



Capital Facility and GMA Planning



Budgeting for Capital Projects

Presented by
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Objectives

- ◆ Discuss GMA theory to the CFP
- ◆ Discuss GMA requirements
- ◆ Understand Policy Issues and Options
- ◆ Explore Practical Ways to Implement your CFP
- ◆ Discuss Data Challenges
- ◆ Explore Funding / Financing Options

CFP Theory vs. NACSLB

CFP (GMA)

- ◆ Determine Need
 - Set LOS
- ◆ Assess Resources
- ◆ Identify Difference
- ◆ Explore Options
 - Funding / Service
- ◆ Adjust as Necessary

NACSLB

- ◆ Set Broad Goals
 - Stakeholder input
- ◆ Develop Approaches to achieve goals
- ◆ Develop Budget
- ◆ Evaluate Performance and Adjust as Necessary

NACSLB – National Advisory Council on State and Local Budgeting

Basic Requirements

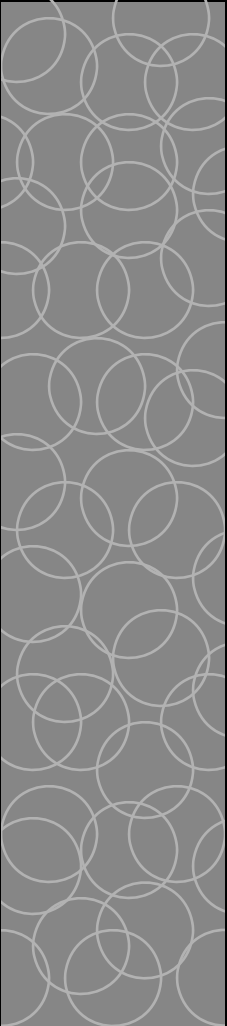
- ◆ The Comprehensive Plan must include a CFP
 - A Capital Facilities Plan (CFP) must:
 - ▼ Include an inventory of existing capital facilities
 - ▼ Forecast the future needs for capital facilities in context of land use plan
 - ▼ Propose the likely locations for necessary additional facilities
 - ▼ Cover a period of at least six years
 - ▼ Associate funding with capital needs as necessary to support projected growth

How to - ideas

- ◆ Integrate your capital budgeting into the requirements for a CFP
 - Some cities have a CFP and “operating capital”
 - ▼ Difference is \$ threshold, or life of the asset, or related to a required element of CFP
 - The CFP theory found in GMA is a good approach for capital project planning
 - ▼ Focuses objectively on identified need - not wish list
 - ▼ Political priorities need to find a home as well



How to - ideas

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- ◆ Follow traditional budget building approach:
 - Obtain policy parameters first
 - ▼ Comprehensive Plan will provide much policy guidance - therefore it is important to track this
 - ▼ Include other goals of the city / council
 - Maintain an inventory of existing facilities including level of service capacities
 - ▼ Level of Service (LOS) is an important decision making criteria
 - ▼ LOS standards should also provide policy guidance

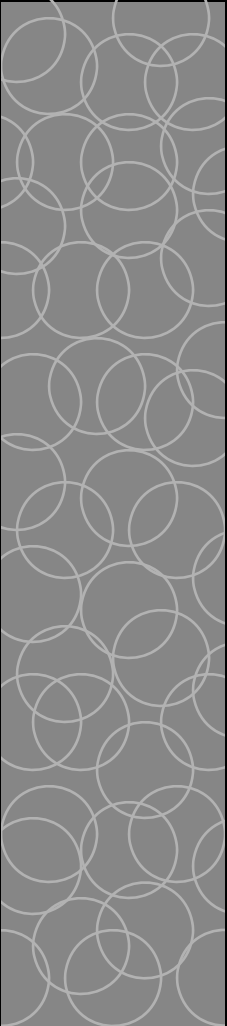
How to - ideas

◆ Set LOS standards

- Mandatory for transportation (utilities also)
- Can include many others (parks, law enforcement, library, fire protection)
- Typically uses population to drive facility needs - although not always logical
- Use facility requirements to drive operating budget needs - more facilities = higher costs



How to - ideas

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- ◆ Stratify your LOS standards
 - Required concurrency
 - ▼ Water, sewer, transportation
 - Other priority services, but maybe not required concurrency standard
 - ▼ Police, fire
 - Other highly desired standards (parks)
 - Other standards for planning purposes (administrative office space)

How to - ideas

Analysis of LOS

Parks / Open Space	Existing Acres /1000	LOS acres /1000	Surplus	Need
Mini Parks	0.13	0.15	-	0.66
Neighborhood Parks	1.28	1.5	-	7.26
Community Parks	2.86	3.35	-	16.17
Parks Sub-Total	4.27	5	-	24.09
Open Space	3.04	3	1.32	-
Special Use	2.45	2	14.85	-
Grand Total	9.77	10	-	7.59
Trails (miles)	0.21	0.25	-	1.32

Note: definitions are important - this does not include other park and open space such as schools, etc.

How to - ideas

Analysis of LOS

Transportation	Level of Service Rating	Volume / Capacity Ratio (Peak)	Intersection Delays	Needs Rating Points
Most Desirable	A	.00-.59	Never Stop	0
	B	.61-.70	Hesitate	0
	C	.71-.80	Short Waits	0
	D	.81-.90	1/4 Cycle	1
Desirable	E	.91-1.00	1/2 Cycle	2
Acceptable	F	1.01-1.10	1 Cycle	3
Less Desirable		1.11-1.20	2 Cycle	4
Not Desirable		1.21 +	4+ Cycle	5

Note: Actual acceptability differs by region of city.

Pwks - proposing to change method of traffic analysis

How to - ideas

◆ Financing the Plan

- Projects identified as needed to support LOS standards must have funding identified
- Therefore, CFP is not an accurate statement of **total** capital needs
- Not all projects able to be funded with “ready” resources

How to - ideas

Illustration - summary

Project	Cost	Funding Source	Location	LOS Trigger
Road A	385,000	301	R6	0
Water B	297,000	401	E2	1
Sewer C	320,000	401	E2	2
Road D	292,500	note 1	E8	5
Park E	64,000	101	L4	N/A

note 1: \$100,000 from cip, balance unknown

How to - ideas

Illustration - sorted by project year

Project	2008	2009	2010	2011	2012	2013
Road A	385					
Water B		297	320			
Sewer C	292.5					
Road D						293
Park E		64				
Total	677.5	361	320	0	0	293

How to - ideas

Illustration - by funding source

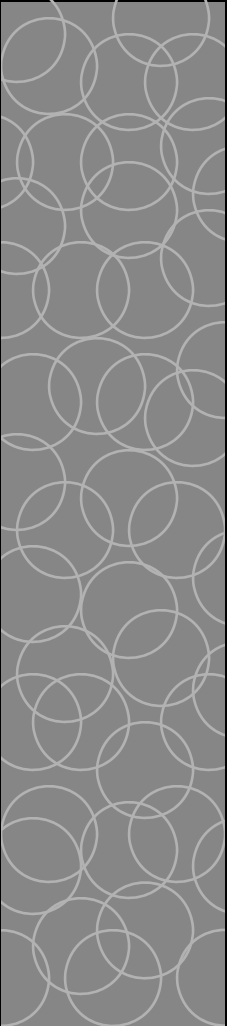
Project	101	CIP	301	401	Unknown
Road A			385		
Water B				297	
Sewer C				320	
Road D		100			193
Park E	64				
Begin Cash	125	150	392	785	
New Balance	61	50	7	168	-193

How to - ideas

- ◆ Structure your decision making process
 - Establish criteria for making decisions
 - ▼ LOS impacts
 - ▼ Funding - simplify your funding strategies
 - ▼ Funding - including operating budget impacts
 - ▼ Integrate other processes
 - 6 year street plan
 - Parks master plan
 - Information Services plan

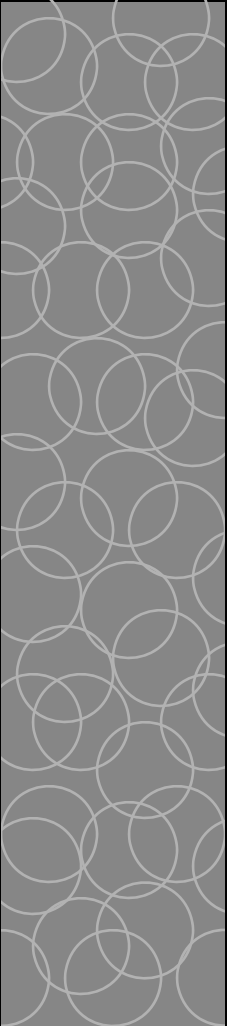


How to - ideas

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- ◆ Establish a decision making process:
 - Establish a prioritization
 - ▼ Some have special committees, I would recommend a staff review.
 - Hold public meetings
 - Create a capital plan of both funded and unfunded projects
 - Allocate available dollars
 - Seek additional dollars



Integration into Budget Process

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- ◆ Similarities covered in previous slides
 - ◆ Differences:
 - Part of the comprehensive plan
 - ▼ Amended annually
 - ▼ Could be “lost” in the plan update
 - Based on LOS
 - ▼ Drivers are LOS issues, not unrelated priorities
 - ▼ Understand and use LOS to design plan



Integration into Budget Process



◆ Differences continued

- Can affect grants, loans and state money
 - ▼ Must include any potential project to preclude loss of state funds
 - ▼ Dilutes effectiveness of the CFP as a budget tool
- Will have operating budget impacts
 - ▼ Must plan for operating budget impacts such as debt service, loan repayments, operating costs of new facilities...



Explore Funding / Financing Options



◆ Funding Options

- Create a list
- Align it with applicable uses (i.e. gas tax)

◆ Financing

- Debt policies (when using debt makes sense)
- Debt limits (legal and financial)
- Accessing debt markets