



## Request for City Council Committee Action From the Finance Department

Date: March 23, 2009  
To: Ways and Means/Budget Committee  
Referral to: None

**Subject: 2010 – 2014 CAPITAL PROCESS & CLIC INFORMATION**

### Recommendations

1. Receive and file the attached 2009 CLIC Schedule with a capital budget submission deadline of noon on April 7th, 2009.
2. Receive and file the attached 2009 CLIC Capital Guidelines for use in evaluating 2010 – 2014 Capital requests.
3. 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: Patrick Born, 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

### Community Impact (use any categories that apply)

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other
- Not applicable

## **Background/Supporting Information Attached**

The attached 2009 CLIC Schedule for the 2010 - 2014 Capital budget process has been developed and agreed to by the current Chair and Vice Chair of CLIC.

CLIC staff support for the two primary task forces will be provided by Jeff Metzen of the Finance Department and Karin Berkholtz of the Planning Division of the Community Planning and Economic Development department. The main body of CLIC and the overall capital process will be administered by Michael Abeln, Director, Capital and Debt Management/Executive Secretary of CLIC from the Finance Department.

### **2009 CLIC SCHEDULE HIGHLIGHTS:**

CLIC will convene their first meeting on March 31st. Capital budget requests will be due at noon on Tuesday April 7th. A joint public hearing between CLIC and the Planning Commission will be held on Thursday May 21st at 5:05 p.m. The main body of CLIC will finalize their capital recommendations by July 1<sup>st</sup>. The CLIC Report will be completed on or before July 15<sup>th</sup>. The Executive Committee of CLIC will present their recommendations to the Mayor on July 20<sup>th</sup> and to the Ways & Means/Budget Committee on July 27th.

### **CLIC 2009 CAPITAL GUIDELINES:**

Attached to this letter for your review and approval are the CLIC 2009 Capital Guidelines for use in evaluating 2010 – 2014 proposals.

### **2010 - 2014 CAPITAL PROCESS:**

During October and November of 2008, the Finance Department facilitated meetings with CLIC members, City Department staff, Park Board staff and Planning Department staff to redesign the Capital Budgeting System used to generate Capital Budget Requests and produce reporting of Capital budget information for the CLIC Report and Mayor and City Council budget books. The new Capital System was designed and built in December and January using Cognos software and was implemented with training in February of 2009 to be used for the 2010 – 2014 capital proposals.

As a general rule, projects in the adopted five-year plan should remain within the years funding has been approved. Net debt bond funded projects previously submitted but not in the currently adopted five-year capital improvement program should be resubmitted as a 2014 project. If a submitting agency needs to move funding within years of the program, they should ensure their pro forma implications and/or net debt bond/MSA allocations by year remained balanced within acceptable levels by year.

### **Municipal Building Commission**

The Municipal Building Commission (MBC) is requested to submit capital proposals for 2010-2013 with City tax supported resources consistent with the adopted five-year capital program. For 2014, MBC is requested to submit proposals totaling no more than 125% of their 2013 approved city funding or \$1,000,000.

**Park and Recreation Board**

The Park and Recreation Board is requested to submit capital proposals for the 2010 - 2014 period with net debt bonds approximating \$1,000,000/year. While this is in excess of the currently adopted five-year capital program, it should provide capacity for more programming choices for decision makers. 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 2010 – 2013 period with net debt bond resources consistent with the currently adopted five-year capital program. For 2014, Public Works is requested to submit net debt bond proposals totaling no more than 125% of their 2013 approved funding or approximately \$17,500,000.

**Municipal State Aid (MSA) Funding:**

Public Works is directed to align the 2010-2014 MSA program requests with the anticipated MSA funding level.

**BIS Department**

The BIS department is requested to submit capital proposals for 2010 – 2014 with City net debt bond resources totaling no more than \$1,500,000 per year. If BIS 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 BIS Department regardless of funding source should be agreed to and be prioritized by year by city department heads.

**Miscellaneous City Departments**

Other city departments are requested to update their project information for proposals in the 2010 – 2014 adopted capital program. Any new facility proposals not funded in the adopted five-year capital plan must be submitted in 2014. New facility or major space renovation projects must be coordinated through the Public Works Property Services Division.

## CAPITAL LONG-RANGE IMPROVEMENT COMMITTEE (CLIC):

The City Council requests that CLIC:

- 1) Rate all capital proposals submitted for years 2010 – 2014.
- 2) Plan for 2010 – 2014 Net Debt Bond resources detailed below:

### For Net Debt Bond Supported General Infrastructure Improvements As approved by City Council for 2010 - 2013 and proposed for 2014

<b>Recommended Net Debt Bond Resources</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Totals</b>
						<b>(In thousands)</b>
Net Debt Bond Authorizations*	17,600	17,950	18,310	18,675	19,050	91,585
Adjustments made by Mayor and Council**	-935	-585	0	0	0	-1,520
	<u>16,665</u>	<u>17,365</u>	<u>18,310</u>	<u>18,675</u>	<u>19,050</u>	<u>90,065</u>
Net Debt Bond Authorizations reserved for Libraries	-1,900	-1,040	0	0	0	-2,940
<b>2010 - 2014 Resource Assumptions for CLIC</b>	<b><u>14,765</u></b>	<b><u>16,325</u></b>	<b><u>18,310</u></b>	<b><u>18,675</u></b>	<b><u>19,050</u></b>	<b><u>87,125</u></b>

#### Notes:

\* - Net Debt Authorizations grow by 2 percent from 2010 on. This growth was allowed from 2010 on based on significant reductions put in place for 2007 - 2009 resulting from the 2003 LGA cuts which negatively impacted the bond redemption levy used to pay debt service on this category of bonds.

\*\* - Adjustments represent dollars advanced to or from projects in the Capital programs for prior years.

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.