Proposed Capital Improvement Plan
FY2017-FY2021

Finance Department
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Presented By:
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Treasury and Capital Management
July 14, 2016
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

<table>
<thead>
<tr>
<th>Plan Comparison ($ millions)</th>
<th>FY16</th>
<th>FY17</th>
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<tbody>
<tr>
<td>Public Improvement Bonds</td>
<td>132</td>
<td>111</td>
</tr>
<tr>
<td>All Other Funding Sources</td>
<td>151</td>
<td>91</td>
</tr>
<tr>
<td>Public Improvement Program *</td>
<td>283</td>
<td>202</td>
</tr>
<tr>
<td>Rebuild Houston</td>
<td>265</td>
<td>271</td>
</tr>
<tr>
<td>Combined Utility System</td>
<td>530</td>
<td>751</td>
</tr>
<tr>
<td>Houston Airport System</td>
<td>754</td>
<td>731</td>
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<tr>
<td>Component Units **</td>
<td>265</td>
<td>216</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,097</strong></td>
<td><strong>2,171</strong></td>
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* 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

- The City will use the current year’s General Obligation debt service payment as a baseline to establish an index reflecting 4% annual growth.
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.

### Bond Election History

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</thead>
<tbody>
<tr>
<td>Streets, Bridges, Storm</td>
<td>350,000</td>
<td>474,000</td>
<td>320,000</td>
<td>-</td>
</tr>
<tr>
<td>Parks &amp; Recreation</td>
<td>30,000</td>
<td>80,000</td>
<td>55,000</td>
<td>166,000</td>
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<tr>
<td>Public Safety</td>
<td>53,160</td>
<td>82,000</td>
<td>135,000</td>
<td>144,000</td>
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<tr>
<td>General Improvement*</td>
<td>91,840</td>
<td>80,000</td>
<td>60,000</td>
<td>57,000</td>
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<td>Public Libraries</td>
<td>-</td>
<td>40,000</td>
<td>37,000</td>
<td>28,000</td>
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<tr>
<td>Low Income Housing</td>
<td>20,000</td>
<td>20,000</td>
<td>18,000</td>
<td>15,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>545,000</strong></td>
<td><strong>776,000</strong></td>
<td><strong>625,000</strong></td>
<td><strong>410,000</strong></td>
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*includes Solid Waste, Public Health and General Government
Thank You!

Questions/Comments?