



Finance
Department



Proposed Capital Improvement Plan FY2017-FY2021

Finance Department
Kelly Dowe, Director

Presented By:
Jennifer Olenick, CFA, Deputy Director

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, 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)
 - Houston Parks Board and Houston First
 - TIRZ
 - The FY2017-2021 Proposed CIP includes plan amounts from the FY2016-2020 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)
 - Community Development Block Grants
 - 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
 - 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 – FY17

- CIP projects total \$2.2 billion from all funding sources.
 - Enterprise Programs total \$1.8 billion (including ReBuild Houston)
 - Public Improvement Programs total \$202 million
 - Component Units total \$216 million

Plan Comparison (\$ millions)	FY16		FY17	
Public Improvement Bonds	132	47%	111	55%
All Other Funding Sources	<u>151</u>	<u>53%</u>	<u>91</u>	<u>45%</u>
Public Improvement Program *	283	13%	202	9%
Rebuild Houston	265	13%	271	12%
Combined Utility System	530	25%	751	35%
Houston Airport System	754	36%	731	34%
Component Units **	265	13%	216	10%
TOTAL	<u>2,097</u>	100%	<u>2,171</u>	100%

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

** Net of overlap with Public Improvement Programs



Timeline



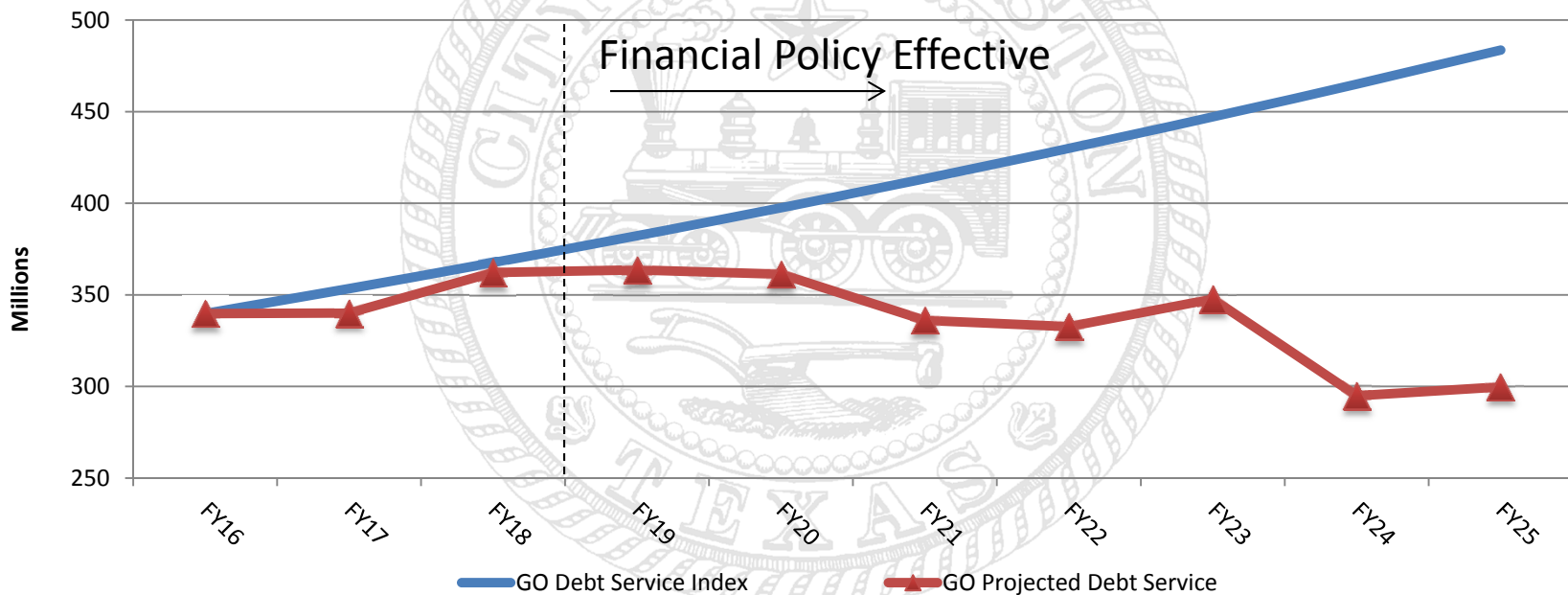
- June 29th – Proposed FY 2017 – 2021 Capital Improvement Plan released
- June 29th Mayor's Report
- July 6th – CIP on Council Agenda
 - Request Motion to Delay for Two Weeks
- July 14th – Budget and Fiscal Affairs Committee
- July 14th 5 pm – Amendments Due
- July 20th – City Council Vote on CIP



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

- A number of projects in the proposed FY17-21 CIP will require a future bond election to fund.
- Bond elections have historically been held every 4 – 5 years, with the last one occurring in November of 2012.
- The next planned bond election is in November 2017.

Category	Nov. 1997	Nov. 2001	Nov. 2006	Nov. 2012
Streets, Bridges, Storm	350,000	474,000	320,000	-
Parks & Recreation	30,000	80,000	55,000	166,000
Public Safety	53,160	82,000	135,000	144,000
General Improvement*	91,840	80,000	60,000	57,000
Public Libraries	-	40,000	37,000	28,000
Low Income Housing	20,000	20,000	18,000	15,000
Total	545,000	776,000	625,000	410,000

*includes Solid Waste, Public Health and General Government





Thank You!
Questions/Comments?

