City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Workshop Agenda - Final

Planning and Zoning Commission

Tuesday, May 13, 2014 | **5:00 PM** | **City Council Chambers**

630 E. Hopkins-CIP Workshop

I. Call To Order

II. Roll Call

III. Chairperson's Opening Remarks

PUBLIC HEARINGS

1. 2015 Capital Improvements Program (CIP): Receive a presentation from staff, hold a public hearing, and discuss the 2015 CIP projects, process and funding.

V. Question and Answer Session with Press and Public.

VI. Adjournment

Notice of Assistance at the Public Meetings

I certify that the attached notice and agenda of items to be considered by the Planning and Zoning Commission was removed by me from the City Hall bulletin board on the
_____ day of _____

_____ Title:
_____

File #: ID#13-305, **Version:** 2

AGENDA CAPTION:

2015 Capital Improvements Program (CIP): Receive a presentation from staff, hold a public hearing, and discuss the 2015 CIP projects, process and funding.

Meeting date: May 13, 2014

Department: Development Services / CIP

Funds Required:
Account Number:
Funds Available:
Account Name:

CITY COUNCIL GOAL:

BACKGROUND:

MEMO

TO: PLANNING AND ZONING COMMISSION
FROM: JENNIFER SHELL, P.E., CITY ENGINEER
DATE: MAY 8, 2014
RE: CAPITAL IMPROVEMENTS PROGRAM (CIP) FOR FISCAL YEAR 2015

Note on Project Details

The Planning and Zoning Commission will be given project details for the 10-Year CIP at the May 13th Workshop. The information will include details about FY 2015 projects, a summary list of the FY 2016 – FY 2024 projects, as well as maps for all projects. Staff will review FY 2015 projects in detail at the May 13th Workshop, and all departments will have representatives available to answer questions regarding recommended CIP projects.

General CIP Information:

The Capital Improvements Program (CIP) is a multi-year planning tool used to prioritize major new capital investments made by the City. The CIP is updated annually and covers a ten-year time horizon. The CIP provides a planning schedule and identifies a variety of possible funding sources, ranging from operating budgets, state and federal grants, to future voter-approved bond programs. The CIP also schedules the particular year in which projects might be authorized. Only the first year of each CIP cycle is adopted, as part of the fiscal year's budget process; the nine subsequent years are planning years. The CIP focuses primarily on infrastructure and facility needs. On-going maintenance activities and smaller, routine capital expenditures for vehicles and technology expenditures are generally not included as a part of the CIP process, nor are projects that cost less than $50,000. The CIP is a long-range plan which should be reviewed in a comprehensive and strategic manner.

Some guidelines as to how CIP funds operate include:

- CIP funds cannot be spent until appropriated by City Council. Annually, Council appropriates an operating and CIP budget.
- CIP Project budgets are multi-year budgets and their appropriations may carry across fiscal years.
- The existing unused CIP funds can generate interest income. This income is shown as revenue to the fund and increases the overall fund balance.
- Interest earned must be appropriated by Council for expenditure.
- As a CIP project is completed, unused funds may be transferred to other projects if it is allowed by the bond covenant.

The CIP includes projects within the following funds:

- General Fund (Airport, Community Services (Parks/Facilities), Public Safety, Transportation, Streets)
- Drainage Fund
- Electric Fund
- Water Fund
- Wastewater Fund

Water, wastewater, drainage and electric utility projects are generally funded through revenues specifically generated by those utility systems. Some projects, especially airport projects, are typically accomplished through outside grants or joint participation agreements with other governmental agencies with limited participation from City funds. Most CIP projects, due to their sizable cost, require the issuance of bonds – revenue bonds (backed by the revenues of the utility system), general obligation bonds or certificates of obligation (both are backed by the property taxes received by the city).

Planning and Zoning Commission's Role in the Process

Staff will provide the Commission with a list of projects that describe the project type, location, cost, funding source, and other information. This list is based upon the policy direction provided by City Council, condition of existing infrastructure, needs as determined by City departments, and items identified in various Master Plans.

The City's Charter charges the Planning and Zoning Commission with submitting a list of recommended capital improvements found necessary or desirable to the City Council each year. The Commission may recommend the list as is or recommend changes, additions, or subtractions. Tools the Commission may use to determine necessary or desirable projects include the City's Comprehensive Master Plan, land development issues that they are aware of through Commission action, and public comment. The Commission conducts public hearings on the proposed CIP to provide citizen input to the plan prior to it being adopted and forwarded to City Council, who makes the final decisions in establishing the Capital Improvements Program as part of the overall budget.

The FY 2015 CIP will proceed at the following P&Z meetings:

- **May 13th** – Public hearing, presentation, and discussion on proposed project list
- **May 27th** – Public hearing, discussion, and action on a recommendation to City Council

The presentation on May 13th will focus on projects scheduled for the upcoming 2015 fiscal year.
The presentation on May 27th will focus on any questions since the May 13th Workshop.

FY 2015 CIP Key Points

Due to the City Council's goal of Sound Finances, the General Fund portion of the CIP has been extremely limited since FY 2013. These constraints have contributed to improving the General Fund condition, and a higher limit is being used for FY 2015. Even with the higher limit, the previously established milestones shown below will be maintained.

- ~~Improve~~ *Maintain* the City's debt issuance to Operations & Maintenance ratio to 50/50.
- Transfer the Engineering/Capital Improvements Department back into the General Fund over a 6 year period.

As a result of limiting the General Fund for several years, many large projects had been removed from the CIP. All of these projects have been put back in the CIP; although, some are, recognizably, too costly to be funded through the CIP. These costly projects will be highlighted on your lists and are designated as ***potential future bond election projects***. City Council has given Staff direction to investigate a potential bond election in 2015.

We appreciate your participation in this process.