



# Finance Department

## Presentation to the City of Houston Budget and Fiscal Affairs Committee

Proposed Capital Improvement Plan  
FY2014 – FY2018

June 11, 2013

Kelly Dowe, Director  
Jennifer Olenick, Assistant Director



# Agenda

- Overview
- Sources and Uses
- CIP Appropriations – FY14
- Five-Year Appropriations Summary
- Key Projects
- Capital Management Initiatives



# Forward Looking Statements

The statements contained in this presentation and made verbally in conjunction with the presentation that are not purely historical are forward looking statements, including statements regarding the City's expectations, intentions, or strategies regarding the future. Readers and viewers should not place undue reliance on forward looking statements. All forward looking statements in this presentation and made verbally in conjunction with the presentation are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward looking statements.

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# Acronyms

Acronym	Name
CDBG	Community Development Block Grants
CIP	Capital Improvement Plan
CUS	Combined Utility System
HAS	Houston Airport System
HOT	Hotel Occupancy Tax
HPB	Houston Parks Board
IT	Information Technology
PIB	Public Improvement Bonds
PIP	Public Improvement Program
TIRZ	Tax Increment Reinvestment Zones



# Overview

## The CIP is:

- 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.
- Accessible online through the Finance Department's website.
- Covers the PIP, Rebuild Houston, CUS, HAS and Component Units.
  - The Component Unit section is new this year.



# Sources and Uses

SOURCES	PROGRAM	USES
PIB, CDBG, Community Donations, Federal grants	PIP	Fire, Gen. Gov't., Housing, Library, Parks, Police, Public Health, Solid Waste, IT, Fleet, Equipment
Drainage Utility Fee, Developer Impact Fee, Ad Valorem Taxes, Third-Party Funds	ReBuild Houston	Storm Drainage, Street & Traffic
Retail water sales, Sewer Service revenue, Fees	CUS	Waste Water, Water
Airline fees, Parking Fees, FAA grants, etc.	HAS	Aviation
Tax increments, Private donations, HOT	Component Units	TIRZ, Houston Parks Board, Houston Zoo, Houston First



# CIP Appropriations – FY14

**CIP Projects total \$1.2 billion from all funding sources.**

FY13 Plan Comparison (\$ millions)	FY13		FY14	
Public Improvement Bonds	124	70%	150	56%
All Other Funding Sources	<u>52</u>	30%	<u>120</u>	44%
Public Improvement Program *	176	16%	270	23%
Rebuild Houston	231	21%	251	20%
CUS	494	44%	374	30%
HAS	219	20%	192	15%
Component Units **	-	-	159	13%
<b>TOTAL</b>	<b><u>\$1,120</u></b>	100%	<b><u>1,246</u></b>	100%

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

\*\* Net of overlap with Public Improvement Programs; not included in FY13 CIP



# Five-Year Appropriation Summary

<b>All Funding Sources</b>						
<b>Fiscal Year Planned Appropriations (\$ Thousands)</b>						
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2014 - 2018</b>
<b>Public Improvement Programs</b>						
Fire	7,270	12,589	18,224	4,233	6,360	48,676
General Government	7,933	2,374	2,358	1,531	2,286	16,482
Homeless & Housing	44,442	54,774	-	-	-	99,216
Library	23,793	2,509	10,066	9,697	13,092	59,157
Parks and Recreation	54,383	51,646	45,762	33,069	27,533	212,393
Police	16,222	38,558	16,325	2,140	2,140	75,385
Public Health	11,146	9,242	42,654	14,652	12	77,706
Solid Waste Management	11,383	8,493	8,390	4,925	1,734	34,925
<b>Subtotal</b>	<b>176,572</b>	<b>180,185</b>	<b>143,779</b>	<b>70,247</b>	<b>53,157</b>	<b>623,940</b>
<b>Enterprise Programs</b>						
Aviation Facilities	192,398	206,177	325,210	154,953	205,159	1,083,897
Storm Drainage System	69,226	60,993	93,526	75,031	112,958	411,734
Street & Traffic Control	181,315	196,444	113,438	130,012	122,219	743,428
Waste Water	194,243	202,194	161,040	167,584	231,809	956,870
Water	179,845	175,776	235,783	266,975	114,808	973,187
<b>Subtotal</b>	<b>817,027</b>	<b>841,584</b>	<b>928,997</b>	<b>794,555</b>	<b>786,953</b>	<b>4,169,116</b>
<b>Citywide Programs</b>						
Technology	42,932	10,354	6,141	4,141	3,968	67,536
Fleet	44,365	30,092	33,803	24,150	23,203	155,613
Equipment & Other	6,150	5,292	5,292	5,292	5,292	27,318
<b>Subtotal</b>	<b>93,447</b>	<b>45,738</b>	<b>45,236</b>	<b>33,583</b>	<b>32,463</b>	<b>250,467</b>
<b>Component Units</b>	<b>199,521</b>	<b>147,449</b>	<b>100,455</b>	<b>138,741</b>	<b>79,600</b>	<b>665,766</b>
Overlap Between Component Units and Joint Projects with the City	<b>(40,250)</b>	<b>(38,250)</b>	<b>(40,000)</b>	<b>(25,300)</b>	<b>(24,600)</b>	<b>(168,400)</b>
<b>Grand Total</b>	<b>1,246,317</b>	<b>1,176,706</b>	<b>1,178,467</b>	<b>1,011,826</b>	<b>927,573</b>	<b>5,540,889</b>





# Key Projects

- Bayou Greenways Initiative (with HPB)
- Homeless & Housing Plan to End Chronic Homelessness
- Single Stream Recycling Expansion Program
- ReBuild Houston identified new projects based on its worst-first criteria
- Facilities Condition Improvements – Priority 1 and 2
- Network and Telephony Refresh, Data Center Consolidation, and SAP Employee and Manager Self Service



# Capital Management Initiatives

## Public Improvement Program Prioritization

- Zero-based budgeting
- Departments submitted project requests for both projects in the previous FY13-17 CIP and new projects
- All projects were evaluated against their contribution to Jobs and Sustainable Development, Public Safety, Infrastructure, Strengthening of Neighborhoods, and Fiscal Responsibility



# Capital Management Initiatives

## SAP Module Implementation

- The City had been using a separate application to manage the plan that did not interface with SAP, making reporting on a Plan versus Actuals basis difficult.
- We have implemented the SAP Project Systems module and for the first time built this year's CIP using SAP.
- In FY14 we will now be establishing the process to generate Plan versus Actuals reports.



# Finance Department

**Questions?**