

May 24, 2016

Honorable Mayor and City Council:

This letter serves to transmit the FY 2017 – FY 2026 Capital Improvement Program (CIP) for your consideration. The FY 2017 CIP is a one-year budget consistent with the City's operating budget.

In May, the Council Finance and Budget Committee will review this document and provide comments and the Planning Commission will review the document for conformance with the City's General Plan.

CIP OVERVIEW AND PROCESS:

The CIP is a planning document for the upcoming ten-year period, and is a separate and distinct document from the City's operating budget. The CIP contains revenue and expenditure estimates for public infrastructure projects (street construction and improvements, sewer and water systems upgrades, and storm drains), seismic retrofitting of public facilities, public buildings, airport projects, replacement of major equipment, and other miscellaneous projects. The CIP does not actually fund projects; a capital budget is adopted annually by the City Council to authorize spending on the projects represented in the CIP.



During a comprehensive CIP process, revenue estimates are projected by staff, and capital project funding requests are submitted by City departments for evaluation by an internal capital infrastructure review committee. The recommended Ten-Year Capital Improvement Program is compiled and presented to the Planning Commission for conformance with the General Plan, to the City Council Budget and Finance Committee for preliminary review and then to the full Council at a work session. A public hearing at which the public is invited to comment on the proposals in the CIP is conducted at the same time as the operating budget public hearing. The capital spending plan for the upcoming year is adopted by the Council by resolution along with the operating budget. Capital projects are budgeted on a life-to-date basis, and modifications are made to the CIP when additional funds become available or expenditure projections are refined.

CIP FUNDING

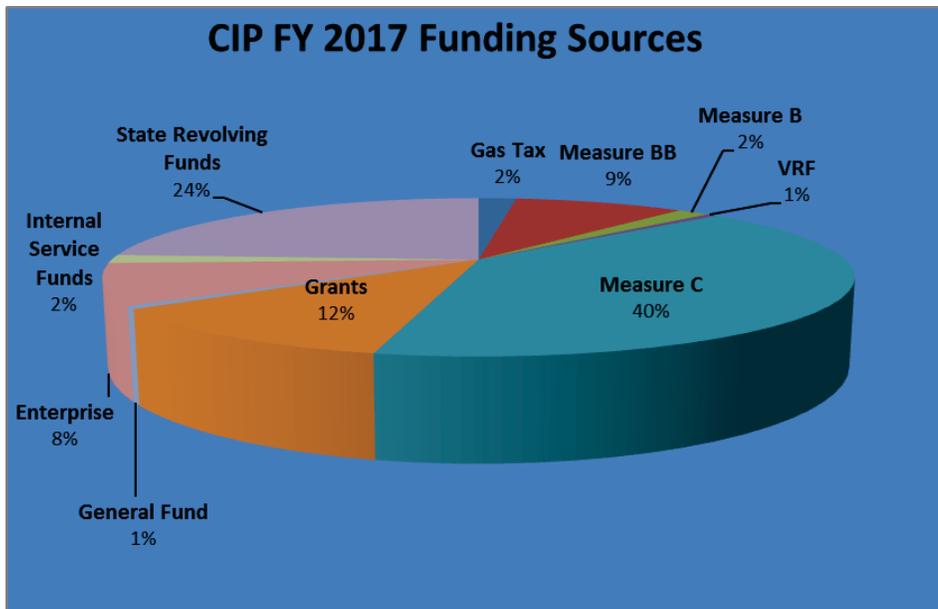
The City of Hayward's capital program is supported through a variety of funding sources. A large portion of the projects in the CIP are in restricted-use funds, such as the Gas Tax, Measure B, Measure BB, Measure C and enterprise (e.g., Sewer, Water, and Airport) funds. In years in which the General Fund is able to support capital projects, it provides a source of revenue for general capital needs. In addition, City staff has been successful in recent years in obtaining capital projects financing from outside funding sources such as state and federal grant programs.



The Capital Improvement Program contains twenty funds in which projects are funded and programmed: Gas Tax (210), Measure B - Local Transportation (215), Measure B - Pedestrian & Bicycle (216), Measure BB – Local Transportation (212), Measure BB – Pedestrian & Bicycle (213), Vehicle Registration Fee (218), Capital Projects - Governmental (405), Measure C Capital (406), Route 238 Corridor Improvement (410), Street System Improvement (450), Transportation System Improvement (460), Water Replacement (603), Water Improvement (604), Sewer Replacement (611), Sewer Improvement (612), Airport Capital (621), Facilities Capital (726), Information Technology Capital (731), Fleet Management Capital (736), and Fleet Management Enterprise (737).

FY 2017 PROJECT EXPENDITURES

The capital budget for FY 2017 totals about \$190 million, with approximately \$517 million tentatively programmed for the period FY 2017 through FY 2026; and an additional \$370 million of unfunded needs identified for the same period. CIP Project areas include: Livable Neighborhoods, Road and Street Projects, Building/Misc Projects, Fleet Management, Landscaping and Parks, Equipment, Water System Projects, Sewer System Projects, and Airport Projects. Beginning in FY 2016 and continuing in FY 2017, the CIP emphasizes updating and improving the City’s infrastructure.

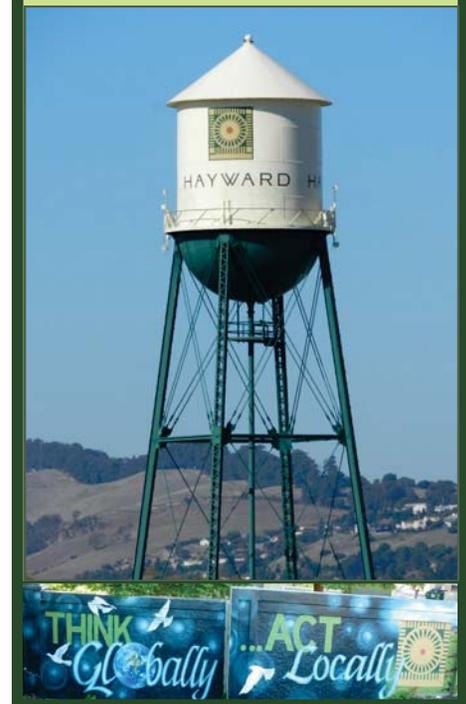


The most highly anticipated project will occur in FY 2017 with the majority of construction of the 21st Century Library and Community Learning Center and the Heritage Plaza Arboretum. This project, along with safety-related improvements to many of the fire stations and additional pavement improvements, is supported through Measure C.

Consistent with the priorities established by Council, this CIP makes an effort to address many of the issues raised at Neighborhood Partnership meetings, such as new speed control measures, improved lighting, and graffiti. Such efforts will continue into FY 2017; however, the amount and flexibility of funds available to address all neighborhood concerns continues to be less than needed.

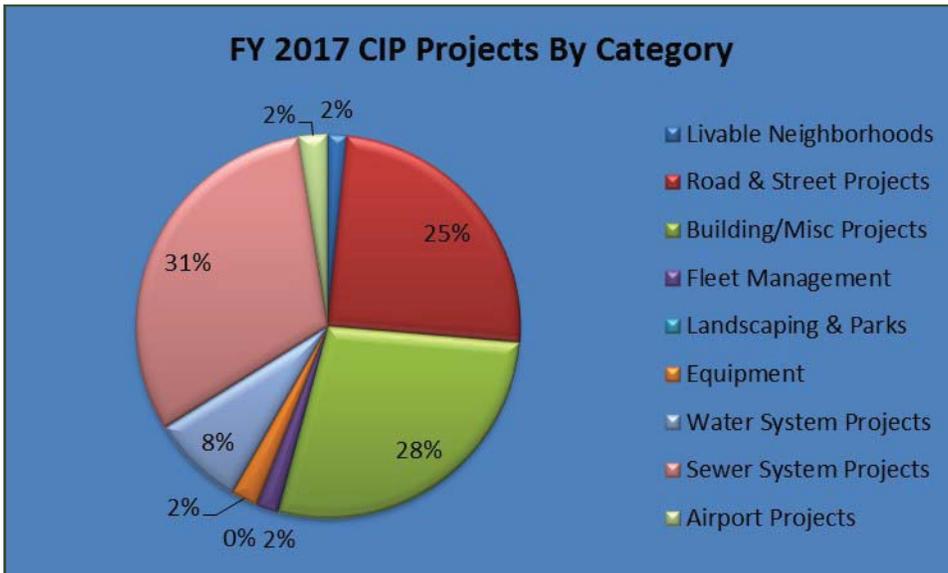
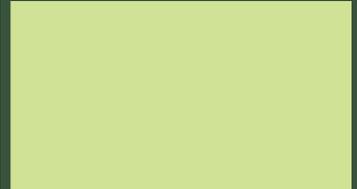
The FY 2017—FY 2026 CIP continues to highlight the Council priority of improving the City’s appearance wherever possible. One series of projects serves to

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support that priority through the beautification and improvement of landscaping along key thoroughfares throughout the City, while still observing the fact that California is slowly recovering from an extended drought. Another major project is the painting of murals in the downtown area and along Foothill and Mission Boulevards to prevent graffiti; this effort will continue as funds allow. Over the life of the proposed CIP, three separate projects will provide landscaping improvements along; (1) Hesperian Boulevard (from Winton Avenue to Chabot Court) in FY 2017; (2) Hesperian Boulevard (from West A Street to Winton Avenue) in FY 2019; and (3) Industrial Boulevard (from Highway 92 to Arf Avenue) in FY 2020. As noted earlier, any new proposed landscaping or landscape renovation will be done in accordance with the Bay-Friendly landscaping standards and in accordance with the state requirements related to emergency water shortage regulations.



Major new project expenditures in the FY17 capital budget by funding area include the following:

◆ Pavement Reconstruction FY17, Measure BB (212)	2,100,000
◆ Mission Blvd. Improvement Phs. 3, Design & Construct Measure BB (212)	8,500,000
◆ Pavement Rehabilitation FY17, Measure B (215)	2,275,000
◆ Utility Center Renovation/Training Center Addition (2 nd Floor) (604)	3,000,000
◆ Sewer Main Replacements – Various Locations (611)	2,620,000
◆ WPCF Sludge Screening (612)	2,370,000
◆ WPCF New Operations Building (612)	5,600,000
◆ WPCF Replacement and Relocation of EBDA Pump Station (612)	1,000,000

Major continuing project expenditures in the FY17 capital budget include the following:

◆ Pavement Rehabilitation FY16 (210)	2,000,000
◆ Pavement Reconstruction FY16 (215)	1,000,000
◆ Pavement Rehabilitation Measure B FY16 (215)	3,600,000
◆ 21 st Century Library & Community Learning Center Construction Measure C (406)	41,230,000
◆ Pavement Rehabilitation Measure C (406)	11,500,000
◆ Improvements to Fire Stations Nos. 1-6, Measure C (406)	11,350,000
◆ Fire Station No. 6 New Training Center (406)	7,000,000



◆ Route 238 Corridor Improvement, Phase 2 Construction (410)	15,900,000
◆ 880/92 Reliever Route Project (450)	2,600,000
◆ Pavement Reconstruction FY16 (450)	2,200,000
◆ 750' Reservoir Inspection and Repair (603)	1,300,000
◆ New 0.75MG Tank, Pumps, and generator at Garin Reservoir (604)	2,500,000
◆ Solar Power at Various Water Facilities (604)	3,000,000
◆ WPCF Headworks Wetwell Concrete Evaluation, Repair & Coating (611)	1,100,000
◆ WPCF Admin. Building Renovation and Addition (612)	3,000,000
◆ Replacement and Relocation of EBDA Pump Station (612)	1,000,000
◆ Recycled Water Treatment and Distribution Facilities (612)	9,600,000
◆ Pavement Rehabilitation – Runways 28L/10R (621)	2,800,000

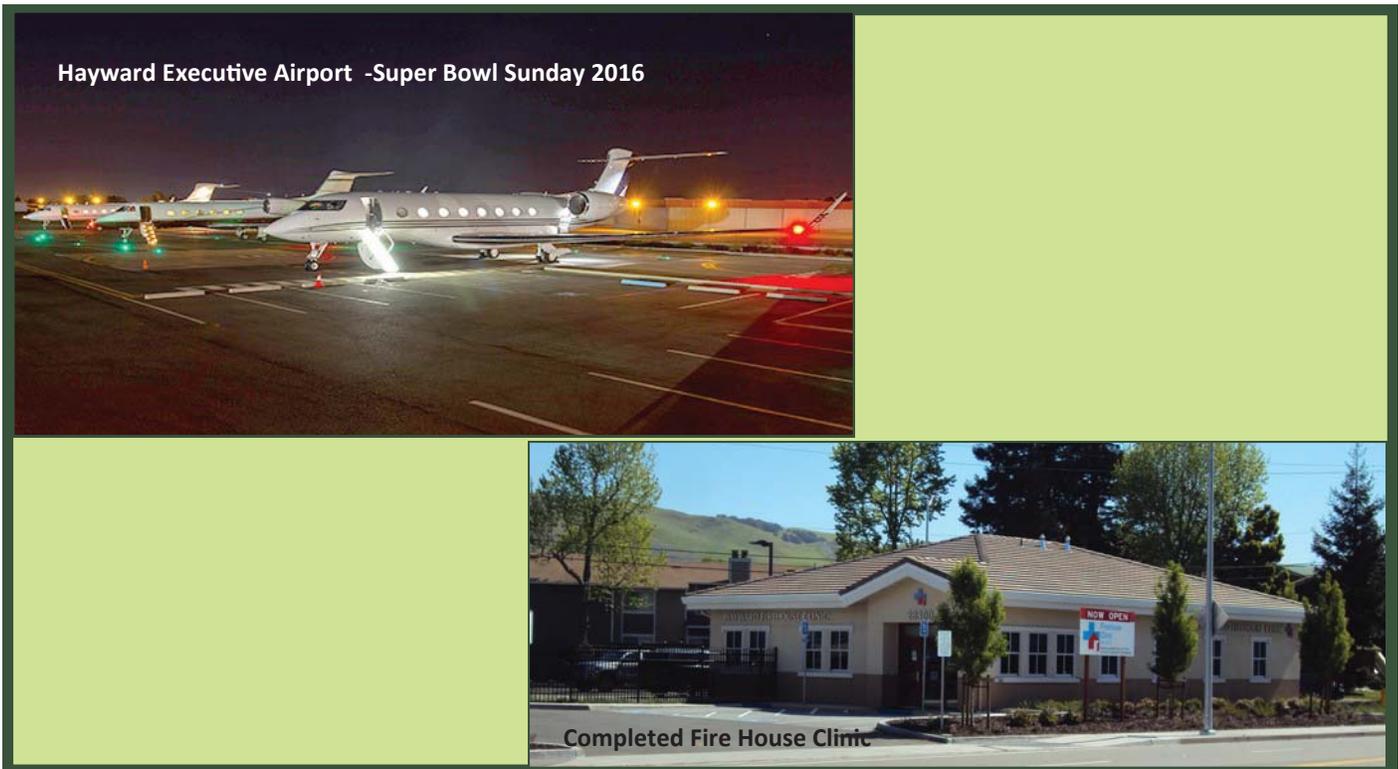
Key Projects

21st Century Library and Community Learning Center and Heritage Plaza Arboretum

Construction commenced during January 2016. The Library and Community Learning Center is expected to be completed in summer 2017 and the Heritage Plaza Arboretum in early 2018.

Fire Station Improvements

In addition to the new Fire Station No. 7 and Firehouse Clinic project completed in FY 2016, several other improvements are planned for various fire stations over the next three to five years. The most significant portion of the improvements pertains to rehabilitation and modernization of Fire Station Nos. 1-6, including updated infrastructure, improved livability, and a reduced environmental footprint at each. An estimated total cost for the needed improvements is approximately \$11.3 million in FY 2017 and \$3.7 million in FY18. Another major project involves the building of a new training center at Fire Station No. 6. This much needed improvement is estimated to cost an additional \$7 million in FY 2017 with a total cost of \$21.3 million if completely designed as a regional training center.





Streets and Roads

With the assistance of Federal, State, and local funding, the City was able to complete work on several larger-scale projects associated with pavement rehabilitation during FY 2017.

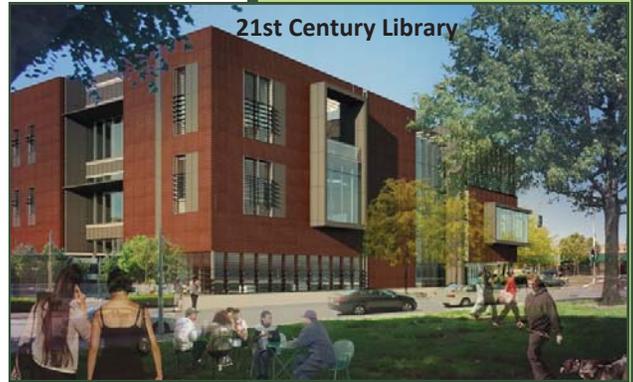
The approval of Measure C has made additional funds available to the City’s Street Pavement Management Program, which is over and above funds the City receives annually from Measure B, Measure BB, Gas Tax, Vehicle Registration Fees, and funds from the Street System Improvements Fund. This has allowed the City to engage in the largest street pavement improvement program in the City’s recent history, and provided the opportunity to improve more of the City’s streets network. It is worth noting that this major increase in pavement-related funding is directly attributable to the passage of both the City’s Measure C and the County’s Measure BB sales tax measures; Measure C will provide additional one-time funding of \$12 million while Measure BB will provide more than \$2 million more per year of pavement-related funding. With this total funding, it is anticipated that more than 21.9 lane miles of city streets will be slurry sealed and an additional 16.1 lane miles rehabilitated or reconstructed. This will help improve our citywide PCI from 66 to 68.

The most critical new roadway project continues to be the 880/92 Reliever Route project, which includes construction of the Whitesell Street extension and improvements along the Winton Avenue corridor. Construction started in May 2015. As noted in prior staff reports on this item, most of the cost associated with the design and construction of the Reliever Route project will be reimbursed from Measure B funds through the Alameda County Transportation Commission (Alameda CTC). Additional funds for the project, if necessary, will be drawn from other non-general fund sources in the CIP.

Besides repairing streets and roads, the City has been aggressively upgrading its series of municipal parking lots. Such efforts will continue with an additional two lots to be repaired within the next three years; Municipal Lot 1 (located on Mission Blvd between A Street and B Street) in FY 2017; and Municipal Lot 7 (located on Mission Blvd. between B Street and C Street) in FY 2018. This schedule exceeds the Council-established goal of one parking lot every other year.

Livable Neighborhoods

City staff continues to focus efforts on supporting livable neighborhoods through the evaluation, design, and construction/ improvement of sidewalks and wheelchair ramps throughout the City. For FY 2017, sidewalks will be targeted in Districts 2 and 3 for a cost of approximately \$900,000. In addition, the design and construction of new sidewalks along Walpert Street will begin. The project is expected to cost approximately \$800,000. Districts 6 and 9 will be targeted for wheelchair ramps in FY 2017.



21st Century Library



Fire Station No. 7



Street paving

As noted earlier, the mural program will continue to be funded for the foreseeable future. An additional \$68,000 has been budgeted for FY 2016 to continue this highly visible and successful anti-graffiti effort.

In addition to the above, staff will be completing four transportation studies listed below:

Comprehensive Transportation Plans – The first of these critical studies will evaluate and prioritize needed safety and pedestrian improvements at major intersections throughout the City. This study will also provide city staff and elected officials order of magnitude cost estimates for each identified project. Lastly, staff will finalize the development of a comprehensive set of programs and policies to address neighborhood traffic calming concerns.

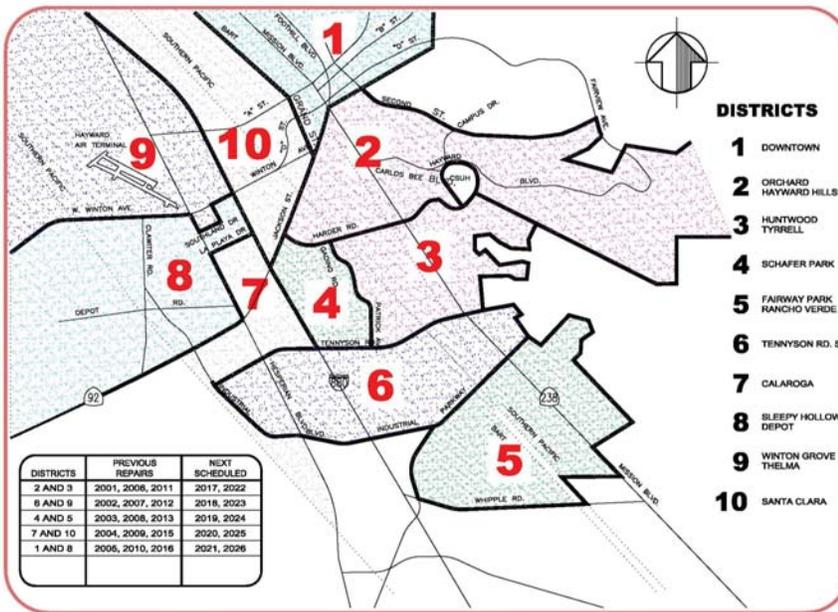
Transit Connector Feasibility Study – Staff was successful in applying for and obtaining two grants that will provide funding to determine the feasibility of and demand for providing shuttle service from underserved transit sectors in the east/west Industrial areas and the Cannery area developments to the Downtown/BART station.



Reliever Route Project



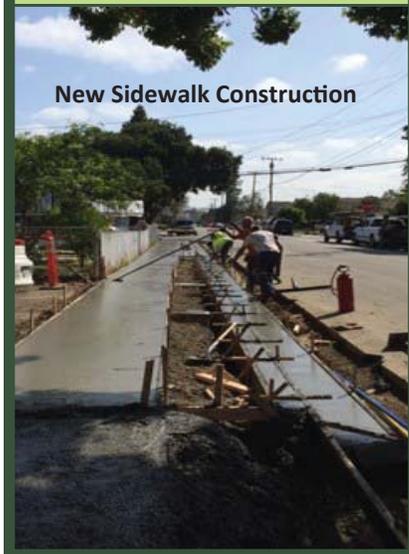
Public Parking



Sidewalk Districts

Downtown Parking Study – Staff will finalize this effort to evaluate comprehensive short and long-term parking strategies for the Downtown area. Parking management, residential and business parking permits and enforcement strategies will be among the policies submitted to Council for review and approval.

City-wide Bicycle and Pedestrian Masterplan Update – Staff will undertake an update to the 2007 Bicycle Plan which will also address pedestrian accessibility. This effort will begin in the downtown area as part of the Downtown Specific Plan process utilizing that analysis as a catalyst to develop a citywide update.



New Sidewalk Construction

Utilities & Environmental Services

Capital projects for Utilities include improvement and replacement projects to ensure that the water and sewer infrastructure needed to deliver critical utilities services is reliable, efficient, and appropriately sized to meet the current and future needs of the community. Environmental Services capital projects focus on water conservation, energy efficiency, address resource conservation and recycling, renewable energy, and stormwater runoff quality and protection.

Water Systems

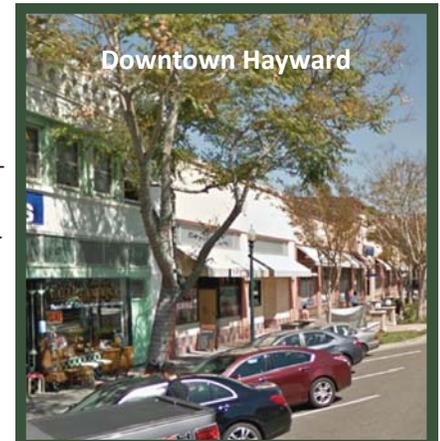
Water conservation continues to be a key concern to the City, and various CIP projects in the water system are aimed at addressing this concern. Funding is continued for programs that incentivize structural conservation measures, such as replacement of existing fixtures like toilets and washing machines with high efficiency models, installation of rain barrels, or conversion of lawn areas via the City’s rebate programs.

With Council approval in April, a City-wide water meter replacement project is underway that will utilize Advanced Metering Infrastructure (AMI). AMI enables customers to obtain real-time water use information, see and compare their own water consumption to those in similar homes in their neighborhood, and better manage their water consumption. They can also learn of unexpected high usage due to, for example, a leak or an irrigation system malfunction and respond to it quickly. Because of their accuracy and immediacy, AMI meters can achieve significant water savings. The project is expected to be implemented over two years.

Energy efficiency and renewable energy is also a priority addressed in the Utilities CIP, including a project to install solar power at various water facilities, such as pump stations, where significant amounts of purchased energy are used. The project is scheduled to begin in FY 2017.

Major water system projects have the focus of addressing the long term adequacy and physical condition of the existing water system, and include projects identified in the 2014 Water Master Plan. Some of these projects are near term, such as including new pressure regulating stations at the 1,000-foot elevation zone and new 265-foot elevation zone, and a new University station, where two pressure zones (500-foot and 750-foot) supply the area. Pressure regulating stations are needed for adequate fire flow and supply reliability.

Another area of focus for water system projects includes improving the system’s reliability. Options for retrofit or replacement of the Maitland and East and West Highland 250-foot reservoirs will be further evaluated in the coming years to assess the potential damage that could be caused by a future seismic event. Using that information, subsequent retrofit plans would then be developed for each facility. The reservoir at the Garin, South Walpert, Treeview and 1000 foot Reservoirs will also be inspected in FY 2018 and FY 2019. If it is found that rehabilitation and/or recoating is necessary, the reservoirs will be taken out of service and rehabilitated appropriately.



Downtown Hayward



Co-Generation Engine at Water Pollution Control Facility



Drought Tolerant Landscaping



A new 0.75 million-gallon water tank, pump system, and backup generator at the Garin Reservoir site is under design. A second water tank will accommodate water demands and fire flow for future developments. The new pump system will also double the capacity of the existing pump station. As this reservoir will supply water to serve future developments at LaVista and potentially Ersted property, a developer cost reimbursement arrangement for the project will be implemented. The second tank and associated pump station improvements will be constructed after a predetermined number of homes have been constructed at the La Vista Development.

Over the next five years, a project will be implemented to replace existing cast iron pipes, which are either reaching the end of their practical useful life as evidenced by the frequency of the main and service connection breaks and leaks, or that their strategic location, such as in busy thoroughfares, would make replacing them after a main break very disruptive.



Sewer Systems

The Sewer Collection System will undergo several pipeline improvements in the next few years. These improvements are planned to either replace pipelines that are showing signs of age and require frequent maintenance and repair, or to upsize undersized mains to increase their conveyance capacity to handle current demand flows. A Master Plan update for the Sewer Collection System was completed in 2015. Approximately \$4 million in projects identified by that plan will be funded over the next two years to implement its recommendations. These projects include areas of the City such as Cypress Avenue, Soto Road, Tyrell Avenue, Tenyson Road, and Harder Road. These are in addition to systematic sewer main replacement projects, which do not have specific project locations at the time the funding is requested, to address age, condition, or hydraulic capacity.



WPCF

Between FY 2005 and FY 2008, Phase I of Water Pollution Control Facility (WPCF) improvements were implemented at a cost of approximately \$57 million. Noteworthy, near-term WPCF projects include the replacement of an existing trickling filter that is



past its useful life and does not meet current seismic standards, the renovation of the Administration Building, and construction of the new Operations Building.

The WPCF main pump station (Headworks) hydraulic pumps will be evaluated and improved to address pumping capacity. The existing WPCF administrating building will also undergo a renovation to accommodate facility needs of the wastewater staff, while a new operations building will be designed and constructed in FY 2017. A new one megawatt solar project (which would be in addition to the existing one megawatt solar installation) at the WPCF is scheduled for design and construction in FY 2017.



Water

In order to make more efficient use of potable water, the City is currently designing a recycled water storage and distribution system to deliver the excess tertiary-treated recycled water to sites near the WPCF for use in landscape irrigation and suitable industrial processes. This project would cost \$12 million and would take advantage of low interest State loan funding specifically for recycled water projects. This project is predicated on the City’s ability to enter into an agreement with Calpine to utilize excess treated water from Russell City Energy Center’s (RCEC’s) recycled water facility (RWF). If not successful, there is a need for the City to develop its own RWF.

Looking forward, U&ES staff is anticipating a need for a project that will address nutrient removal in wastewater. While there is no specific project identified at this time, as the methods to remove nutrients need to be studied to determine the best fit for the WPCF and the City’s needs, staff is purposefully maintaining a healthy fund balance in expectation of the need for allocating budget in the future to this and other advanced water purification projects.

Airport

The Hayward Executive Airport is a self-supporting, general aviation reliever airport encompassing 521 acres. The primary function of the Airport is to relieve air carrier airports of general aviation traffic in the San Francisco Bay Area . A primary focus at the Airport during FY 2017 will continue to be on paving improvements to various roads that allow for travel throughout various parts of the facility. Projects include:

- ◆ Taxiway Foxtrot Pavement Rehabilitation 800,000
- ◆ Pavement Rehabilitation on Runways 28L/10R 2,800,000 (1,935,000 FAA Funding)
- ◆ Electrical Services for South Side of Airport 500,000



Internal Service Funds

Internal Service Funds are used to finance and account for goods and/or services provided by one City department to another, on a cost reimbursement basis.

Facilities

The Facilities Fund is utilized to address the improvements and upkeep necessary for many of the City’s older buildings, such as the Police Department and various fire stations.



Facility Management is primarily responsible for ensuring that the City of Hayward has working environments which are clean, safe, attractive, and comfortable. A vigorous maintenance program protects the physical assets and preserves taxpayers' investments in public buildings, minimizes energy consumption and prevents delays in delivery of public services. FY 2017 projects include:

- ◆ Flooring Replacement at City Hall 200,000
- ◆ Update Fire Alarm Panel at City Hall 50,000
- ◆ Updates to Hayward Police Department Restrooms 25,000



Fire Station No. 7

Information Technology

The Information Technology Capital Fund addresses the City's aging information technology infrastructure and the unmet technology needs throughout the City. In FY 2016, in addition to ongoing technology upgrade projects, the Council Chambers underwent a major upgrade and a pilot project was completed that investigated the viability of public security cameras. Ongoing projects for FY 2017 include:

- ◆ Desktop Computer Replacement Program 225,000
- ◆ Public Safety Mobile replacement Project 100,000
- ◆ Network Server Replacement Project 200,000
- ◆ Network Infrastructure Replacement 450,000



Facilities Installation at HPD

Successful implementation of projects within this fund is wholly dependent on the assessment of Information Technology Charges on supported departments, and possible transfers from the General Fund. Staff is working to identify funding sources to replace major systems, such as the new CAD/RMS system, as they become outdated in the future.

Fleet

Fleet has two funds; one for General Fund vehicles and one for Enterprise vehicles. From FY 2017 through FY 2026, a total of approximately \$35M is budgeted for both General Fund and Enterprise vehicles as follows:

General Fund:

- ◆ Fire Department Vehicles 11,700,000
- ◆ Police Department Vehicles 9,900,000
- ◆ Other General Fund Vehicles 6,700,000

Enterprise Fund:

- ◆ Sewer Division 2,300,000
- ◆ Water Division 1,700,000
- ◆ Stormwater Division 2,000,000
- ◆ Airport 645,000



Electric Fleet Vehicle

Staff is committed to ensuring that the City's fleet of vehicles reflects Council's "green" priority. To that end, staff has thoroughly evaluated and is incorporating (where possible) the use of "green" technology into vehicle



purchases. Furthermore, staff has been critically assessing the needed amount of fleet vehicles, reducing the number of “take-home” vehicles, and determining which vehicles are non-essential and thus have been or can be removed from the City’s fleet and not replaced .Primary identified funding sources include proceeds from loan financing and internal service charges.

Identified Capital Needs

The last section of the CIP is the Identified and Unfunded Capital Needs section. This list was significantly modified for the FY 2016 CIP in order to remove projects that were funded with Measure C and Measure BB funds like improvements to fire stations 1-6, construction of a new 21st Century Library and Community Learning Center, and \$1 million per year for paving improvements.

As previously stated, primarily due to the passage of both sales tax measures mentioned above, the amount of the projects contained in this section has been reduced considerably – from over \$510 million in FY 2015 to about \$370 million in FY 2017.

A significant reduction occurred with street and transportation-related projects, that are now funded by Measure BB

Costs are generally broken down into the following categories:

◆ Technology Services:	\$1,050,000
◆ Facilities and Improvement Projects	\$110,326,000
◆ Street and Transportation Services	\$259,141,600
Total	\$370,517,600

It is important to reiterate that this list identifies critical needs that have, as of now, no identified funding sources. The number of projects will continue to grow over time as will the amounts needed to fund these extremely important upgrades/repairs to infrastructure and equipment.



Earth Day 2016 Exhibits



In light of the ongoing structural deficit in the General Fund, staff has re-doubled its efforts to dedicate as many financial and staff-related resources as possible towards projects deemed as most critical to both the community and Council. As noted earlier in this letter, although General Fund transfers have been identified to fund critical Police, Fire, and Maintenance capital and fleet replacement needs, many of the projects may need to be postponed if the proposed transfers from the General Fund are needed to balance the budget for FY 2017 and/or beyond.

Attached to this letter is a summary of the key assumptions (Attachment A) that were used in preparing the FY 2017 CIP. The staff and I look forward to discussing with Council the projects and issues embodied in this capital plan.

Respectfully submitted,

Fran David
City Manager
ICMA-CM

Attachment A – Assumptions

ATTACHMENT A
FY17 Capital Improvement Program
Working Assumptions

1. Interest Rates: Rate of return on existing fund balances -
2% for FY17-FY19 and 3.0% for FY20-FY26.
Projected interest rate on City borrowing - based on current
market information - 4.0% per year.
2. Construction Inflation Rate: 1% per year.
3. Monies received from Gas Tax in FY17, which includes Proposition 111 (Gas Tax),
are expected to be slightly more than they were for FY16. For FY17, Gas Tax
receipts are expected to increase slightly, as reflected in the 1% increase from FY16.
For FY18 through FY26, Gas Tax has been escalated by 1% per year as well.
Transfers to the General Fund from the Gas Tax Fund to support eligible
expenditures for FY17 will be \$227,000.
4. Based on sales tax projections provided by the City's Finance Department,
anticipated revenue from the Measure B - Local Transportation program is assumed
to be \$2,241,000 in FY17 and \$2,268,000 in FY18 (an increase of 1% for both FY17
and FY17); future increases are also estimated at 1% from FY18 through FY26.
5. Monies received from the Measure B Non-Motorized Fund for pedestrian and
bicycle improvements are assumed to be \$457,000 in FY17 and \$461,000 in FY18
(an increase of 1% for both FY17 and FY18); future increases are also estimated at
1% from FY19 through FY26.
6. Based on sales tax projections provided by the City's Finance Department,
anticipated revenue from the Measure BB- Local Transportation program is assumed
to be \$2,023,000 in FY17 and \$2,043,000 (an increase of 1% for both FY17 and
FY18); future increases are also estimated at 1% from FY19 through FY26.
7. Monies received from the Measure BB Non-Motorized Fund for pedestrian and
bicycle improvements are assumed to be \$370,000 in FY17 and \$375,000 in FY18
(an increase of 1% for both FY16 and FY17); future increases are also estimated at
1% from FY19 through FY26.
8. The City will receive \$753,000 in FY17 and then \$761,000 in FY18 for street
improvements due to a recent voter-approved increase of \$10 to the vehicle
licensing fee; this amount has been escalated by 1% per year from FY19-FY26
9. Revenue from the Construction Improvement Tax is expected to remain at \$250,000
in FY17-FY26.
10. The per year transfer from the Route 238 Fund to the Street System Improvements
Project will remain at \$400,000 for FY17; the transfer for FY18 will continue at this
level, reducing to \$200,000 in FY19; \$50,000 in FY20 and \$87,000 in FY21.

11. Funds received under the Governor's Traffic Congestion Relief Program (TCRP) established under Proposition 42 were eliminated in FY11 and replaced by a Gas Tax "swap," which serves to backfill the amounts that would have been provided through Proposition 42. This amount is transferred from the Gas Tax Fund to the Street System Improvements Fund on a monthly basis. This amount dropped from \$713,000 in FY16 to \$360,000 in FY17 and is estimated to be \$364,000 for FY18. Future years (FY19-FY26) are estimated to increase by 1% per year. Monies received under this source will be applied towards street maintenance projects.
12. The transfer from the General Fund to the Transportation System Improvement Fund will continue at \$350,000 per year; this transfer provides funding for transportation projects.
13. Planned transfers from the sewer and water operating funds to the capital funds allows for critical capital projects identified in the Sewer and Water System Master Plan Updates, plus the Water and Sewer Seismic Study, to be accomplished.
14. Continued transfers from the Airport Operations Fund provide funding for Airport Capital Improvement Projects identified in the Airport Master Plan and Updated Airport Layout Plan.
15. Facility charges against operating budgets will provide \$300,000 each year from FY17 through FY26 to provide an ongoing funding source for the Facilities Internal Service Fund.
16. A transfer of \$1,380,000 from the General Fund in FY16 funded various projects in the Technology Services Internal Service Fund, such as public safety mobile replacements and network server replacements. The transfer decreases to \$980,000 in FY17 and \$248,000.
17. A transfer of \$279,000 from the General Fund into the Capital Projects (Governmental) Fund in FY17, with the amount increasing to \$289,000 in FY18. From FY19-FY27, the amount of the annual transfer will gradually increase from \$368,000 in FY19 to 406,000 in FY22-FY26. The amount to be transferred will depend on residual fund balance and the overall level of need in future years. These transfers will provide critical funding necessary for major equipment replacement, such as fire hoses, self-contained breathing apparatus, guns, and replacement equipment for maintenance services.
18. In order to replace vehicles within the Enterprise funds each fiscal year, the following annual transfers will occur into the Fleet Management Enterprise Capital Fund: \$180,000 from the Water Fund; \$71,000 from the Airport Operating Fund; \$215,000 from the Sewer Fund; and \$85,000 from the Stormwater Fund.
19. In order to replace vehicles within departments funded through the General Fund, transfers into the Fleet Management General Fund Capital Fund will be \$2,000,000 in FY17. For FY18, the transfer will increase by \$500,000,

culminating in a transfer of \$3,000,000 into the fund by FY19 and continuing through FY26.

20. The Program reflects expected cash flow in future program years and Council appropriations carried forward from the current year.