Hem#30

City of Carson City Agenda Report

Date Submitted: April 28, 2009		Agenda Date Requested: May 7, 2009 Time Requested: 10 minutes	
To:	Mayor and Supervisors		

From: Public Works

Subject Title: Action to accept the 2008/09-2012/13 Capital Improvement Program.

Staff Summary: This is the annual update of the City Capital Improvement Program which accompanies the City's annual budget. The significant issue this year is that the General Fund capital requests have not been budgeted because of reduced revenues to the city. The Board will have to decide in the future whether to fund any projects from the general fund on a case by case basis until revenues improve.

Type of Action Requested:	(check one)	
() Resolution	() Ordinance	
(X_) Formal Action/Motion	Other (Spec	eify)
Does This Action Require A Busine	ss Impact Statement:) Yes (_X) No
Recommended Board Action: I mov	ve to accept the 2008/09-2	012/13 Capital Improvement
Program.	-	

Explanation of Board Action: The Carson City 2008/09-2012/13 Capital Improvement Program (CIP) is a 5-year schedule of public physical improvements to the City's infrastructure. The CIP sets forth proposed expenditures for systematically constructing, upgrading, expanding and replacing the community's physical plant. Projects are typically major expenditures. They can be either infrequent projects, such as the Waste Water Treatment Plant Upgrades construction or systematic improvements, such as street surface replacement. Because the CIP identifies where City facility improvements will be done, where City facilities will be expanded and where City dollars will be spent, it is more than a schedule of expenditures. It is a statement of budgetary policy and a planning document. Projects are developed through the course of the fiscal year. The typical process involves citizens or staff proposing needed projects. Staff then coordinates the project with any related projects, reviews the project in order to determine how completing the project will accomplish the goals and policies of Carson City, identifies a funding source and develops a project schedule. Projects are reviewed by the responsible department and placed within the department's five-year schedule. The CIP is then approved by the Board of Supervisors as part of the Annual Budget process. During the annual review of the 5-year CIP completed projects are removed, new projects are proposed and scheduled projects are moved forward through the schedule or moved to later years. The timing of a project is dependent on the current condition of the facility and funding availability. As the 5-year CIP is fine-tuned in the development process, it is under the oversight of the CIP Review Committee, which is composed of senior staff and the City Manager. If a project is initiated

prior to the CIP annual review this project must go through an additional process which includes identifying funding sources, development of a project schedule and then the Board of Supervisors will determine how the project or project(s) will be added to the program based on staff recommendations. This CIP anticipates the completion of a number of major projects over the next 5 years.

The primary funding issues for the CIP are the lack of General Fund dollars due to the recent downturn in sales tax revenue and adequate funds for water and wastewater projects due to declining connection fees. Currently there are limited General Fund dollars available to fund regular Operation and Maintenance of City programs and projects.

The projects within the first year of the CIP are prioritized. Prioritization is developed within each section and is established by the responsible departments and CIP Review Committee. The prioritization is based on the need for the project and the available resources needed to complete the project.

Projects are prioritized based on the effect of each project on the City's ability to meet community goals. All projects are compared on the basis of a common set of selection criteria. Rating criteria for project prioritization should be based on anticipated funding sources, legal constraints/requirements, health and safety, conformity with adopted plans and goals, impact on operating budget, cost effectiveness, etc. Funds are not available to meet all the capital requests each year so a project prioritization has been established.

Criteria for rating capital requests:

Safety - extent to which project eliminates, prevents, or reduces an immediate hazard to safety. Mandates - Extent to which project helps city meet existing or new mandates.

Timing/linkages - extent to which project is timely, a continuation of a project currently under way, related to other high-priority projects, etc.

Financing/Operating budget impact - Extent to which project can be financed with non-general fund revenue sources. Projects that decrease future operating expenses receive a higher priority and projects that increase operation expenses receive a lower priority.

Maintaining current level of service - Extent to which project is necessary for city to continue to provide one or more services at current standards.

CONSTRAINTS

This CIP should be fiscally balanced and constrained in all funding sources. The projects in the five-year program are funded based on the best revenue estimates available. Because of the current financial situation the CIP for this years General Fund projects is not fiscally constrained or balanced to available revenues. As a result the General Fund projects are prioritized and as funding may become available the Board of Supervisors may approve funding of prioritized projects. Funding for water, wastewater, and transportation projects may require bonding which may require rate adjustments in order to meet debt requirements. The rate and bond issues will be brought to the

Board of Supervisors and Regional Transportation Commission at appropriate times and will involve public review processes prior to proceeding with any rate change or bond issuance process.

Projects in the CIP may be eligible for Federal Stimulus money and once a project is approved for Federal Stimulus that project would be moved forward in project prioritization.

Applicable Statue, Code, Policy, Rule or Regulation:

Fiscal Impact: Each project amount as approved in various budgets.

Explanation of Impact: The budgets contain the first year capital projects except for the General Fund.

Funding Source: Various Accounts as provided in FY's 2008/2009 and 2009/2010.

Alternatives: Provide other direction pursuant to Board Action

Supporting Material: CIP Document

Reviewed	By: Andrew Burnham, Public Works Director) (City Manager) (District Atterney) (Finance Director)	Date:	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Board Ac	tion Taken:		
Motion:		1)	