

Capital Improvement Program (CIP)

General Fund Cash Capital



- Budget guidance adopted by City Council in November was to maintain or increase the cash capital commitment based on the Approved FY 2015-2024 CIP
- Policy option subsequently presented to City Council in December to cap General Fund support to the CIP at 12% of total General Fund
- City Council directed staff to review cash capital portion of General Fund support and recommend options for a cash capital “floor”

Capital Improvement Program (CIP) General Fund Cash Capital



FY 2016 Budget Development

- Cash capital planned to increase \$4.7 million or 26.4% over FY 2015
- All General Fund revenues now projected at only about a 1% increase, or approximately \$4.0 million - \$5.0 million over FY 2015
- Under current guidance, cash capital by itself would consume nearly all of General Fund new revenue

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Cash Capital Contributions

- Target of 25% cash funding from all sources is considered very healthy due to the flexibility it provides in maintaining capital infrastructure investments
 - FY 2015 – FY 2024 CIP - 41% cash funded from all sources
 - New recommended policy will maintain cash funding in the CIP from all sources at over 35% of total CIP
- Ties cash capital to General Fund revenue growth

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Staff Policy Recommendation

- Sustainable and affordable cash capital contribution to the CIP
- Staff recommendation:
 - “Floor” or minimum – 2% of recurring General Fund revenues (\$12.8 million in FY 2016)
 - Target – 2.5% of recurring General Fund revenues (\$16.0 million in FY 2016)
 - No adjustment to current City Council imposed debt limits
- Policy would be applied to all ten years of the forthcoming FY 2016 – FY 2025 City Manager’s Proposed CIP