

Capital Improvement Plan
FY2017 - FY2021
& FY2018 Capital Budget Overview

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Overview: Capital Improvement Plan vs. Capital Improvement Budget

- Capital Improvement Plan (CIP) is the long term plan for capital improvements throughout the City (FY2017-FY2021).
- Capital Improvement Budget is the spending plan for the upcoming fiscal year (FY2018) for capital items.
- Combined, the CIP and Capital Budget are tools that help professionalize how capital projects are identified, prioritized, and funded for all City departments.

Capital Improvement Plan – Why?

- “Capital planning and budgeting is central to economic development, transportation, communication, delivery of essential services, environmental management and quality of life of our citizens. Much of what is accomplished by local government depends on a sound long-term investment in infrastructure and equipment.”
 - From ICMA’s *Capital Budgeting: A guide For Local Governments*

Capital Improvement Plan: FY2017 – FY2021

- The Capital Improvement Plan (CIP) is the long term plan for capital improvements throughout the City.
- CIP ensures that capital needs are being addressed responsibly based upon priority and thoughtful planning.
- CIP is a critical component of capital improvement budget (FY2018) and overall budget strategy.
- CIP gives the administration the ability and knowledge to address deferred maintenance, infrastructure needs, and all other future capital needs of the City.

Capital Improvement Plan: FY2017 – FY2021

- The CIP is a comprehensive document prepared by the administration that includes:
 - Mayor's Message
 - Program Overview
 - Executive Summary
 - Debt and Capital Improvement Policies
 - CIP comprehensive summary (five year)
 - Capital Plan - Debt Service Impact (one year)
 - Detailed summary of proposed FY2018 Capital Budget requests

- These documents are part of your CIP binder.

Capital Improvement Budget: FY2018

- The FY2018 Capital Improvement Budget is the upcoming year's spending plan for capital items.
- The Capital Improvement Budget dovetails into the City's FY2018 operational budget.
- Therefore, It is the hope of the administration that the capital budget is approved prior to submission of the FY2018 operating budget.
- By approving the capital budget timely, the administration will be able to appropriately budget the capital expenses for all city departments.

Capital Improvement Budget: “What is a capital asset?”

- All items in the CIP have to have the following to be included:
 - A value of \$35,000 or greater, and;
 - A useful life of five (5) or more years.
- Items that do not meet these two thresholds are considered operating costs and will be included as part of the operating budget.

FY2018 Capital Improvement Budget

Executive Summary – General Fund

- This Capital Budget has multiple funding sources, including grant funds, free cash, operating fund appropriations, and bonding.
- The total proposed Capital Plan for the City of Everett for FY2018 is \$11,447,500.
 - \$ 9,509,000 ~ Bonding (Long term debt issuance)
 - \$ 900,000 ~ Grants and Other Financial Sources (OFS)
 - \$ 722,500 ~ FY18 Operating Fund appropriation
 - \$ 316,000 ~ Capital Improvement Stabilization Fund appropriation
- Details on the General Fund CIP can be found in FY2018 Capital Improvement Program.

Summary:

Capital Improvement Plan and its benefits

- Sound financial management represents one of the most critical aspects of local government administration.
- Capital planning enhances a community's credit rating, controls its tax rate, and avoids sudden changes in debt service requirements.
- Capital planning process will keep public informed of current community objectives as well as future needs and projects.
- Sound policies and planning will identify the most economical means of financing capital needs of the city.