground
 - Below Ground
 - City Facilities
 - Enterprise Facilities
- Infrastructure Needs Assessment Results – Outside consulting firm
- Infrastructure - Prioritization
- Finance Framework – Options for Funding Gap
- ITF Findings and Recommendations
- ITF Presentation to City Council

Task Force Structure and Appointment Methodology

After some discussion, the Subcommittee recommends a total ITF membership of seven (7) community members based on the following structure (members may represent more than one group as outline below):

1. One member from each Council District for a total of four (4) members
2. Three (3) at-large members
3. The seven (7) members shall be a combination of backgrounds and experience and Council will strive to include at least:
 - Two women
 - One person of color
 - At least one person who rents their residence
 - A least one person from a city business group/association
 - At least one person with expertise in mobility – cycling, walking, etc.
 - At least one person with technical expertise in finance/accounting
 - At least one person with technical expertise in construction, transportation planning, or civil engineering

The ITF will be Council appointed and therefore, will be subject to the Brown Act and financial disclosure rules (FPPC Form 700 rules). The City Clerk's Office will conduct the recruitment in a manner like traditional Board and Commission recruitments.

FISCAL CONSIDERATIONS:

As mentioned above, the formation of an Infrastructure Task Force (ITF) will require a significant allocation of staff resources and support. In addition, there may be other resources necessary to support the work of the ITF, such as engineering consultants, cost estimators, and outreach/polling consultants among others. Staff will identify these resource needs and work to address them either through existing staff channels or by returning to Council for an appropriation request.

The Subcommittee made a point of emphasizing the importance of this issue and the need to spend the time to design a structure that will be effective and maximize the resources necessary

to accomplish the goal of completing the analysis within a one-year time frame. The City Manager wholeheartedly endorses this sentiment and will ensure that staff resources be appropriately reallocated towards this critical issue.

If the ITF recommends that the Council proceed with a funding mechanism that would need ballot approval, there are numerous direct and indirect costs associated with preparing for an election. Staff would recommend that the ITF have, as part of its direction from Council, the task of identifying and quantifying these resource needs in partnership with staff.

EQUITY IMPACT

Per the recommendations of the Equity & Inclusion Task Force, diversity requirements have been included in the requirements for service on this newly created task force.

ATTACHMENTS:

None