

Policy for Use of 2K Revenue on Operation & Maintenance

CIPCAC

August 19, 2015

Summary of Options

Option A

- Staff recomm. budget to Council
- 2K funded equip., staff & supplies may be used anywhere

Option B

- Costs will be based on ratios
- Equip., staff & supplies will be funded based on ratio of 2K & non-2K funded facilities/roads

Option C

- Costs will be actual dollars spent
- 2K funded equip., staff & supplies may only be used on 2K facilities

Summary of Options (2)

Option A

- Council's budget determines use of revenues
- Utilities invoiced separately will be separated between 2K & non-2K

Option B

- Ratios determine use of revenues
- Utilities invoiced separately will be separated between 2K & non-2K

Option C

- Requires separate funds & use
- Utilities invoiced separately will be separated between 2K & non-2K

Comments on Option A

- Is easiest to administer
- PRG already budgets this way (by facility)
- PW does not budget this way
- Requires more trust in staff than other options
- Facility Services, Fleet, & Information Technology are allocated based on facility square footages, # of vehicles, and computers & software assigned (all allocations include equipment, personnel, & supplies)

Comments on Option B

- Is second easiest to administer
- Ratios are based on easily identifiable data:
 - Facility square footages
 - Park maintained land
 - Public Works maintained lane miles of streets
 - Recreation programs at 2K facilities
- Facility Services, Fleet, & Information Technology are allocated based on facility square footages, # of vehicles, and computers & software assigned (all allocations include equipment, personnel, & supplies)

Comments on Option C

- Is hardest to administer because it requires two sets of equipment & supplies & payroll tracking
- Requires using 2K supplies on 2K facilities and then returning those to yard, picking up non-2K supplies for work on non-2K facilities and vice versa, and tracking staff hours by facility
- Facility Services, Fleet, & Information Technology are allocated based on facility square footages, # of vehicles, and computers & software assigned (all allocations include equipment, personnel, & supplies)

General Comments

- Need to be able to fund “indirect” impacts to Finance, Human Resources, etc.
- Finance must track 2K revenues, i.e. cash receipts from Paradise Island and payroll for 2K employees
- HR must recruit & support over 100 additional employees
- City Attorney’s Office reviews 2K contracts & 2K employee issues

Staff Recommendation

- Balancing accuracy with ease of administration, staff recommends Option B



CIP Criteria Review / CIP-CAC

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August 19, 2015

Purpose

- Informational Briefing:
 - Review Capital Improvement Program project criteria
- Next steps: Final project decisions at budget retreat August 24



Background

- Staff has been refining a 5 year Capital Improvement Program for the last 6+ months since the City Council retreat – Jan, 2015
- June 8 – City Council initial review of 5 year CIP
 - Directed staff to develop criteria for projects and review with CIP-CAC
- July 15 – Staff reviewed draft criteria with CIP-CAC – then revised based on input
- August 10 – Staff applied criteria to 5 year CIPP and reviewed with City Council



Background

- Initially, staff drafted 6-9 review criteria and assigned initial weights to each category
- CIP-CAC provided input and staff finalized a set of 12 criteria
- When scored, each project will receive a raw score in each category and have the weight applied to reflect a total score
- The system results in a total possible score of 465 points



CIP Project Criteria (page 1)

| Criteria | Max Points | Weight | Max Weighted Points |
|---|------------|--------|---------------------|
| Regulatory Mandate (No = 0 or Yes = 3) | 3 | 25 | 75 |
| City Council Goal Alignment (1 goal = 1, 2 goals = 2, 3 goals = 3) | 3 | 20 | 60 |
| Economic Development Return on Investment (Low = 1, Medium = 2, or High = 3) | 3 | 20 | 60 |
| Priority in Plan Documents (No = 0 or Yes = 3) | 3 | 15 | 45 |
| Deferred Maintenance (Low = 1, Medium = 2, or High/Functionally Obsolete = 3) | 3 | 10 | 30 |
| Impacted Population (< 5,000 = 1, 5-10,000 = 2, or > 10,000 = 3) | 3 | 10 | 30 |
| Impacted Businesses (< 1,000 = 1, 1-3,000 = 2, or > 3,000 = 3) | 3 | 10 | 30 |
| “Window of Opportunity” (No = 0 or Yes = 3) | 3 | 10 | 30 |

CIP Project Criteria (page 2)

| Criteria | Max Points | Weight | Max Weighted Points |
|--|------------|--------|---------------------|
| Operational ROI (Low/Long-term > 15 years = 1, Med/Intermediate term 5-15 yrs = 2, or High/Short-term = 3) | 3 | 10 | 30 |
| Timing of Benefit (Long-term > 2 years = 1, Med-term 1-2 years = 2, or Short-term < 1 year = 3) | 3 | 5 | 15 |
| 2K Eligible (No = 0 or Yes = 3) | 3 | 10 | 30 |
| Grants and Funding Source (GF = 0, GF + grants = 1, Non GF + grants = 2, or 100% grants = 3) | 3 | 10 | 30 |
| Totals | | 155 | 465 |



CIP Project Criteria / Application

- Staff applied the revised criteria to all 50+ projects currently requested for the 5 year CIPP
- Staff received final input from City Council on the criteria before updating the 5 year CIPP
- Decisions about which projects to fund rest with City Council and the criteria may be used as a system for initial prioritization
- Final projects for the CIPP will be dependent upon funding sources

