



**Finance**  
Department



# Proposed Capital Improvement Plan FY2015-FY2019

Finance Department  
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# Overview



## The Capital Improvement Plan:

- A rolling 5 year plan of projected infrastructure 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, Gen. Gov.'t, 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 – FY15



- CIP projects total \$1.59 billion from all funding sources.
  - Enterprise Programs total \$1.04 billion
  - Public Improvement Programs total \$290 million

Plan Comparison (\$ millions)	FY14		FY15	
Public Improvement Bonds	150	56%	164	57%
All Other Funding Sources	<u>120</u>	44%	<u>126</u>	43%
Public Improvement Program *	270	23%	290	18%
Rebuild Houston	251	20%	249	16%
CUS & HAS	566	45%	792	50%
Component Units **	159	13%	255	16%
<b>TOTAL</b>	<b><u>1,246</u></b>	100%	<b><u>1,587</u></b>	100%

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

\*\* Net of overlap with Public Improvement Programs



# Five-Year Appropriation Summary

## All Funds



(\$ Thousands)

	2015	2016	2017	2018	2019	2015-2019
Public Improvement Programs						
Public Safety	80,373	78,196	21,973	7,705	9,702	197,949
Homeless & Housing	36,712	41,218	13,300	13,300	13,300	117,830
Library	12,591	10,257	10,106	14,697	1,679	49,330
Parks and Recreation	72,850	91,904	69,137	47,373	26,466	307,730
General Improvements	24,993	24,567	37,817	55,934	4,920	148,231
Subtotal	227,519	246,141	152,334	139,009	56,067	821,070
Enterprise Programs						
Aviation Facilities	270,871	220,481	306,336	131,400	281,628	1,210,716
ReBuild Houston	249,142	229,591	234,006	222,008	225,105	1,159,852
Waste Water	181,887	185,787	167,782	188,435	268,227	992,118
Water	339,643	385,697	924,266	611,609	435,316	2,696,531
Subtotal	1,041,543	1,021,556	1,632,390	1,153,452	1,210,276	6,059,217
Citywide Programs						
Technology	15,814	4,194	6,395	2,177	2,016	30,596
Fleet	46,922	34,137	35,531	36,101	36,770	189,461
Subtotal	62,736	38,331	41,926	38,278	38,786	220,057
Component Units	271,696	257,048	170,835	113,863	38,441	851,883
Overlap Between Component Units and Public Improvement Programs	-16,216	-58,955	-35,506	-20,158	-17,440	-148,276
<b>Grand Total</b>	<b>1,587,278</b>	<b>1,504,121</b>	<b>1,961,979</b>	<b>1,424,444</b>	<b>1,326,130</b>	<b>7,803,952</b>

# Key Projects



- Continuation of:
  - Bayou Greenways Initiative (now detailed by each sub-project)
  - Homeless & Housing Plan to End Chronic Homelessness
  - Single Stream Recycling Expansion Program (completion in FY15)
- Increased General Fund FY15 funding to Fleet
  - FY15 \$25mm; FY14 \$14mm; FY13 \$14mm; FY12 \$15.5mm; FY11 \$15.5mm; FY10 \$26.7mm; FY09 \$32.5mm
- Alief MSC, Community Center and Library (in Gen. Gov't)
- Improvements to the City's Information & Cyber Security
- City-County Prisoner Processing Facility





# Capital Management Initiatives



- Complete and manage plans for maintaining and optimizing usage of the City's General Fund capital assets: facilities, fleet, equipment, and information technology
  - Building 30 year replacement models by asset type to define the funding needs of maintaining existing assets
  - Prototype Model for Fuel Tanks





# Prototype Replacement Model for Fuel Tanks



## CURRENT STATE

- Currently replacement occurs on a reactive basis, as a result of tank leaks or failures, rather than a proactive basis
- Asset Useful Life: 30 years
  - Oldest Tank: 37 years
  - Tanks Beyond Useful Life: 8 tanks
  - Tanks within 5 years of End of Useful Life: 15 tanks
  - Average asset age: 18 years



# Prototype Replacement Model for Fuel Tanks



## STABLE CYCLICAL REPLACEMENT MODEL

- 51 fuel sites (106 fuel tanks)
- Cost to Replace All Fuel Sites: \$22.3 million
- Annual Cost over 30yrs: \$745,000
- Annual Cost over next 5yrs to catch up: \$1.12mm
- Model details specifics by site
- GOAL: complete this type of model for facilities, fleet and IT so we know funding needs to maintain existing assets





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