2016 Proposed Capital Budget

2016 Budget Overview

Finance and Personnel Committee

October 6, 2015

Capital Budget Objectives

Mission

Support the regional and local economy and protect the environment and public health

Objectives

1. Improve infrastructure and facilities condition.

2. Improve the efficiency of city operations.

2016 Capital Budget

- **2016 Total Capital Budget = $272.4 million**
  - $169.5 million General City
  - $32.7 million DPW/Port Grant & Aid
  - $70.2 million Enterprise (Parking, Water, Sewer)
- Levy Supported G.O. Borrowing: $93.9 million
  - $90.4 million in 2015
- Total Cash Levy for Capital: $1 million
  - $1.2 million in 2015

Financing

	2015 Adopted	2016 Proposed
Tax levy (cash)	$1.2	$1
Levy-supported debt	90.4	93.9
TID	16.5	53.9
Assessments	2.4	1.6
Cash Revenues	19.5	19.1
Grant & Aid (DPW)	38.4 (37.6)	32.7 (31.8)
Subtotal City	**$168.4**	**$202.1**
Enterprise	63.6	70.2
TOTAL	**$232**	**$272.4**

In millions

2016 Capital Budget: Key Takeaways

1. Pressure from IT, major facilities projects, and Strong Neighborhoods Program pose challenges for core infrastructure funding commitment.

2. 2016 proposal includes priority-based reductions to Bridge, Alleys, and facility programs in lieu of funding for City Hall foundation.

3. Demands on debt service levy will grow through the 6-year Plan period.

4. SNP programs will continue to evolve based on experience & results.

5. ADA compliance poses potential challenges for 2017-2018.

6. Sewer and Water enterprises can support strong replacement cycles.

2016 Proposed Capital Budget-Highlights

- **City Hall Foundation Repair Project**
  - $13 million included for first phase of 4-5 year project
  - Total project costs estimated between $53-60 million
  - Initiating the repair in 2016 is a more proactive, cost effective approach than reacting to a potential structural failure at an unknown point in the future
  - Little to be gained from a budget/planning perspective by a delay of less than 4-5 years
  - Risk of structural failure increases over time

- **Reduction to Local Bridge Program**
  - "Trade-off" to limit borrowing increase for Foundation Repair
  - $4.1 million in proposed budget, down $4.7 million from 2015
  - Major progress made in sufficiency rating
    - 95% of bridges with sufficiency rating greater than 50

2016 Proposed Capital Budget-Highlights (continued)

- Police
  - $24.3 million request reduced to $9.1 million in proposed budget
  - Includes limited funding for ongoing PAB project: $2.1 million
  - Funds the most critical IT projects:
    - RMS, CAD, Mobile Computers, Radio Dispatch Consoles
- Library
  - $4.8 million for new construction: Forest Home, Mill Rd.
  - $1 million for Central Library upgrades

2016 Proposed Capital Budget- Highlights (continued)

- **Housing/Strong Neighborhoods**
  - ❑ $1.5 million for Strong Homes Loan Program
  - ❑ $1.33 million for In Rem Property Program
    - • $500k for Challenge Grant
    - • $250k for ACTS partnership
    - • $300k for Rent-to-own
    - • $280k for other programs including homebuyer assistance
  - ❑ Housing Infrastructure Preservation Fund: $450k
  - ❑ Housing Trust Fund: $400k
  - ❑ Code Compliance Loan Program: $500k
 - ❑ DNS Demolition/Deconstruction: $2.2 million

2016 Proposed Capital Budget-Highlights (continued)

- **Economic Development**
  - TID Borrowing: $53.9 million
    - Increase of $37.4m from 2015
  - Commercial In Rem Program: $250k
  - Commercial Investment Program (formerly Façade Program): $500k

- **Not included in 2016 Proposed Capital Budget**
  - Fire Repair Shop
  - City Attorney 8th floor Renovation

Funding for IT and Facility Projects Increases by $11.8 Million from 2014 to 2016

IT Projects (millions)

Facility Projects (millions)
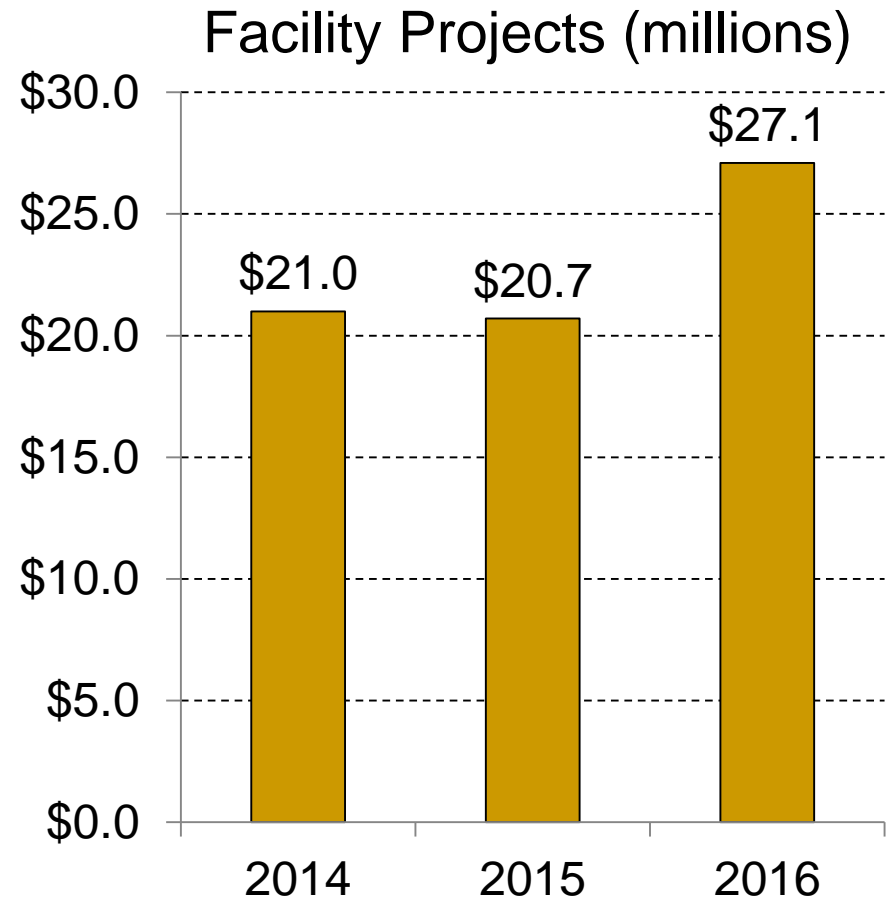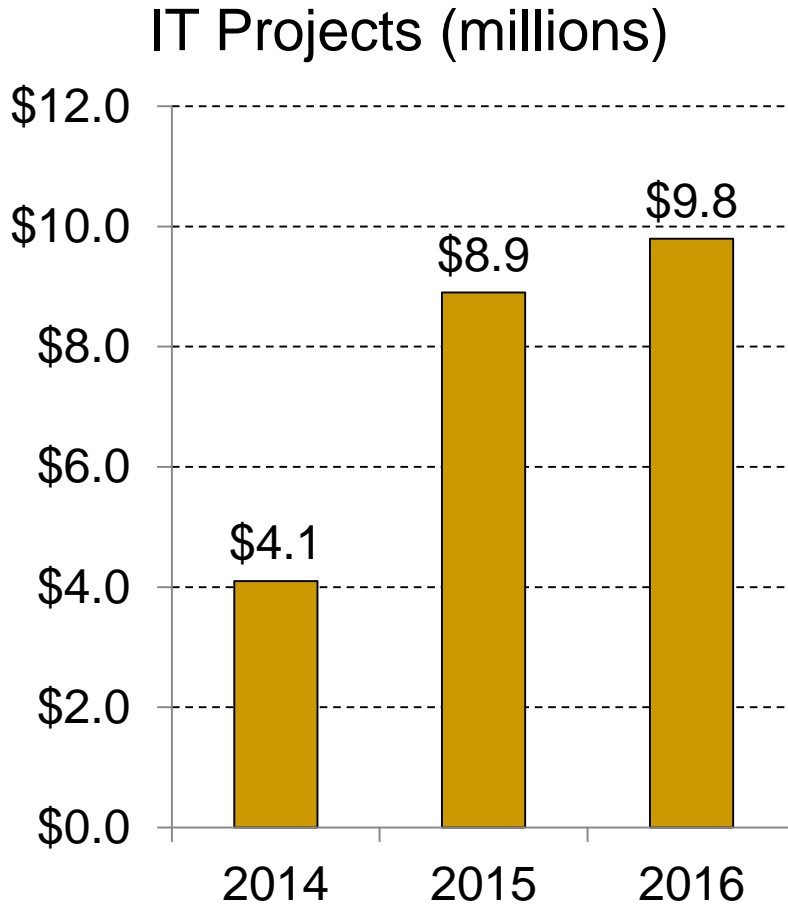
City Funding for Core Infrastructure: 2004-2016
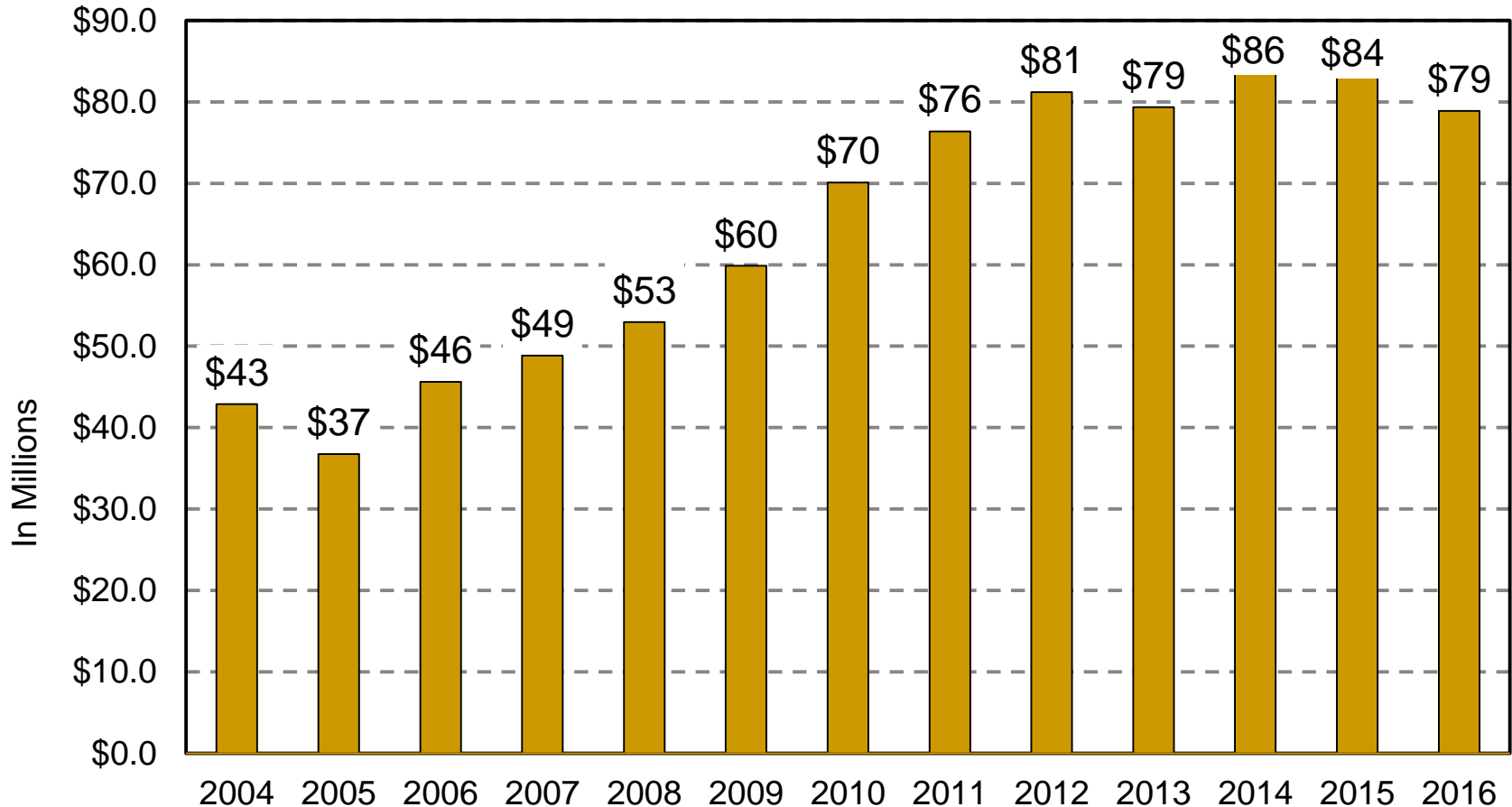
*Includes city funding for Major, Local and High Impact Street Programs, Major and Local Bridge Programs, Street Lighting Program, and Sewer Capital Program.

Questions?

For questions or any additional follow-up, please contact:

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