



Finance
Department



Proposed Capital Improvement Plan FY2019-FY2023

Finance Department
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Treasury and Capital Management
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Overview

The Capital Improvement Plan:

- Focus of this year's CIP will be on Hurricane Harvey recovery
 - Delays in projects previously approved in the FY2018-2022 CIP
 - As FEMA reimbursement funds flow back to the City, delayed projects will proceed
- A rolling 5 year plan of projected projects
- This plan is a live document and subject to change due to environmental factors, funding, budgets, shifting priorities, scheduling, citizens' input, etc.
- Covers four components:
 - 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 FY2019-2023 Proposed CIP includes plan amounts from the FY2018-2022 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 11.8 cent 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





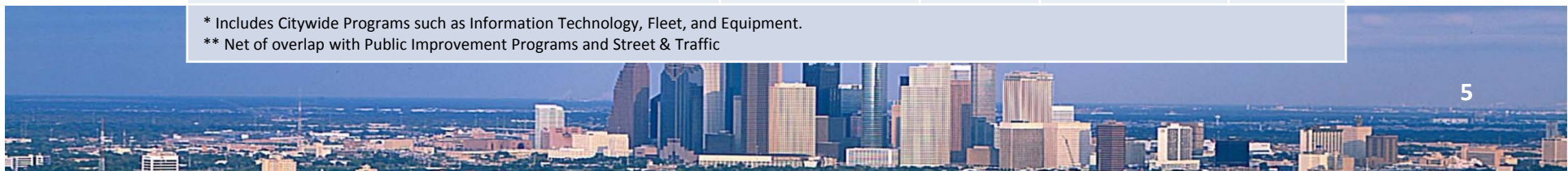
FY2019 CIP

- CIP projects total \$2.7 billion from all funding sources.
 - Enterprise Programs total \$2.1 billion (including ReBuild Houston)
 - Public Improvement Programs total \$242 million
 - Component Units total \$332 million

Plan Comparison (\$ millions)	FY2018		FY2019	
Public Improvement Bonds	108	58%	194	80%
All Other Funding Sources	<u>78</u>	<u>42%</u>	<u>48</u>	<u>20%</u>
Public Improvement Program *	186	8%	242	9%
ReBuild Houston	253	11%	276	10%
Combined Utility System	861	37%	1,268	48%
Houston Airport System	797	34%	557	21%
Component Units **	225	10%	332	12%
TOTAL	<u>2,322</u>	100%	<u>2,675</u>	100%

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

** Net of overlap with Public Improvement Programs and Street & Traffic





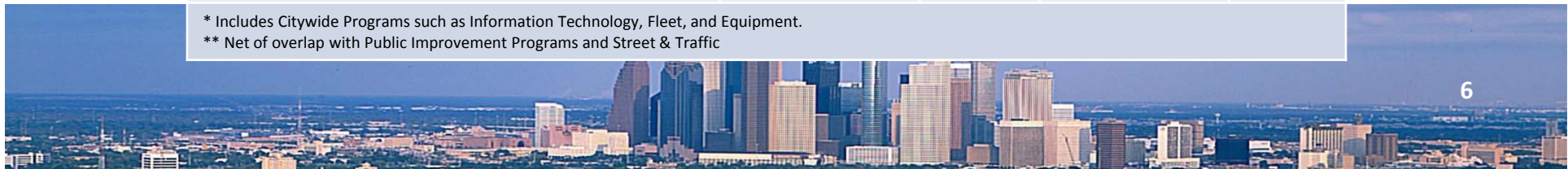
CIP Plan Comparison

- The FY2019-2023 CIP is an estimated \$9 billion from all funding sources.
 - Enterprise Programs total \$7.254 billion (including ReBuild Houston)
 - Public Improvement Programs total \$756 million
 - Component Units total \$982 million

Plan Comparison (\$ millions)	FY2018-2022		FY2019-2023	
Public Improvement Bonds	544	70%	609	81%
All Other Funding Sources	<u>228</u>	<u>30%</u>	<u>147</u>	<u>19%</u>
Public Improvement Program *	772	9%	756	9%
ReBuild Houston	1,294	16%	1,323	15%
Combined Utility System	3,358	40%	4,518	50%
Houston Airport System	2,055	25%	1,413	15%
Component Units **	847	10%	982	11%
TOTAL	<u>8,326</u>	100%	<u>8,992</u>	100%

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

** Net of overlap with Public Improvement Programs and Street & Traffic



Timeline



- Friday, June 15th – Proposed FY 2019 – 2023 Capital Improvement Plan (CIP) released
- Monday, June 18th – Budget and Fiscal Affairs Committee
- Friday, June 22nd – CIP amendments due
 - Harvey related projects remain the priority
- Wednesday, June 27th – CIP on City Council Agenda



Harvey Focus — Public Improvement Program \$91M



- **Major projects that require repair include:**
 - Riesner Facilities (CITYWIDE): \$28.0M
 - Roofs (CITYWIDE): \$15.4M
 - Fire Station 104 (E): \$11.3M
 - Municipal Courts Permanent Restoration (CITYWIDE): \$11.0M
 - City Hall and City Hall Annex Improvements (CITYWIDE): \$9.0M
 - Kendall Library & Comm Cnt Restoration (G): \$4.4M
 - North Command Police Station (B): \$2.8M
 - Cullen Park (A): \$2.2M
 - Sagemont Park Leak Repairs (D): \$350K
 - Fire Station 19 (B): \$343K
 - Police Memorial Building (CITYWIDE): \$181K
 - Other Harvey-Related Public Improvement Program and Fleet Projects: \$6.2M



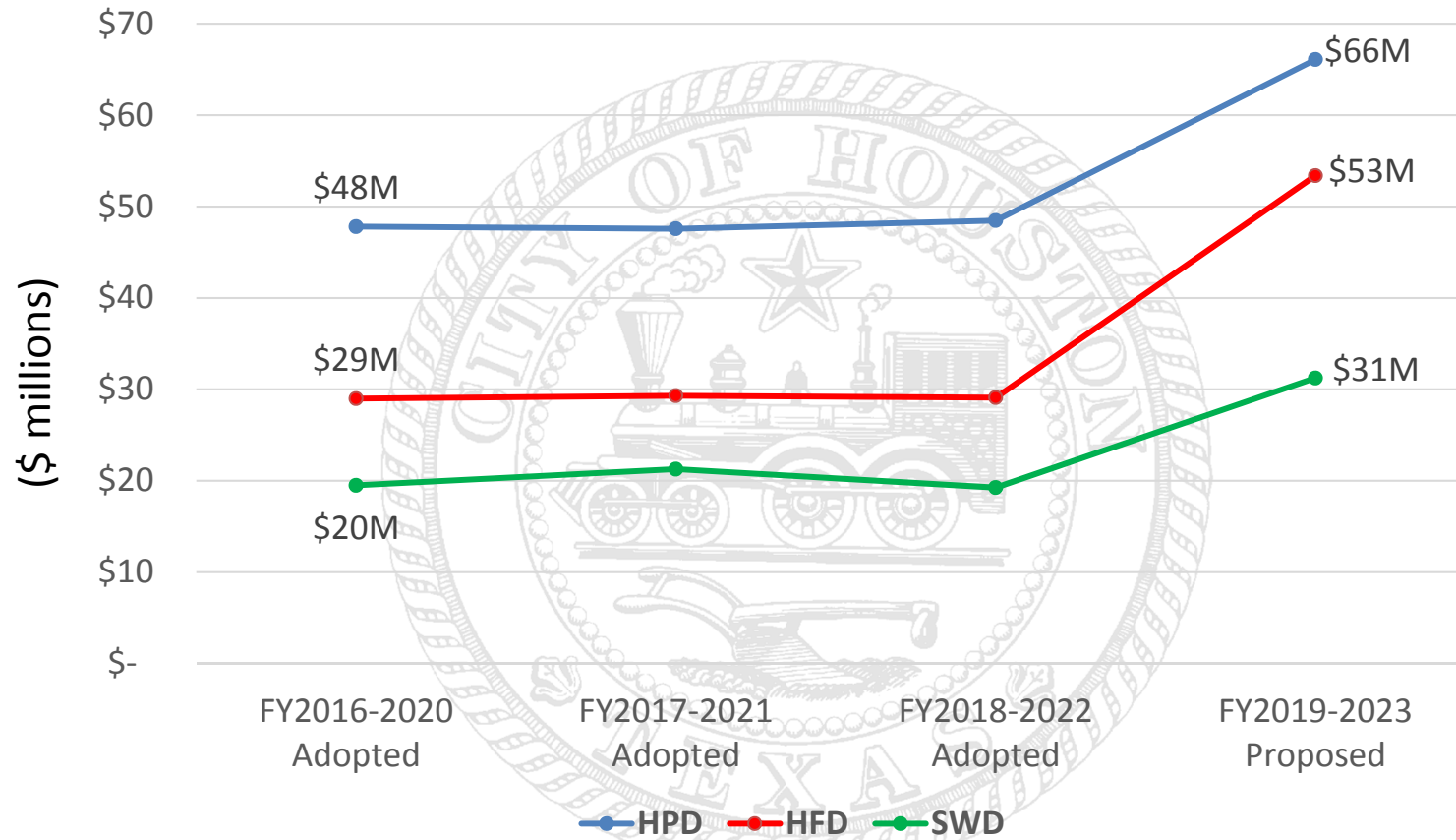
Harvey Focus – Water and Wastewater



- Major projects include:
 - Damage to facilities: \$80.5M (preliminary estimates)
 - Drinking Water facilities
 - Wastewater facilities
 - Mitigation Opportunities
 - Lake Houston Dam \$50M
 - Utility System Facilities (evaluations underway)
 - Relocation, Consolidation, Hardening, etc.



Fleet Focus: Five-year Planned Appropriations



Fleet Focus: Critical Equipment



As usual, a large portion of the Fleet CIP is designated for the Emergency Response and Public Safety vehicles. For FY19 the funding for this type of vehicles has increased significantly compared to previous year CIP.

Department	Type of Vehicle	Number of Units	
		FY18	FY19 Planned
HPD	Patrol	214	272
	Investigative	40	114
HFD	Firetrucks (pumpers, boosters, and aerials)	6	13
	Ambulances	4	8
	EMS Squad	0	7
SWD	Side loaders	12	12
	Grapple rear truck	0	7
	Tractors	0	7
Total Units		276	440



CIP Expenditure Reporting



- The current reporting process for capital projects planned takes into consideration the districts served and location, but does not provide for a clear distribution of appropriations and actual expenditures to each council district.
- As a result, a new process has been initiated to:
 1. provide a clear percentage distribution of the capital projects' planned, appropriated and expended amounts among the council districts as per both project's locations and served districts
 2. provide the reporting for capital projects through SAP Business Objects (BOBJ) reports and Tableau Dashboards.

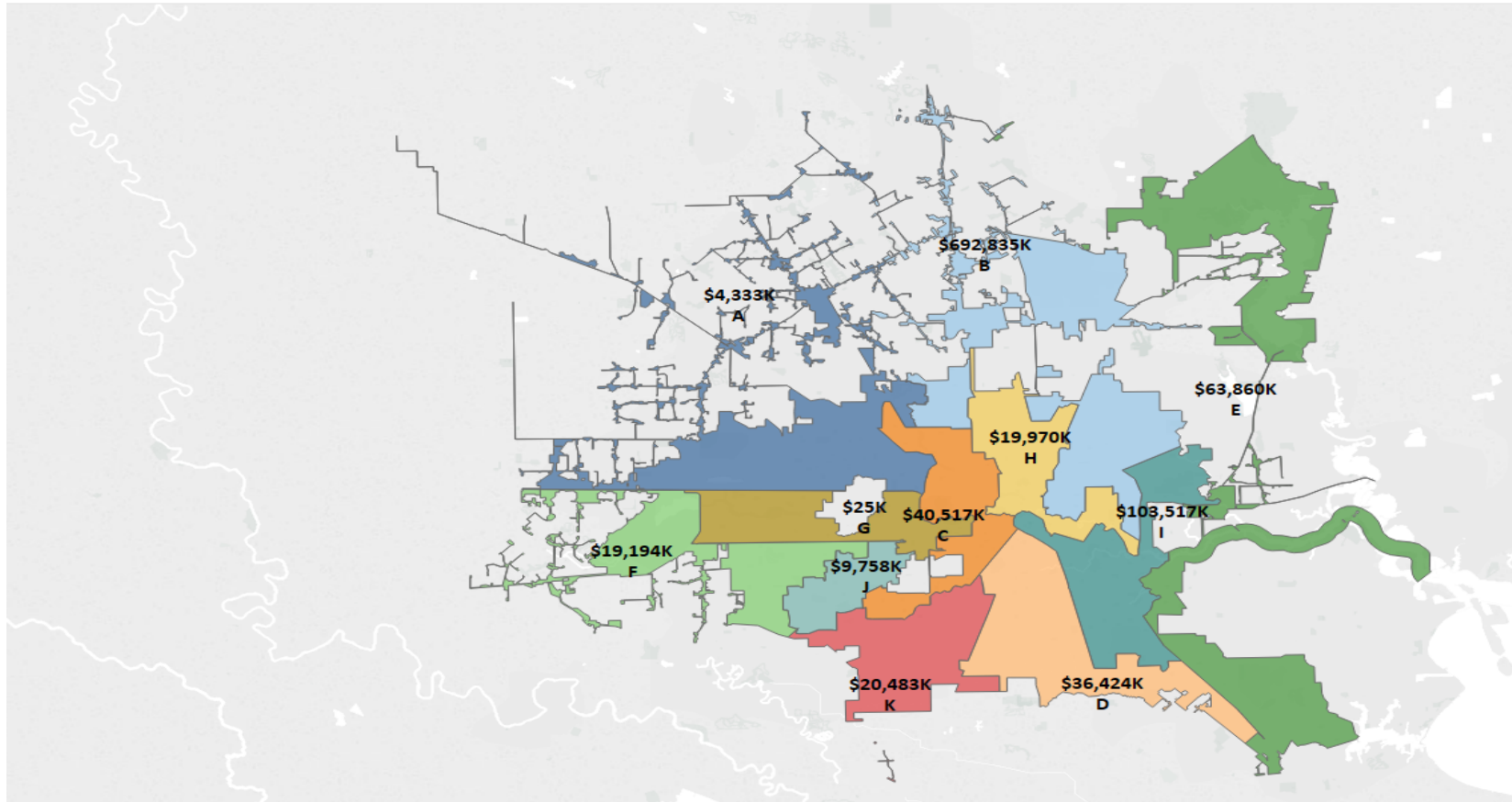


CIP Expenditure Reporting



Sample mock-up

Capital Projects Amount District Map

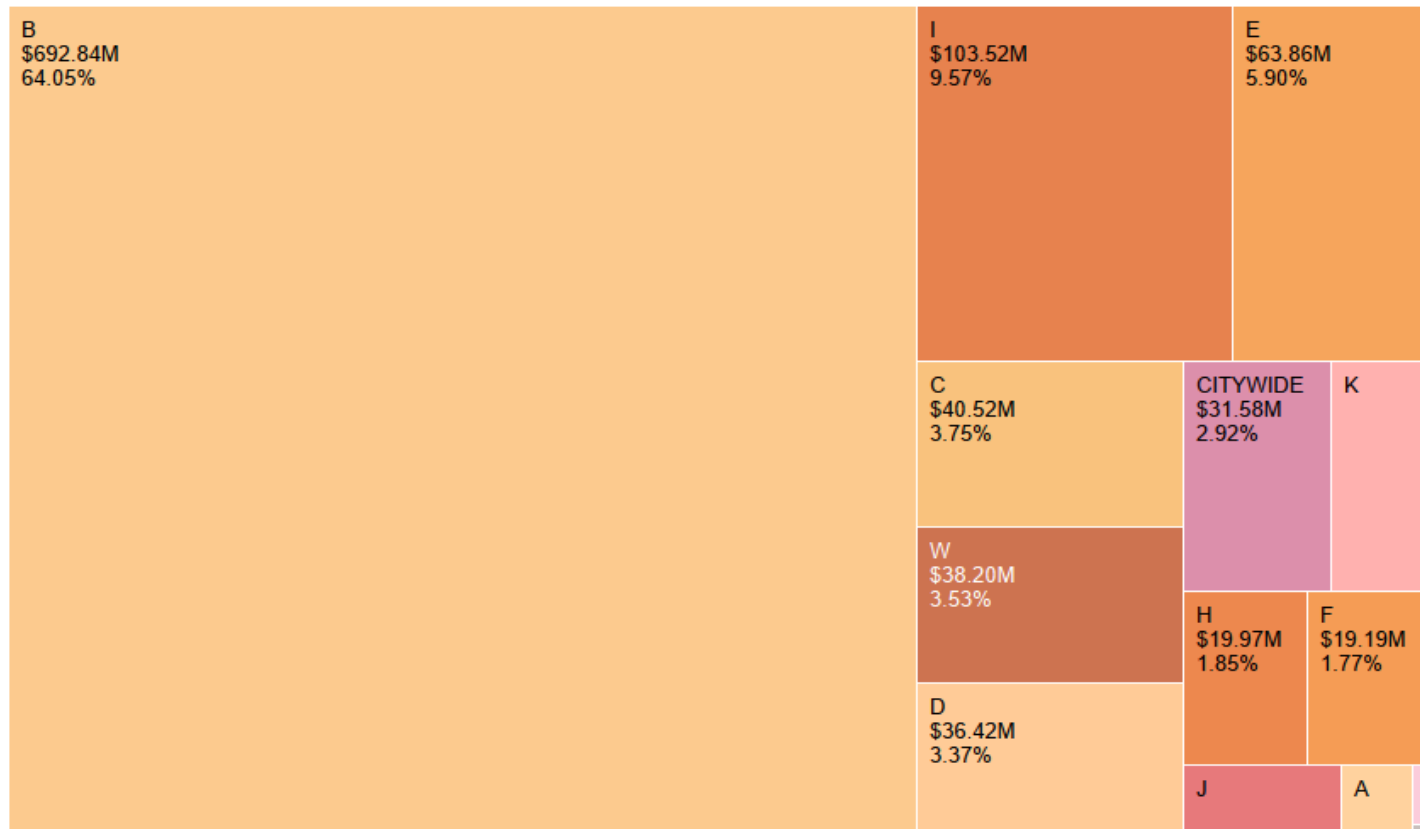


CIP Expenditure Reporting

Sample mock-up



Capital Spending District And Citywide Distribution



CIP Expenditure Reporting

Next Steps and Roll Out



- Departments will be changing business practices to capture expenditure-level data by district—this was not previously done.
- Data will be captured starting with expenditures occurring on or after July 1, 2018.
- Reporting feature will be published and training for how to query reports can be scheduled as requested.
- Data in reports will be live, subject to change, and will be unaudited.





Thank You!
Questions/Comments?

