

TO: Planning Commission Committee Members

THRU: Ron L. Olson, City Manager

THRU: Gustavo Gonzalez, P.E., Asst. City Manager Public Works & Utilities

From: Dan Biles, P.E., Executive Director Public Works

Date: June 12, 2014

Subject: Proposed Fiscal Year 2015 Capital Improvement Program Budget

Presented herein is the Proposed Fiscal Year 2015 Capital Budget and Capital Improvement Program Planning Guide (CIP). Carefully planned financial management represents one of the most critical aspects of municipal administration, providing the means to obtain and allocate resources and the methods to successfully achieve publicly determined ends. The purpose of the CIP is to identify, prioritize, fund, and construct projects that are needed to enhance or maintain the quality of life expected by our citizens. The funding of these projects is accomplished through a combination of debt service, grants, and pay-as-you go mechanisms. This document serves as both a budget – for fiscal year 2015 - and a major planning tool for subsequent years. The ten-year CIP is dynamic in nature and is reviewed and revised annually to ensure projects with the greatest need receive the highest priority. Project priorities and available funding are constantly monitored to ensure adequate funding for critical projects. This draft document reflects the City's planned investment in municipal infrastructure and facilities over the next ten years.

As part of City Municipal Code *Article V. Planning, Section 3. Power and Duties of Planning Commission, Paragraph A, Number 6*: The Planning Commission shall review and make recommendations to the City Council on the City's annual Capital Budget. This document contains the currently programmed capital expenses for the next ten years. When local officials approve debt to finance a project, they are in effect requiring citizens in future years to pay for their decision. This commitment of future revenues to debt service obligations also reduces future budget flexibility. Because of these long-term consequences, the need to make sure that debt-financed projects are well planned, designed, and implemented is critical to the success of the City's capital improvements program.

The CIP document includes:

- a fully-funded work plan for Year One, based on available financial capacity and greatest prioritized needs;
- a short-range forecast to facilitate fiscal and needs-based planning for Years Two and Three, and
- a long-range component consisting of items considered imperative for sustainability of existing infrastructure, accommodation of growth, and enhanced community enrichments for the next Four to Ten years.

A summary of the short term needs is listed below for each Capital Improvement Program category:

Airport	24,395,000	23,333,000	7,525,000	55,253,000
Parks	4,625,000	1,761,000	1,516,200	7,902,200
Public Facilities	3,197,000	1,000,000	1,000,000	5,197,000
Public Health & Safety	17,318,500	9,941,000	3,100,000	30,359,500
* Streets	35,933,000	-	-	35,933,000
Gas	4,326,000	2,885,300	3,594,300	10,805,600
Storm Water	23,935,000	21,170,400	19,543,500	64,648,900
Wastewater	44,478,400	70,695,500	82,828,800	198,002,700
Water	32,101,800	49,813,000	41,354,300	123,269,100
Water Supply	99,840,000	6,620,000	19,981,200	126,441,200
PROGRAM TOTALS:	290,149,700	187,219,200	180,443,300	657,812,200

* Future street costs pending voter approval of a Bond Election in November 2014.

The role of concerned citizens in general, and the Planning Commission specifically, is imperative to the success of the City's Capital Improvement Program. Special planning, financing, and management procedures are called for to ensure proposed projects are needed, well designed, and efficiently implemented and that the money invested in them is spent with fiduciary trust and responsibility.

Please review the enclosed information and we look forward to a dynamic discussion at your next scheduled meeting. If you have any concerns or questions prior to the meeting you may contact Dan Biles, Executive Director of Public Works at 826-3729.