Capital Improvement Budget: Process Changes and Funding Outlook

Daley Lehmann
Office of Financial Services

CIB Process Overview

District Task forces Councils meet Committee District Task forces appoint reps weekly to holds District Planning rank Councils, City depts to 3 review Councils public projects in City Depts different Commission community Finance proposals Task force Council rank hearing; task forces: City calls Dept rank reviews priority groups, projects in members Committee open to all for project city depts, projects' projects in order, and proposes and who would and adopts their score reviews Facilities, proposals send proposals compliance priority budget and districts in like to budget projects projects individuals for bond Streets & with City rankings to financing order priority speak Comp plan submit eligibility Utilities, and CIB estimates Proposers order about a Residential Committee present proposals project & Economic projects to proposal Dev't task forces

Green = City of Saint Paul
Dark Blue = Project Proposers
Light Blue = District Councils
Purple = Task Forces
Tan = Planning Commission
Orange = CIB Committee

2016-2017 Major CIB Financing Sources

	2016	2017	
	Adopted	Proposed	
G.O. Capital Improvement Bonds	11,000,000	11,000,000	
G.O. Street Improvement Bonds*	12,500,000	14,500,000	
Public Safety Bonds		15,000,000	
Municipal State Aid	7,400,000	8,400,000	
Community Development Block Grants	4,000,000	4,000,000	

^{*}Street Reconstruction bids for 2016 came in lower than the estimated budgets leaving unused bond authority that can be applied to 2017 budget for new projects

2016 - 2017 CIB Highlights

	2016	2017
	Adopted	Proposed
Fire Station 19 Expansion	1,340,000	
New Police Training Facility	1,000,000	15,750,000
Phalen and North Dale Refrigerated Ice Rinks	407,000	406,000
Palace Rec Center Completion	1,380,000	
Sylvan Play Area and Field Improvements	148,000	1,638,000
5 Other Neighborhood Play Areas	1,376,000	809,000
Victoria Park Universally Accessible Play Area	200,000	2,025,000
Rondo Commemorative Plaza	250,000	
Saint Paul Street Vitality Paving Program	12,500,000	14,500,000
Kellogg Boulevard – Third Street Bridge	1,125,000	1,125,000
Scheffer Area Strategic Plan	250,000	1,037,000
Rice Park Revitalization		500,000
Margaret Street Bike Boulevard		400,000
Rondo Branch Library Capital Improvements		500,000
Battle Creek Road Reconstruction		1,950,000
Rice Street Streetscape – Sycamore to Pennsylvania		1,982,000

2018-2019 Funding Sources

- 1. Capital Improvement Bonds (CIB)
 - \$11 million annually
- 2. Municipal State Aid (MSA)
 - \$8.1 million annually
- 3. Community Development Block Grant (CDBG)
 - \$4 million annually

2018 - 2019 Tentative CIB Projects

Capital Improvement Bonds		
	2018	2019
Annual Programs	\$3,951,000	\$3,951,000
Fire Station 20 Planning	\$1,000,000	\$0
Griggs Park Improvements	\$1,500,000	\$0
Margaret Street Bike Boulevard	\$320,000	\$0
Scheffer Area Strategic Plan	\$4,229,000	\$5,771,000
<u>Total</u>	<u>\$11,000,000</u>	<u>\$9,722,000</u>
Remainder	\$0	\$1,278,000

2018 - 2019 CIB MSA CDBG

CIB

 The remaining \$1.278 million in the 2018-2019 CIB funding cycle will go towards capital maintenance projects

MSA

- 5-Year Street Plan will be used to guide MSA project funding in 2018-2019
- CIB Committee will hear presentations regarding the creation of the 5-year plan and how projects are selected

CDBG

- Projects will be selected out of submissions from the community and City Departments
 - Call for projects/programs was released on Tuesday, October 18th
 - Applications due back to City on Friday, March 3rd
 - Two presentations per submittal
 - CIB Committee will review and make recommendations on funding for 2018-2019

Future CIB Process

Three Pillars for evolution of the CIB Process

- 1) Strategic Investment
 - Use of data to ensure return on investment
- 2) Fiscal Responsibility
 - Maintenance is prioritized
- 3) Equity and Inclusion
 - Decisions are distributed equitably throughout the City

Future CIB Process

- Creation of Project Team
 - Members of City Council Staff and Financial Services serve on the team
 - Support from the City's Innovation Team and Administration
- Commitment to work with CIB Committee
 - The CIB Committee is the community partner in the evolution of the CIB Process
- Broker open conversation about the needs of the City and Community
 - Coordinate with City Departments
 - Engage with the Community

Timeline

- Project Team has started initial work to redevelop process
- 2017 will be used for Community and Department Engagement
- In 2018 the process will be finalized and shared with the public