

Meeting Date: 5/14/2013

Report Type: Staff/Discussion

Report ID: 2013-00061



City Council Report

915 I Street, 1st Floor

www.CityofSacramento.org

Title: 2013-2018 Capital Improvement Program (CIP)

Location: Citywide

Issue: The 2013-2018 Proposed Capital Improvement Program (CIP) is a five-year expenditure plan with a financial strategy that addresses the City's current and future fiscal needs as related to capital projects with a proposed one-year CIP budget appropriation recommendation for FY2013/14.

Recommendation: Receive and consider for final budget adoption.

Contact: Leyne Milstein, Director, (916) 808-8491; Dawn Holm, Budget Manager (916) 808-5574; Marian Fahy, Principal Management Analyst, (916) 808-7991

Presenter: Marian Fahy, Principal Management Analyst, (916) 808-7991

Department: Finance

Division: Budget Office

Dept ID: 06001411

Attachments:

1-Description/Analysis

2-Attachment 1

3-Attachment 2

City Attorney Review

Approved as to Form

Gerald Hicks

5/8/2013 5:10:49 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/8/2013 11:55:09 AM



Description/Analysis

Issue: In accordance with the City Charter, Article IX, Section III, the proposed capital budget has been brought to City Council 60 days prior to the beginning of the fiscal year. The 2013-2018 Proposed Capital Improvement Program (CIP) is a five-year expenditure plan with a financial strategy that addresses the City's current and future fiscal needs as related to capital projects with a proposed one-year CIP budget appropriation recommendation for FY2013/14.

Policy Considerations: The 2013-2018 Proposed CIP has been reviewed for consistency with City Council's adopted policies and plans, which include the 2030 General Plan, Transportation Programming Guide, Utility Master Plans, Parks and Recreation Master Plan, and the Parks and Recreation Programming Guide.

Economic Impacts: This report concerns administrative activities. Individual projects that bring forth contracts will address economic impacts of the project at the time they are brought to City Council.

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

Sustainability: City departments continue 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 a significant reduction in greenhouse gas emissions. Staff will continue to identify opportunities to support the City's sustainability efforts through use of environmentally safe materials and construction practices.

Commission/Committee Action: The Planning and Design Commission reviewed the 2013-2018 Proposed CIP on May 10, 2013, and has found it consistent with the City's General Plan as required by Section 65401 of the California Government Code (Attachment 1).

Rationale for Recommendation: The 2013-2018 Proposed CIP is consistent with and supports the City's goals of budget sustainability and fiscal responsibility. Capital projects include procurement, construction, or installation of facilities and equipment that will have a useful life of at least five years and have a cost in excess of \$20,000. The 2013-2018 Proposed CIP is available for review at <http://www.cityofsacramento.org/finance/budget>.

Financial Considerations: In an effort to address the City 's current fiscal challenges, the 2013-2018 Proposed CIP seeks to maximize all available funding sources. The 2013-2018 Proposed CIP, including the amendments identified in Attachment 2 and listed below, consists of 131 projects totaling \$472.4 million from all funding sources. The FY2013/14 CIP with amendments totals \$41.0 million, which will fund 94 programs or projects. The General Fund capital expenditures in FY2013/14 are \$4.1 million, funding only critical life safety and fee-supported programs. This is short of City capital investment needs. The City's deferred maintenance backlog is approximately \$38.0 million and growing as the City is currently deferring at a rate of \$1.5 – 2.0 million per year, which exceeds the FY2013/14 allocation of \$1.0 million.

The following adjustments to the five-year plan have been identified below:

General Government Program

The funding amount required for projects funded by the Fleet Fund (Fund 6501) for the five-year period was re-evaluated and amended as follows:

Fleet Fund (6501) Adjustment

CIP #	CIP NAME	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	TOTAL
A13000200	Fleet Management Technology Program	(75,000)	-	-	-	50,000	(25,000)
B13000100	Fleet Facilities Program	-	-	325,000	325,000	325,000	975,000
C13000100	Fuel Mgmt. & Support Equip. Program	(50,000)	-	-	-	100,000	50,000
D13000200	Fleet Alt. Fuel Equip. Replcmt. Program	(50,000)	(50,000)	(50,000)	(50,000)	50,000	(150,000)
TOTAL		(175,000)	(50,000)	275,000	275,000	525,000	850,000

Parks and Recreation Program

The funding (\$78,400) from Park Development Impact Fees Fund (Fund 3204) will be removed from Sundance Park Improvements project (L19165100) in FY2013/14 as the project scope is still being developed.

Park Development Impact Fee Fund (3204) Adjustment

CIP #	CIP NAME	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	TOTAL
L19165100	Sundance Park Improvements	(78,400)	-	-	-	-	(78,400)
TOTAL		(78,400)	-	-	-	-	(78,400)

Emerging Small Business Development (ESBD): Not applicable.



Attachment 1

**2013-2018 General Plan Consistency
Available after 5/9/13**



2013-2018 CIP Technical Adjustments

FY2013/14 CIP Budget Amendments

(projects and adjustments identified on this schedule will be included in the Approved 2013-2018 CIP)

Project Number	Project Name	Fund	Fund #	Revenue	Expenditure	Net Change	Funding Details
A13000200	Fleet Management Technology Program	Fleet	6501	\$ -	\$ (75,000)	\$ (75,000)	Reduce the FY2013/14 CIP by \$75,000 and increase the CIP programming in FY2017/18 by \$50,000
B13000100	Fleet Facilities Program	Fleet	6501		\$ -	\$ -	Increase the FY2015/16 through FY2017/18 CIP by \$325,000 each year
C13000100	Fuel Management & Support Equipment Program	Fleet	6501	\$ -	\$ (50,000)	\$ (50,000)	Reduce the FY2013/14 CIP by \$50,000 and increase the CIP programming in FY2017/18 by \$100,000
D13000200	Fleet Alternate Fuel Equipment Replacement Program	Fleet	6501	\$ -	\$ (50,000)	\$ (50,000)	Reduce the FY2013/14 through FY2016/17 CIP programming by \$50,000 and increase the CIP programming in FY2017/18 by \$50,000
L19165100	Sundance Park Improvements	Park Development Impact Fee	3204	\$ -	\$ (78,400)	\$ (78,400)	Delete project from the FY2013/14 CIP as project scope is still being developed
			Total	\$ -	\$ (253,400)	\$ (253,400)	