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DEPARTMENT OF
FINANCE

BUDGET DIVISION

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 14
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SACRAMENTO, CA
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916-449-5845

April 11, 1989

Joint Transportation & Community Development/
Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: PROPOSED 1989-94 CAPITAL IMPROVEMENT PROGRAM

SUMMARY

The Proposed 1989-94 Capital Improvement Program (CIP) was released Thursday, April 6, 1989. The funding recommendations contained in the initial year of this program are the first element of the 1989-90 Proposed Budget. Hearings have been scheduled beginning with the April 11th meeting of the Joint Transportation and Community Development/Budget and Finance Committee. At the conclusion of the committee hearings, staff will request tentative approval of the CIP pending any changes resulting from the consideration of the operating budget and/or due to other factors.

BACKGROUND

The City Manager's transmittal letter is attached to this item and provides a summary of the proposed Capital Improvement Program. The CIP has been distributed to Council members in loose leaf notebooks. Committee members should bring this document along to the scheduled hearings as it contains both the issue statements and project details to be reviewed.

POLICY CONSIDERATIONS

There are five hearings scheduled for the CIP budget. During these hearings, specific projects and a series of issue statements will be reviewed. Policy issues related to these projects or statements will be addressed during each hearing.

MBE/WBE

The CIP budget hearings do not involve the purchase of goods or services and, therefore, there is no direct MBE/WBE impact. Many of the CIP projects that ultimately will be approved by Council must be brought back for MBE/WBE review at the time that consultant contracts are recommended or goods are to be purchased.

RECOMMENDATION

It is recommended that the Joint Committee initiate the 1989-94 Capital Improvement Program Hearings.

Respectfully Submitted,

Carol Branan

Carol Branan
Senior Management Analyst

Recommendation Approved:

Walter J. Slape

FOR Solon Wisham, Jr.
Assistant City Manager

Contact Person:

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OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

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ROOM 101
915 I STREET
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95814-2684

March 25, 1988

916-449-5704

City Council
Sacramento, California

Honorable Members In Session:

I am pleased to submit the Proposed Five-Year Capital Improvement Program (CIP) for 1989 through 1994. The five year plan totals \$238,529,000 for all funds. This represents a 26% increase from the \$188,841,000 project total included in the previous five-year plan. This difference is due primarily to new Measure A Sales Tax projects included in the CIP for the first time (see Table 1, page 3).

The 1989-94 CIP presents an overview of the five year CIP in order to permit City management to continue its comprehensive review of major facility needs and examination of financing alternatives. Final recommendations on projects to be debt financed will be presented during the hearings on the 1989-90 operating budget.

The magnitude of the capital program is directly related to the availability of resources as identified in the recent mid-year financial projections. The proposed 1989-90 capital program totals \$43,286,000 and will be subject to further refinement as the Council determines the ultimate mix of capital and operating fund levels. This is especially true for the utility enterprise funds, since the impact of operating costs and proposed capital improvements are tied to service fees set by Council.

The General Fund deserves special mention since the mid-year financial report identified the need to reduce capital spending to approximately \$1,000,000 a year for the five year plan. While new cash projects for the next fiscal year total the recommended \$ 1,000,000, the actual "capital activity" of the General Fund will be far greater since it will reflect the continuation of projects with prior year funding as well as projects that will be recommended for debt financing.

Certain to influence the final capital plan over the next five years are several factors that remain unresolved at this time. These factors include decisions regarding the South Natomas Facilities Benefit Assessment and the formation of a Mello Roos Community Facilities District in North Natomas. Issue statements throughout the proposed CIP cover these and other factors that may

influence the City's future capital program.

The CIP hearings will be conducted by the City Council Budget and Finance and Transportation and Community Development Committees in April and May. The hearings will give Council members and the public an opportunity to familiarize themselves with the City's capital needs prior to beginning the 1989-90 operating budget hearings. The schedule of Capital Improvement Program hearings is as follows:

Tuesday, April 11	2:00 p.m.	Introduction, General Government, Public Safety	Council Chambers
Tuesday, April 18	2:00 p.m.	Culture and Leisure, Planning Commission comments	Council Chambers
Tuesday, April 25	2:00 p.m.	Public Works	Council Chambers
Tuesday, May 2	2:00 p.m.	Reports Back, Committee action	Council Chambers
Tuesday, May 9	7:30 p.m.	City Council consideration of Committee recommendations	Council Chambers

At the conclusion of the budget process, the Adopted Budget will be published in two volumes; an operating budget and a capital budget. The City Manager's Office, Budget staff, and City Departments are ready to respond to your questions regarding the contents of this plan and look forward to working with you on the completion of this process.

Respectfully submitted,
Walter J. Slipe
WALTER J. SLIPE
City Manager