



REPORT TO COUNCIL City of Sacramento

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PUBLIC HEARING
June 2, 2009

**Honorable Mayor and
Members of the City Council**

**Title: PROPOSED 2009-2014 CAPITAL IMPROVEMENT PROGRAM AND
FISCAL YEAR (FY) 2009/10 CAPITAL IMPROVEMENT BUDGET**

Location/Council District: Citywide

Recommendation: Review and discuss the 2009-2014 Capital Improvement Program (CIP) and the FY2009/10 CIP Budget, and upon conclusion adopt an intent motion to approve the FY2009/10 CIP Budget as proposed, excluding the Utilities CIP Program, which will be presented separately on June 9, 2009.

Contact: Leyne Milstein, Finance Director, 808-8491; Dawn Holm, Principal Management Analyst, 808-5574

Presenters: Dawn Holm, Principal Management Analyst

Department: Finance

Division: Budget Office

Organization No: 06001004

Description/Analysis

Issue: The CIP is a five-year expenditure plan that provides the City with a financial framework for its infrastructure and facility needs and includes the one-year FY2009/10 Proposed CIP Budget. Capital projects include procurement, construction or installation of facilities and equipment that will have a useful life of at least five years and a cost in excess of \$20,000.

The Proposed 2009-2014 CIP was delivered to the City Council on May 1, 2009 and is available for review in the City Clerk's Office and on the City's website at: www.cityofsacramento.org/budget. Funding for 175 projects totaling \$219.2 million has been identified in the 2009-2014 Proposed CIP.

The Proposed FY2009/10 CIP Budget includes:

- \$50.1 million from all funding sources including \$1.8 million in General Funds; and
- 155 projects that support adopted City Council policies and master plans related to economic development, infill development, transportation infrastructure, parks and recreation, utilities, and redevelopment efforts.

The following strategies have been incorporated into the Proposed CIP in an effort to address the City's financial challenges relative to the General Fund:

- City Facility Deferred Maintenance Program (C13000500) is being funded at the base level of \$1 million, but includes \$500,000 in residual capital improvement revenue bond funds (resulting from project savings and interest earnings);
- Facility Americans with Disabilities (ADA) Compliance Program (C13000400) funding has been reduced after a review of available resources indicates that adequate funds are available to deliver identified projects for FY2009/10; and
- The City Manager, City Treasurer and CIP staff are continuing efforts to review existing project appropriations in an effort to determine project savings and/or projects that should be brought forward to the City Council for further consideration (CIP scrub).

Staff will be reporting to the City Council in July or August on the status of the 2006 Community Reinvestment Capital Improvement Program (CRCIP) projects. It is anticipated that several of these projects will be completed in FY2009/10. Staff is currently evaluating operational needs (staffing, utilities, janitorial, maintenance, etc.) relative to these new facilities. The FY2009/10 Proposed Operating budget includes \$1.4 million to address the operating impacts of these new facilities.

Policy Considerations: The Proposed FY2009/10 CIP Budget is consistent with Council's adopted policies and plans, which include the City's Transportation Programming Guide, Utility Master Plans, Parks and Recreation Master Plan, and the Parks and Recreation Programming Guide. On January 27, 2009 the City Council approved (Resolution 2009-047) project scoring and ranking criteria for the City's Facility Programming Guide (FPG). The FPG will be used to prioritize unfunded, underfunded and partially funded facilities projects. Upon completion and approval of the FPG Project Ranking and Prioritization by the City Council staff will utilize this document to identify future capital projects based on the identification and availability of resources.

Committee/Commission Action: The Sacramento City Code (Section 2.112.060) requires the Planning Commission to review CIP projects for consistency with the General Plan at least once every five years. Additionally California Government Code Section 65401 requires an annual review of public works projects included in

the City's CIP each year to determine conformity with the adopted general plan. In an effort to accomplish these reviews staff will present the CIP to the Planning Commission annually. The Planning Commission presentation will focus on the CIP changes from year to year.

As such, the Planning Department reviewed the Proposed 2009-2014 CIP and found it consistent with the City of Sacramento 2030 General Plan as required by the Sacramento City Code and the California Government Code. The Proposed 2009-2014 CIP was presented to the City Planning Commission on May 14, 2009 and the Commission voted in favor of forwarding a report on its consistency with the City's 2030 General Plan to the City Council.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities that will not have a significant effect on the environment, and that do not constitute a "project" as defined by CEQA Guidelines Sections 15061(b)(3); 15378(b)(2). CEQA review for any project, which utilizes funds allocated under the FY2008/09 CIP budget, has been or will be performed in conjunction with the planning, design and approval of each specific project as appropriate.

Sustainability Considerations: The City Council adopted the 2009 Sustainability Implementation Plan on January 27, 2009 (Resolution 2009-055). City Departments are continuing efforts to identify areas to "Go Green" and utilize performance contracting in an effort to make capital improvements to City facilities that will ultimately result in reductions in greenhouse gas emissions. In addition, staff will continue to identify opportunities to support the City's sustainability efforts through the use of environmentally safe materials and construction practices.

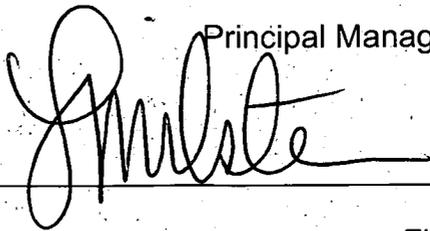
Leadership in Energy and Environmental Design (LEED) certification standards have been incorporated into the following projects: Oak Park and George Sim Community Center Expansions; and the Valley Hi-North Laguna, North Natomas, and Pocket Libraries. Additionally, the County operates a lower tier program that is similar to LEED but much more accessible; the Business Environmental Resource Center (BERC) Sustainable Business Program (see <http://sacberc.org>). The City Department of Utilities participates in the support of this program. The Convention Center is currently undergoing BERC Certification.

Rationale for Recommendation: The Proposed FY2009/10 CIP Budget is consistent with and supports the City's goals of budget sustainability and fiscal responsibility.

Financial Considerations: The 2009-2014 Proposed CIP includes 175 projects totaling \$219.2 million from all funding sources. The FY2009/10 Proposed CIP Budget includes the appropriation of \$50.1 million from all funding sources, which includes \$1.8 million in General Funds.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: 
Dawn Holm
Principal Management Analyst

Approved by: 
Leyne Milstein
Finance Director

Recommendation Approved:

for 
Ray Kerridge
City Manager

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City of Sacramento

Proposed 2009-2014

Capital Improvement Program (CIP)

CIP Document Also Available on
the Internet at:

<http://www.cityofsacramento.org/budget>

Budget Hearing Schedule

- **June 2**
 - CIP Overview
 - Intent Motion to Approve the Proposed CIP
(excluding Utilities Program)
 - **June 10**
 - Utilities Rate Hearing and Proposed CIP
 - **June 16**
 - Budget Adoption
-

CIP Overview

- **2009-2014 Proposed CIP includes**
 - 175 Projects
 - \$219.2 million
 - \$17.9 million for General Fund Projects
 - **FY2009/10 Proposed Capital Budget**
 - 155 Projects
 - \$50.1 million
 - \$1.8 million for General Fund Projects
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