

## **I. Capital Improvement Program Policy**

### **Overview**

The Projects listed in the 2008 Capital Budget for funding are consistent with this 2008-2013 Capital Improvement Program (CIP). The budget serves to specify the amount of funds available for capital improvement projects by general category (e.g., wastewater utility, streets, surface water utility, water utility, etc.) during 2008. In addition to identifying specific capital improvement projects, the Capital Improvement Program includes the annual cost for any capital project debt-financing measures, as well as the operating budget implications from a capital project. The budget authorizes a series of potential projects to be considered for funding. As the year progresses, some projects become ready for construction while others do not, depending on a variety of circumstances. The City Council, in coordination with city administration, will take action to approve specific projects up to the funding approved in the budget. If more funds become available, if third party funding can be arranged or capital projects are carried over into the new fiscal year due to scheduled delays, the budget can be amended. This approach responds during the year to a host of design and implementation issues, in the context of our overall financial plan.

### **Background**

Renton's businesses and citizens have made a considerable investment for resources in buildings, parks, streets, sewers, water systems, equipment, and other capital investments. The preservation, maintenance, and future improvement of these facilities are primary responsibilities of the City. Planning and implementing sound capital improvement policies and programs today will help preserve the investments made in the past, and provide facilities for the future.

Capital Improvement expenditures meet the following criteria:

1. An expenditure classified as a capital asset.
2. An expenditure of \$10,000 or more (except land) for projects and equipment.
3. A useful life of more than one year.

Capital Improvement Projects include:

1. New and expanded physical facilities/assets.
2. Large scale renovation and replacement of existing facilities.
3. The acquisition of land.
4. The purchase of major pieces of equipment which are not identified in the Equipment Rental/Reserve Fund and require multiple-year financing.
5. Purchases of equipment associated strictly with newly acquired facilities.

The City's Comprehensive Six-year Capital Improvement Plan is consistent with the Comprehensive Plan and the State Growth Management Act.

Financial analysis of future funding sources is conducted for all proposed Capital Improvement Projects.

# CAPITAL IMPROVEMENT PROGRAM

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Department Heads submit Capital Project proposals.

Each department is responsible for planning and prioritizing all capital project proposals within their scope of operational responsibility (see Capital Improvement Project Evaluation Criteria).

The Mayor, Chief Administrative Officer, and City's Administrators review and evaluate all Capital Improvement Project proposals.

Upon evaluation and final analysis of all proposed capital improvement projects, the Mayor provides the forthcoming year's Capital Improvement Program for the City Council review and adoption.

The Capital Improvement Program is prepared, modified and adopted annually.

## II. Procedure for Annual Capital Improvement Program

### 1. Initiation

#### **Requesting Department:**

1. Creates a list of the various capital improvement projects to be considered.
2. Verifies that projects meet the definitions of the previously defined CIP Policy.
3. Prepares a Capital Improvement Request for each project.
4. Prioritizes each proposal using the CIP Evaluation Criteria.
5. Submits request to the Finance & IS Department.
6. Finance Division submits a preliminary CIP to the Mayor and Chief Administrative Officer.

### 2. Reviews

#### **Mayor / Chief Administrative Officer / FIS Administrator:**

7. Reviews Capital Improvement Requests.
8. Prepares an annual Capital Improvement Plan recommendation.
9. Formulates an updated Capital Improvement Plan.
10. Presents the Budget and Capital Improvement Plan to the City Council.

## **CAPITAL IMPROVEMENT PROGRAM**

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### **City Council:**

11. Conducts a workshop at mid-year preparatory to the development and submittal of the Mayor's proposed annual budget, to consider any priorities or projects of interest.
12. Holds a public hearing to review the recommended CIP as part of the budget process.

## **3. Implementation**

### **City Council:**

13. Conducts workshops to review the Mayor's recommendations and make changes as necessary.
14. Adopts the Capital Improvement Program as part of the annual budget.

### **Department:**

15. Monitors all Capital Improvement Projects approved in the City's adopted annual budget.
16. If estimated project cost exceeds appropriation, submits updated project cost information and justification for increase to the Finance & Information Services Department.

### **Chief Administrative Officer:**

17. Monitors the Capital Improvement Plan and budgets and provides periodic status reports to the City Council.

### **FIS Administrator:**

18. Provides oversight of the accounting and reporting on capital projects.
19. Generates a quarterly Capital Improvement Project Summary Report of expenditures and fund balances for distribution to Mayor, Departments and City Council.

## **4. Closeout**

### **Department:**

20. Submits to FIS Administrator notification of completion of the capital project(s).

### **FIS Administrator:**

21. Reconciles final appropriation and expenditures for each Capital Improvement Project.
22. Eliminates Capital Improvement Project at year-end from Capital Improvement Project Summary Report.

## **CAPITAL IMPROVEMENT PROGRAM**

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### **Criteria for Evaluating Projects**

- Preservation of public health & safety
- Improvements required as a result of court action or federal or state regulation or to prevent court action
- Reduction of current maintenance expenditures & avoidance of costly future rehabilitation
- Preservation of existing facilities
- Importance for gaining or retaining industry and jobs, and promoting economic development
- Positive impacts (social, political, etc.) on City residents
- Grant/loan secured or leveraging of private funds
- Grant/loan available
- Protection of vital links in providing services to residents
- Demonstration that project can proceed to construction promptly

# CAPITAL IMPROVEMENT PROGRAM

2008 through 2013

## CITY SUMMARY

<b>Expenditures by Department</b>	Actual YTD June 2007	Budget 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected Total
General Government	109	1,836	3,381	3,368	10,203	2,168	1,811	1,920	22,851
Community Services	1,829	5,846	12,748	13,452	4,100	5,203	3,658	6,883	46,044
Transportation	1,324	25,219	29,829	21,611	16,805	13,267	12,825	27,333	121,669
Airport	340	1,320	1,895	5,040	2,750	925	420	700	11,730
Golf Course	20	190	220	330	1,140	220	195	170	2,275
Water Utility	2,168	8,950	8,875	2,195	2,695	2,945	6,035	6,185	28,930
Wastewater Utility	174	2,855	3,125	2,625	2,625	2,625	2,625	2,625	16,250
Surface Water Utility	520	4,930	3,527	2,577	2,226	2,700	2,050	2,800	15,880
<b>Total</b>	<b>6,485</b>	<b>51,146</b>	<b>63,600</b>	<b>51,198</b>	<b>42,543</b>	<b>30,053</b>	<b>29,619</b>	<b>48,616</b>	<b>265,628</b>

<b>Revenues by Type</b>	Projected 2008	Projected 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected Total
General Governmental	16,529	12,133	6,353	4,463	3,476	4,035	46,988
Vehicle Fuel Tax - Street Fund	585	595	610	615	620	625	3,650
Business License Fee	1,800	1,800	1,800	2,000	2,000	2,000	11,400
Transportation Reserves	2,693	2	-	-	-	-	2,695
Bond/Loan Proceeds	11,089	8,711	6,523	5,116	4,530	5,237	41,205
Mitigation Fees	1,873	2,472	974	207	-	-	5,526
In-Hand	14,511	3,756	2,175	43	743	1,043	22,270
Water Utility - Rates	728	399	549	544	1,134	1,157	4,511
Wastewater Utility - Rates	500	604	709	525	551	551	3,439
Surface Water Utility - Rates	958	376	394	513	451	504	3,196
Grants In-Hand	7,780	7,784	1,940	831	-	-	18,336
Grants Proposed	400	2,084	1,160	1,435	2,700	2,000	9,779
SDC/SAD	1,836	1,696	1,295	1,368	1,463	1,668	9,325
Other Proposed	1,601	2,035	1,635	135	750	700	6,856
Undetermined	717	6,752	16,427	12,258	11,201	29,096	76,450
<b>Total</b>	<b>63,600</b>	<b>51,198</b>	<b>42,543</b>	<b>30,053</b>	<b>29,619</b>	<b>48,616</b>	<b>265,628</b>

<b>Projects Introduced in 2007 included above</b>	Actual YTD June 2007	Budget 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected Total
General Government	-	-	1,280	270	530	540	510	-	3,130
Community Services/Parks	-	-	561	295	600	370	170	2,170	4,166
Airport	-	-	-	4,200	100	580	300	580	5,760
Golf Course	-	-	50	45	850	-	-	135	1,080
Water Utility	-	3,280	5,800	400	-	-	-	-	6,200
Surface Water Utility	-	-	527	227	226	-	-	-	980
<b>Total</b>	<b>-</b>	<b>3,280</b>	<b>8,218</b>	<b>5,437</b>	<b>2,306</b>	<b>1,490</b>	<b>980</b>	<b>2,885</b>	<b>21,316</b>

Amounts are in thousands of dollars

# CAPITAL IMPROVEMENT PROGRAM

2008 through 2013

## CITY SUMMARY

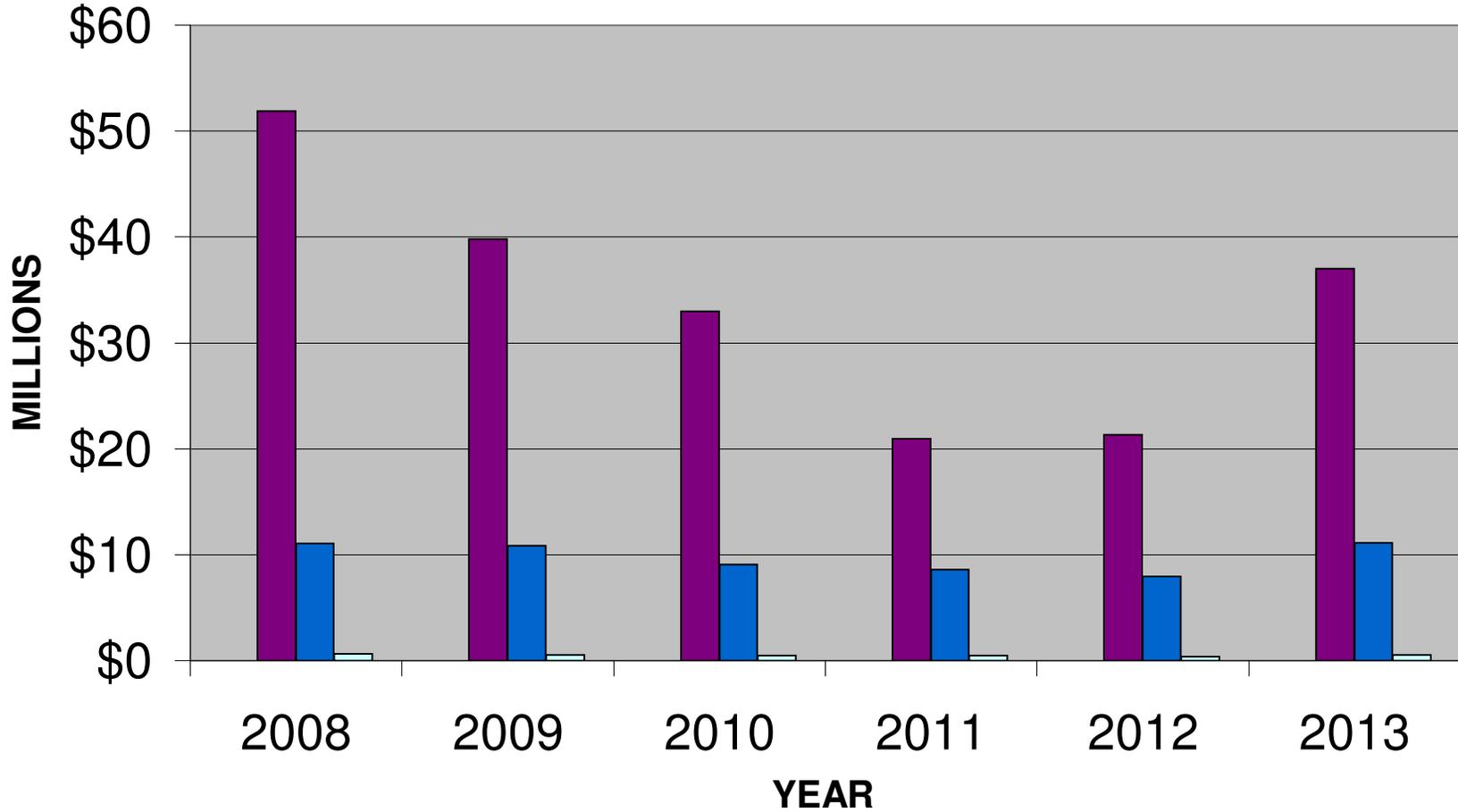
<b>Development by Department</b>	Actual YTD June 2007	Budget 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected Total
General Government	109	1,836	3,381	3,368	10,203	2,168	1,811	1,920	22,851
Community Services/Parks	814	2,200	8,435	8,505	2,850	3,720	2,520	3,695	29,725
Transportation	1,273	24,053	28,529	20,236	15,743	11,828	11,807	26,316	114,459
Airport	245	869	310	4,600	1,300	245	20	20	6,495
Golf Course	-	-	50	140	980	50	-	75	1,295
Water Utility	267	4,220	6,100	300	550	900	4,100	4,100	16,050
Wastewater Utility	48	1,600	2,700	1,000	-	-	-	-	3,700
Surface Water Utility	243	3,445	2,385	1,650	1,360	2,060	1,060	860	9,375
<b>Total</b>	<b>2,999</b>	<b>38,223</b>	<b>51,890</b>	<b>39,799</b>	<b>32,986</b>	<b>20,971</b>	<b>21,318</b>	<b>36,986</b>	<b>203,949</b>

<b>Major Maintenance by Department</b>	Actual YTD June 2007	Budget 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected Total
General Government	-	-	-	-	-	-	-	-	-
Community Services/Parks	1,015	3,646	4,313	4,947	1,250	1,483	1,138	3,188	16,319
Transportation	51	1,166	1,300	1,375	1,062	1,439	1,018	1,018	7,210
Airport	95	451	1,585	440	1,450	680	400	680	5,235
Golf Course	20	190	170	190	160	170	195	95	980
Water Utility	1,891	4,534	2,610	1,740	2,010	1,710	1,700	1,850	11,620
Wastewater Utility	116	1,235	405	1,625	2,625	2,625	2,625	2,625	12,530
Surface Water Utility	117	803	675	560	500	500	850	1,650	4,735
<b>Total</b>	<b>3,307</b>	<b>12,025</b>	<b>11,058</b>	<b>10,877</b>	<b>9,057</b>	<b>8,607</b>	<b>7,926</b>	<b>11,106</b>	<b>58,629</b>

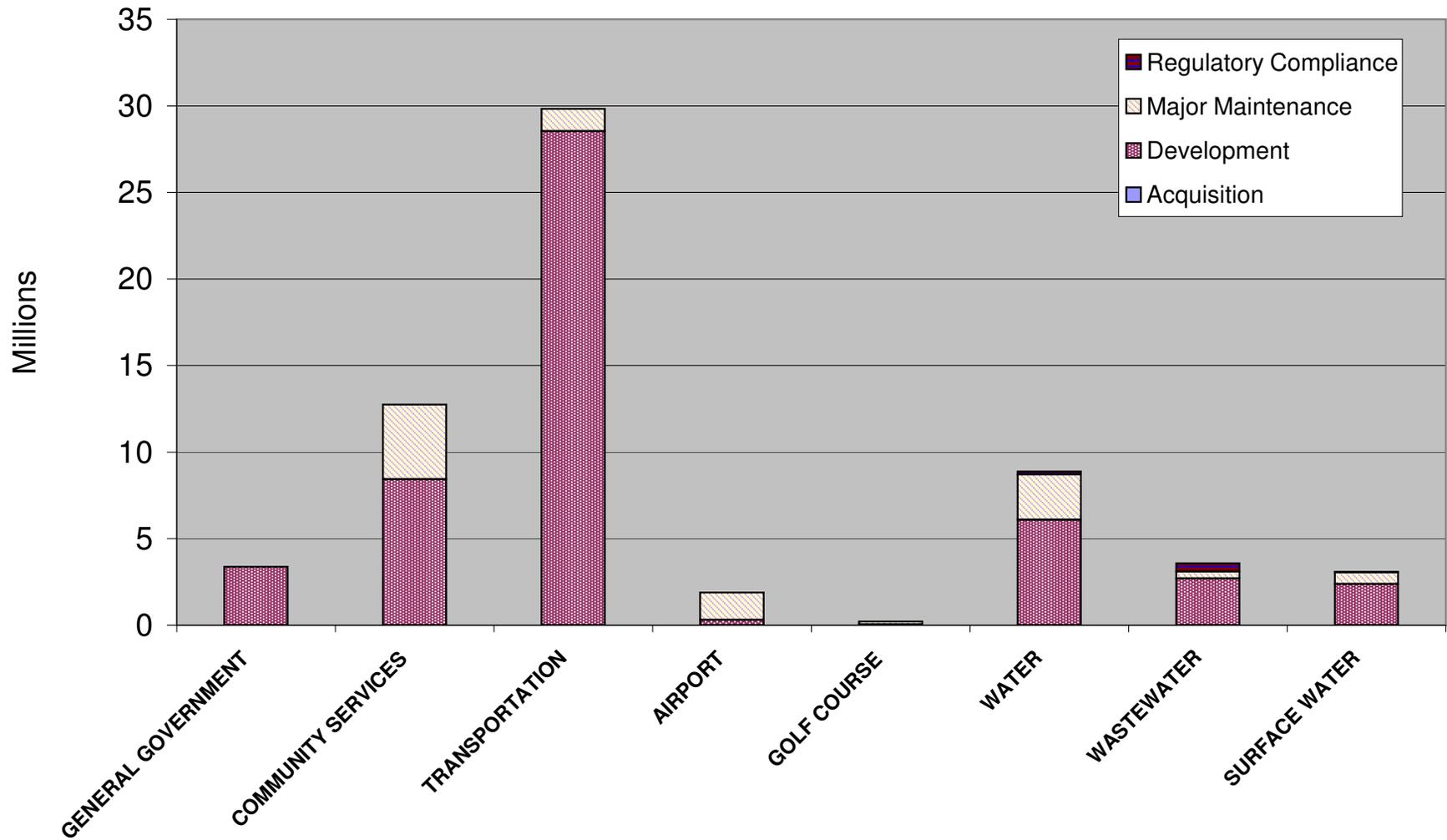
<b>Regulatory Compliance by Department</b>	Actual YTD June 2007	Budget 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected Total
Water Utility	10	196	165	155	135	335	235	235	1,260
Wastewater Utility	10	20	20	-	-	-	-	-	20
Surface Water Utility	160	682	467	367	366	140	140	290	1,770
<b>Total</b>	<b>180</b>	<b>898</b>	<b>652</b>	<b>522</b>	<b>501</b>	<b>475</b>	<b>375</b>	<b>525</b>	<b>3,050</b>

# CITY SUMMARY

□ TOTAL ACQUISITION   ■ TOTAL DEVELOPMENT   ■ TOTAL MAJOR MAINTENANCE   □ TOTAL REGULATORY COMPLIANCE



# 2008 Capital Allocation by Department



# ALLOCATION OF CAPITAL IMPROVEMENTS 2008 THROUGH 2013

