



MEMORANDUM

LEGISLATIVE REFERENCE BUREAU

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To: Capital Improvements Committee
From: Kathleen Brengosz, Fiscal Planning Specialist, x3926
Date: October 1, 2013
Subject: 2014 Proposed Budget

The total capital plan in the 2014 Proposed Budget is 233,194,000. This is a reduction of \$12.75 million from the committee's recommendation and a \$6.9 million increase from the 2013 Budget. Compared to the committee's recommendation, proposed general obligation debt for non-enterprise accounts has decreased by \$21.6 million to \$85.3 million. The cash financed portion has increased by \$4.1 million to \$5.3 million. There were large changes in revenue and grant and aid funding, but they were largely related to the reclassification of the funding for Special Capital Grant and Aid Account. There was a reduction (\$100,000) in the grant funding for the I&I program.

Proposed enterprise funding increased by \$5.8 million. In the Sewer Maintenance Fund, sewer main work increase by almost \$3 million. In the Parking fund, the \$5 million increase related to the Permanent Improvement Reserve was partially offset by the elimination of the Joint Dispatch/Parking Enforcement Relocation project. The Water Works was funded as requested.

Most of the core infrastructure programs were funded at levels that were not significantly different than what the committee recommended. Several of the paving related programs were reduced but the reductions may be partially offset by changes in DPW's contracting practices. The High Impact Street program was increased by \$1 million from the committee's recommendation and \$1.5 million from the department's request.

Renovation and remodeling projects that did not receive funding include the Workplace Safety and Efficiency project for ITMD, the 10th Floor of the ZMB for DNS and the Joint Dispatch/Parking Enforcement relocation. Other unfunded capital requests include the PC Replacement Cycle in ITMD, the Healthy Neighborhood Initiative in DCD and the Storm Water Management program in DPW Facilities. The Neighborhood Library Improvement program was not funded but the Facilities Initiative contains a significant amount of funding to remodel Tippecanoe. The renovation of the 8th Floor of City Hall was funded as requested by the department, not as recommended by the committee.

The 2014 Proposed Budget includes three new capital accounts. Two of them, Concentrated Blight Elimination and Vacant Lot Beautification are directly related to the Mayor's proposed Strong Neighborhood Investment Plan (SNIP). The third, Hazardous Tree Removal provides a funding source for the recent change that allows property owners to spread the cost of City ordered tree removal over six property tax years.

The 2014 Proposed Budget contains a number of changes that are related to the SNIP program. Affected capital accounts include *in rem* Property in DCD, the new Concentrated Blight Elimination program, and the Major Capital Equipment account in DPW Operations.

There is more emphasis in 2014 on cash financing than in 2013. Cash is proposed primarily for technology related projects like the Channel 25 Conversion and the Fire Department's Video Conferencing System but also for a significant portion of the High Impact Street program.

I am still reviewing the capital budget and working with the departments to determine the effects of the Proposed Budget. Additional information will be available in the Legislative Reference Bureau budget write-ups as well as at the Finance and Personnel Budget hearings which will begin on October 8th.

If you have questions or would like additional information on specific capital accounts or projects please contact me.