



**Finance**  
Department



# Proposed Capital Improvement Plan FY2016-FY2020

Finance Department  
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# Overview



## The Capital Improvement Plan:

- A rolling 5 year plan of projected projects.
- A live document and subject to change due to environmental factors, funding, budgets, shifting priorities, scheduling, citizens' input, etc.
- Is accessible online through the Finance Department's website.
- Covers four components, the Public Improvement Program (PIP), Rebuild Houston, Enterprise Fund Program, and Component Units.



# CIP Organization



## Four Components:

- **Public Improvement Program (PIP):** General Fund departments including Fire, General Improvements, Housing, Library, Parks, Police, Public Health, Solid Waste
- **Rebuild Houston:** Storm drainage and street infrastructure (tabs Storm Drainage and Street & Traffic)
- **Enterprise Fund Program:** The City's business-type entities (closed financial systems) including the Combined Utility System (CUS; tabs Water and Wastewater) and the Houston Airport System (HAS).
- **Components Units:** includes legally separate organizations from the City that are financially closely related (as reported in the City's Comprehensive Annual Financial Report)
  - E.g. TIRZ, Houston Parks Board, Houston First



# Funding Sources



- **Public Improvement Program (PIP)**
  - General Fund supported debt (Public Improvement Bonds)
  - Community Development Block Grants
  - Other community donations, contributions and grants
- **Rebuild Houston**
  - Revenue from Drainage Utility Fee & Developer Impact Fee
  - Other governmental entities such as METRO and TxDOT
- **Enterprise Fund Program**
  - CUS revenues derived from water customers, grants, etc.
  - HAS revenues derived from airlines, parking fees, FAA grants, etc.
  - Revenues may fund projects directly or support associated debt
- **Component Units**
  - Tax Increments, Private donations



# CIP Appropriations – FY16



- CIP projects total \$2.1 billion from all funding sources.
  - Enterprise Programs total \$1.5 billion (including ReBuild Houston)
  - Public Improvement Programs total \$283 million
  - Component Units total \$265 million

Plan Comparison (\$ millions)	FY15		FY16	
Public Improvement Bonds	164	55%	132	47%
All Other Funding Sources	<u>133</u>	<u>45%</u>	<u>151</u>	<u>53%</u>
Public Improvement Program *	298	18%	283	13%
Rebuild Houston	281	17%	265	13%
Combined Utility System	522	32%	530	25%
Houston Airport System	277	17%	754	36%
Component Units **	255	16%	265	13%
<b>TOTAL</b>	<b><u>1,632</u></b>	100%	<b><u>2,097</u></b>	100%

\* Includes Citywide Programs such as Information Technology, Fleet, and Equipment.

\*\* Net of overlap with Public Improvement Programs

# Key Projects



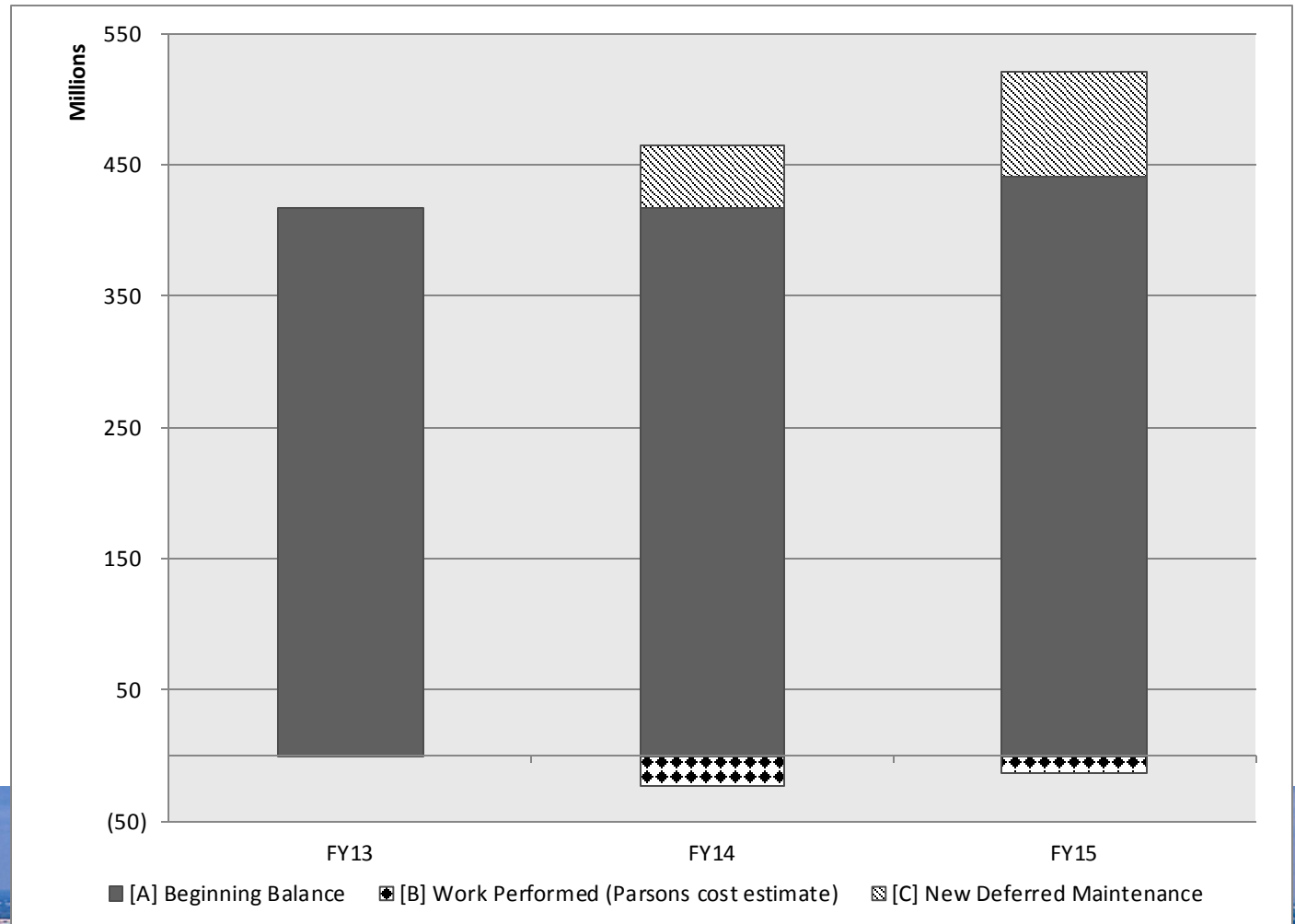
- Continues to Include:
  - Bayou Greenways Initiative (Detailed by sub-project)
  - Alief combined Multi-Service Center, Community Center, and Library
  - City-County Prisoner Processing Facility
  - City Hall Shower Facilities
- Satellite court at new Southwest Police Station
- Replacement of end-of-useful life Cardiac Defibrillators



# General Fund Deferred Maintenance



- The City still faces \$507 million of deferred maintenance.



# Financial Policies: Capital Management HIGHLIGHTS



- The City has prioritized capital maintenance over new facilities
  - \$10 million of new facilities; \$230 million of general fund capital maintenance





# Financial Policies: Capital Management HIGHLIGHTS



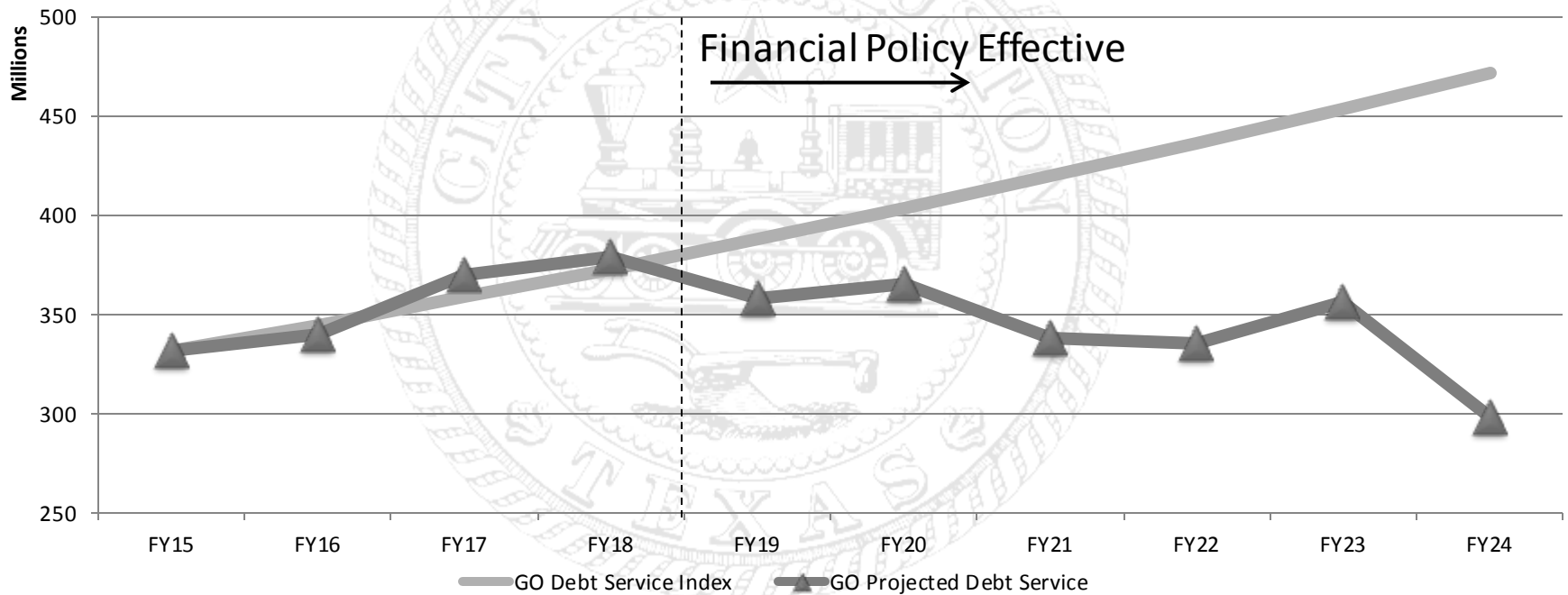
- General Fund Capital Maintenance as a % of Current Replacement Value (CRV)
  - Long-term Goal = 2.0%
  - Capital maintenance above 2.0% will help reduce existing deferred maintenance

Capital Maintenance Projects	(\$ Thousands)	% of CRV Per Financial Policy	% of Total CRV
FY2016	53,756	488%	2.6%
FY2017	52,311	343%	2.6%
FY2018	79,028	441%	3.9%
FY2019	23,984	134%	1.2%
FY2020	21,363	119%	1.0%

# Financial Policies: Debt Management HIGHLIGHTS



- The City will use the current year's General Obligation debt service payment as a baseline to establish an index reflecting 4% annual growth





# Proposed Capital Improvement Plan FY2016-FY2020

