



Finance
Department



Proposed Capital Improvement Plan FY2018-FY2022

Finance Department

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Treasury and Capital Management

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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.
- 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, Health, Housing, Library, Parks, Police, 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).
- **Component Units:** includes legally separate organizations from the City that are financially closely related (as reported in the City's Comprehensive Annual Financial Report)
 - Houston Parks Board and Houston First
 - TIRZ
 - The FY2018-2022 Proposed CIP includes plan amounts from the FY2017-2021 Adopted TIRZ CIPs because TIRZ budgets are normally adopted in August and September, well after the Proposed CIP is adopted.





Funding Sources

- **Public Improvement Program (PIP)**
 - General Fund supported debt (Public Improvement Bonds)
 - Other community donations, contributions and grants
- **ReBuild Houston**
 - Revenue from Drainage Utility Charge & Developer Impact Fee
 - Ad valorem that previously went to paying debt service for street and drainage projects
 - ReBuild CIP is planned using the full 11.8 cent transfer, not the equivalent
 - 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





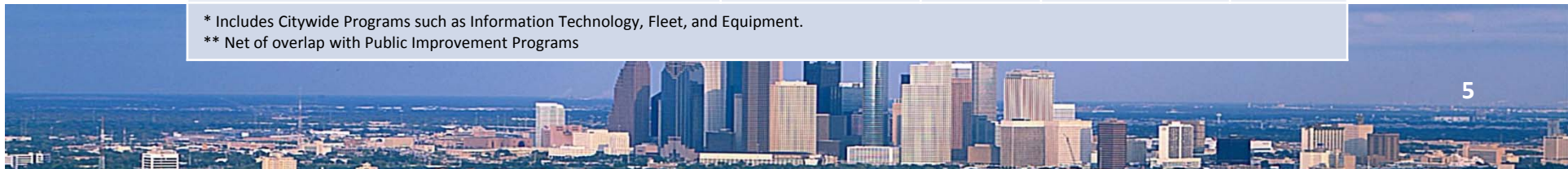
CIP Appropriations – FY2018

- CIP projects total \$2.3 billion from all funding sources.
 - Enterprise Programs total \$1.9 billion (including ReBuild Houston)
 - Public Improvement Programs total \$186 million
 - Component Units total \$225 million

Plan Comparison (\$ millions)	FY2017		FY2018	
Public Improvement Bonds	111	55%	108	58%
All Other Funding Sources	<u>91</u>	<u>45%</u>	<u>78</u>	<u>42%</u>
Public Improvement Program *	202	9%	186	8%
ReBuild Houston	271	12%	253	11%
Combined Utility System	751	35%	861	37%
Houston Airport System	731	34%	797	34%
Component Units **	216	10%	225	10%
TOTAL	<u>2,171</u>	100%	<u>2,322</u>	100%

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

** Net of overlap with Public Improvement Programs



Timeline



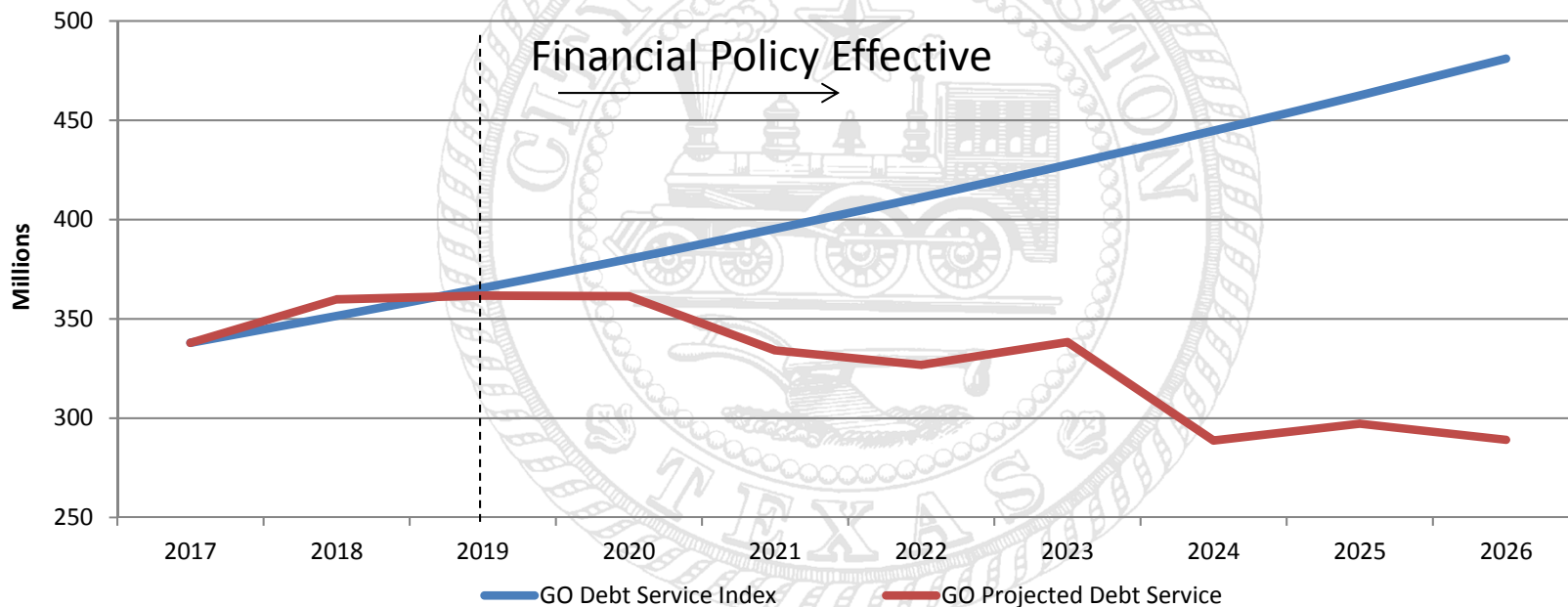
- June 22nd – Proposed FY 2018 – 2022 Capital Improvement Plan released
- June 27th – Budget and Fiscal Affairs Committee
- June 28th – CIP on Council Agenda
 - Request Motion to Delay for Three Weeks
 - All amendments due
- July 19th – City Council Vote on CIP



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



Bond Election History



- Bond elections have historically been held every four to six years, with the last one occurring in November of 2012.
- The next planned bond election is in November 2017.

Category (\$ Thousands)	1991	1997	2001	2006	2012
Streets & Drainage	314,730	350,000	474,000	320,000	-
Parks & Recreation	20,300	30,000	80,000	55,000	166,000
Public Safety	40,750	53,160	82,000	135,000	144,000
General Improvement*	97,020	91,840	80,000	60,000	57,000
Public Libraries	7,200	-	40,000	37,000	28,000
Low Income Housing	20,000	20,000	20,000	18,000	15,000
Total	500,000	545,000	776,000	625,000	410,000

*Includes Solid Waste, Health, and General Government



Bond Election



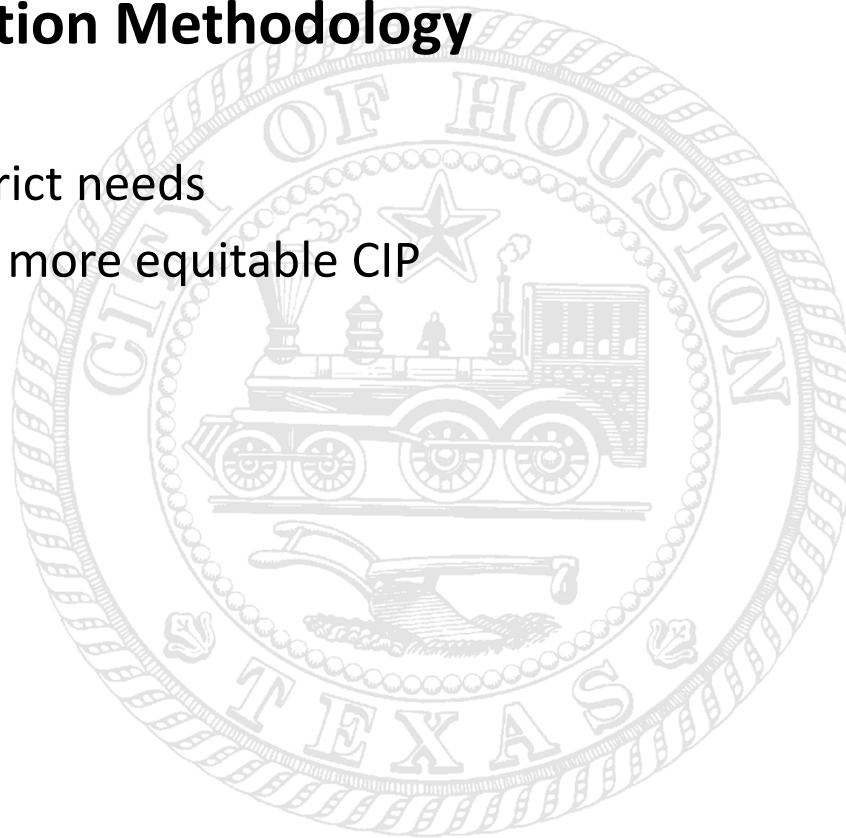
- **Major projects that require a future bond election include:**
 - City Hall and City Hall Annex Improvements (CITYWIDE)
 - Alief MSC, Community Center and Library (F)
 - Sunnyside Health Center and MSC (D)
 - Moody Library Replacement (H)
 - West End MSC and Health Center Renovation (C)
 - Meyer Library Replacement (K)
 - Sylvan Rodriguez Community Center (E)
 - Agnes Moffitt Pavilion Replacement (A)
 - Northeast MSC Renovation (B)
 - District G Community Center (G)
 - Magnolia MSC Renovation and Parking Lot Expansion (I)
 - Southwest MSC Renovation (J)



ReBuild Houston



- **Project Selection Methodology**
 - Worst-First
 - Council District needs
 - Moving to a more equitable CIP





Thank You!
Questions/Comments?

