

City of Minneapolis
Request for Committee Action

To: Ways & Means
Date: 3/28/2016
Referral: N/A
From: Finance & Property Services
Prepared by: Michael Abeln
Presented by: Michael Abeln
File type: Receive & File
Subcategory: Budget

Subject:

Capital Budget Process & 2016 Capital Long-Range Improvement Committee (CLIC) Information

Description:

Receiving and filing information about the 2017 – 2021 Capital Budget Process, including the 2016 Capital Long-Range Improvement Committee (CLIC) schedule and the 2016 CLIC Rating Guidelines which are used by CLIC members to establish the CLIC rating score for each capital budget request.

Previous Actions:

N/A

Ward/Address:

All Wards

Background/Analysis:

The 2016 CLIC Schedule for the 2017 – 2021 Capital budget process has been developed and agreed to by the 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.

2016 CLIC Schedule Highlights:

CLIC will convene their first meeting on Tuesday April 5th. Capital budget requests from submitting agencies will be due April 6th. A joint public hearing between CLIC and the Planning Commission will be held on May 12th at 4:30 p.m in Room 319 of City Hall. The main body of CLIC will finalize their capital recommendations on or around June 28th. The CLIC Report will be completed on or before July 12th. The Executive Committee of CLIC is tentatively planning to present their recommendations to the Mayor on July 15th.

2016 CLIC Capital Guidelines:

The 2016 CLIC Capital Guidelines are used as the basis for rating capital budget requests. The rating categories are consistent with the last several CLIC cycles. It should be noted that the content of the 2016 CLIC Capital Guidelines will be reviewed in October 2016 for possible modifications by a group including a subset of CLIC members, Mayor's staff, a subset of Council

members and Finance & Property Services staff. Any proposed changes will be brought forward for Council approval by the end of 2016 for use in the 2018 – 2022 Capital Process.

2017 - 2021 Capital Process:

As a general rule, projects in the previously adopted five-year plan should remain within the years funding has been approved. Projects requested but not approved in the currently adopted five-year capital improvement program should be submitted as a 2021 project along with any new projects. Capital Budget Requests should request funding according to when anticipated expenditures will be incurred and how those expenditures will be funded by revenue sources such as bonds, grants, enterprise revenue or any other funding sources.

Net Debt Bond Funding Amounts:

At this point in time, the total amount of net debt bonds in the five-year plan is still being determined. At a minimum, submitting agencies should plan for amounts comparable to what is in the current 2017 – 2020 portion of the Adopted 2016 – 2020 Capital Plan. For 2021, agencies can submit net debt bond amounts up to 25% higher than the previous years to give more options.

IT Department

For 2017 and beyond, the IT Department will submit their requests for on-going infrastructure upgrades through the CARS process, including those coordinated with and for the benefit of other IT customer departments, with the exception of large, discrete system implementation such as 911 infrastructure.

Financial Review:

No additional appropriation required, amount included in current budget.