

# Capital Improvement Plan

October 26, 2017

# What is a CIP

(Capital Improvement Plan)

- Capital Improvement Projects – Make up the Capital Improvement Plan
- Capital Improvement Projects
  - Multi-year expenditures to build new infrastructure
  - Multi-year expenditures to maintain/replace existing infrastructure
  - Significant Cost involved which could adversely impact annual operating budgets

# Difference between CIP and Operating Budgets

- Operating Budget
  - Annual expenditures based on programs and services provided
  - Includes on-going staffing, contracts, supplies, and support expenditures to accomplish Council and Community Goals
  - Pays for existing Liabilities (Bonded Debt – usually to pay for Capital Improvement Projects, unfunded Retirement, and Post-Retirement costs, replacement of existing equipment)

# City Budgeting Process

- Operating Budget Adopted Every Two Years
  - Created based on Priorities of Council and Community
  - Last Adopted in 2016
  - Mid year update in 2017 and in 2018
  - Next Budget to be Adopted in 2018

# City Budgeting Process

- CIP Reviewed in Whole Every Two Years
  - Last Full Review 2006 Before the Recession
  - No Projects reviewed during Recession
  - 2012-2017 City Council Caught Up on Some Projects

# How is CIP Developed

- Projects Added to List Through Following Methods
  - Projects that are Part of a Master Plan
    - Water, Sewer, Storm Drain
    - Water and Sewer Master Plan 2017
    - Storm Drain System Master Plan 2003
  - Other Infrastructure Plans
    - Facility Condition Report
    - Street Pavement Condition Index
  - City Council
  - City Commission and Committees
  - Community
  - Staff

# Sources of Funding for CIP

- Business License Tax – Passed 2008
  - Funding Library
- Gas Tax, Measure A
  - Funding Street Projects
- Water and Sewer Capital Charge – 2014
  - Funding Water and Sewer Projects
- Marina Fees
  - Funding Marina Related Projects

# Sources of Funding for CIP

- Developer Payments
  - Funding Projects Created to Offset Infrastructure Needed by New Development
- Grants
  - Funding Variety of Projects Depending on Type of Grant (Trails, Open Space Purchase, Water, Sewer, Marina)
- General Fund
  - Funding Anything without Alternative Funding Source



# Current CIP List

- 97 Projects
  - Developer \$30,000,000
  - Water and Sewer Capital Charge \$19,500,000
  - General Fund \$18,250,000
  - Business License \$ 6,000,000
  - Grants \$ 2,700,000
  - Marina Fees \$ 775,000
  - Gas Tax, Measure A \$ 300,000\*

\*Annual Amount

# Steps Forward

- Continue Implantation of Capital Charge Plan for Water and Sewer
  - Bond \$5 million every 5 years
    - Started in 2014
    - After 4<sup>th</sup> Cycle on-going source of revenue for future Projects

# Steps Forward

- Need to Fund Future Master Plans
  - Assist in Keeping CIP List Current
- Identify Potential Funding Sources for Unfunded Capital Needs
  - Currently \$18,000,000