



**Request for City Council Committee Action
From the Finance & Property Services Department**

Date: February 21, 2012
To: Ways and Means/Budget Committee
Referral to: None

**Subject: 2013 – 2017 Capital Process & Capital Long-Range Improvement
Committee (CLIC) Information**

Recommendations

1. Receive and file the attached 2012 CLIC Schedule with a capital budget submission deadline of April 2, 2012.
2. Receive and file tax supported resource direction to CLIC, city departments, independent boards & commissions as indicated in the letter below.

Previous Directives

None

Prepared/Submitted by Michael Abeln, Director, Capital & Debt Management, 673-3496

Approved by: Kevin Carpenter, City Finance Officer _____

Steven Bosacker, City Coordinator _____

Presenters in Committee: Michael Abeln, Director, Capital & Debt Management

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): Capital Budget schedule and funding direction
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information Attached

The attached 2012 CLIC Schedule for the 2013 - 2017 Capital budget process has been developed and agreed to by the Chair and Vice Chair of the Capital Long-Range Improvement Committee (CLIC).

The capital process will be administered by Michael Abeln, Director of Capital and Debt Management/Executive Secretary of CLIC from the Finance & Property Services Department and his assistant Jeffrey Metzen. The Planning Division of the Community Planning and Economic Development Department also provides assistance to the Capital process but no longer provides direct staff support to the CLIC process.

2012 CLIC SCHEDULE HIGHLIGHTS:

CLIC will convene their first meeting on Tuesday March 27th. Capital budget requests will be due on Monday April 2nd. A joint public hearing between CLIC and the Planning Commission will be held on Thursday May 24th at 5:05 p.m. The main body of CLIC will finalize their capital recommendations on or around June 26th. The CLIC Report will be completed on or before July 13th. The Executive Committee of CLIC will present their recommendations to the Mayor on July 20th.

CLIC 2012 CAPITAL GUIDELINES:

The 2012 CLIC Guidelines are being reviewed for potential revisions and will be presented for approval to the Ways and Means/Budget Committee sometime before April 2nd.

2013 - 2017 CAPITAL PROCESS:

As a general rule, projects in the adopted five-year plan should remain within the years funding has been approved to the greatest extent possible. Net debt bond funded projects previously submitted but not in the currently adopted five-year capital improvement program should be resubmitted as a 2017 project. If a submitting agency needs to move funding within different years of the program, they should ensure that pro forma implications, net debt bonds and other funding sources will still be available within the revised timeframes. Capital Budget Requests are supposed to request funding according to when anticipated expenditures will be incurred and how those expenditures will be reimbursed by revenue sources such as bonds, grants, enterprise revenue or any other funding source.

Municipal Building Commission

The Municipal Building Commission (MBC) is requested to submit capital proposals for 2013 - 2016 with City tax supported resources comparable to what is in the currently adopted five-year capital program. For 2017, MBC is requested to submit net debt bond proposals totaling no more than \$1,000,000.

Park and Recreation Board

The Park and Recreation Board is requested to submit capital proposals for the 2013 - 2017 period with net debt bonds approximating \$2,500,000/year with the exception being 2013 which can be \$5,000,000. The Park Board proposals should provide location specific details about projects.

Public Works Department

The Public Works department is requested to submit capital proposals for the 2013 – 2016 period with net debt bond resources comparable to what is currently in the adopted five-year capital program. For 2017, Public Works is requested to submit net debt bond proposals totaling no more than \$22,000,000.

Municipal State Aid (MSA) Funding:

Public Works is directed to align the 2013-2017 MSA program requests with the anticipated MSA funding level.

IT Department

The IT Department is requested to submit capital proposals for 2013 – 2017 with City net debt bond resources totaling no more than \$1,500,000 per year. This amount is higher than currently approved amounts but will provide flexibility for more options to be considered for technology innovation. If IT customer departments have included costs for capital technology improvements in their business plans, BIS may submit proposals for these items in cooperation with the departments but must include details of the funding arrangement. All capital requests submitted by the IT Department regardless of funding source should be agreed to and be prioritized by year by city department heads.

Miscellaneous City Departments

Projects submitted under the miscellaneous project grouping should be consistent with resource levels adopted in the current plan for 2013 – 2016. For 2017, proposals should be limited to no more than \$4,000,000 in total. City departments are requested to update their project information for proposals in the 2013 – 2016 adopted capital program. Any new facility related proposals or major space renovation projects must be submitted in 2017 and must be coordinated through the Finance & Property Services Department.

CAPITAL LONG-RANGE IMPROVEMENT COMMITTEE (CLIC):

The City Council requests that CLIC:

- 1) Rate all capital proposals submitted for years 2013 – 2017.
- 2) Plan for 2013 – 2017 Net Debt Bond resources as detailed below:

For Net Debt Bond Supported General Infrastructure Improvements As approved by City Council for 2013 - 2016 and proposed for 2017

Recommended Net Debt Bond Resources	2013	2014	2015	2016	2017	Totals
						(In thousands)
2012 Base Net Debt Bond Authorizations	17,675	18,050	20,000	20,400	0	76,125
2012 Adopted Net Debt Bond Increase*	22,570	11,550	9,155	4,600	0	47,875
2012 Council Authorization for 2017					25,000	25,000
2013 - 2017 Resource Assumptions for CLIC	40,245	29,600	29,155	25,000	25,000	149,000

Notes:

* The 2012 Council Adopted Budget increased the net debt bond allocations from 2012 - 2016 by \$56,565,000 for a revised five-year plan total of \$150,000,000 as originally recommended by the Mayor. For 2012, the increase was \$8,690,000 on top of a base of \$17,310,000 for a total of \$26,000,000. If levy limits are imposed and apply to debt service, these authorizations may need to be revised downward.

This resource summary represents the City's commitment for General Infrastructure assets including public buildings, roads, bridges, bike trails, sidewalks, street lights, traffic signals, parks & technology.