



## 2021 Proposed Capital Plan Overview

*Department of Finance*

*November 16, 2020*

# Capital Plan Overview

# Capital Plan Overview

- The capital budget is being presented in the form of a comprehensive five-year plan – *2021-2025 planning period*
- All-in plan inclusive for all the segments of the City’s capital budget - *including infrastructure, general capital, Grantwood, and Water Reclamation capital expenditures*
- Balanced between the sources and uses - *all funding (sources) and project costs (uses) are presented in the plan*
- Developed using guidance from the City’s budget development goals

# Capital Plan Overview

- Use of capital plan segments to differentiate by programmatic focus of requests
- Capital items generally:
  - have a useful life of at least five years
  - have a minimum \$5,000 cost estimate
  - separate from the operating budget
- Items can be funded with current revenue, cash resources, or financing proceeds  
*- the estimated mix over five years (77% / 13% / 10%)*
- City Council will be requested to approve the budget for the capital requests recommended for 2021 – *see Appendix C of Proposed Budget document*

# 2021 Preliminary Capital Improvements Plan Overview

## Objectives of the Capital Planning Process

- Address immediate and long-term capital needs of City assets and infrastructure
- Maintain facilities and equipment necessary to maintain service levels for residents in an efficient and cost effective manner – *avoid backlogs*
- Implement a comprehensive and detail oriented process for identifying and evaluating capital needs - *fund priorities and plan for the future*
- Match priority capital needs with limited funding and identify operating impacts on the City's budget – *COVID recession has limited our current resources*

# Capital Planning Process

- An Estimate of available resources to fund capital needs in 2021 was completed by Finance Director – *new General Fund resources limited by COVID impact on revenue for 2020-2021*
- Departmental managers were apprised of the impact of the projected revenue on the 2021 plan – *all department heads were made aware of funding limitations*
- Department heads identified capital needs and provided completed request forms and budget summaries for 2021-2025 - *submitted everything in late August*
- *Departments also provided a second five years (2026-2030) of capital project estimates*

# Capital Planning Process

- Requests were reviewed by Finance Director and a draft plan including all requests and budget impacts was created
  - *Met with all directors*
  - *Assess capital items with available funding*
  - *Assign prioritization to projects*
  - *Finalize CIP with recommended requests*
- Project requests were evaluated along priority and funding availability criteria and reviewed by the Mayor for final inclusion in the final capital plan
- Final recommended projects were compiled into the 2021-2025 Capital Plan for consideration by Council

## Funding Capacity of the Capital Plan – COVID Impact

- The plan sets goals and a direction to meet the City’s critical infrastructure and general capital needs – *recommend by administration and approved by Council*
- Execution of the plan is dependent on the availability of funding and future appropriations by Council in the budget year of the plan – *2021 appropriations, “out years” are estimated need for projects*
- Demonstrating flexibility where needed, to achieve the goals of this plan in a timely manner *while* fulfilling the City’s other needs and meeting its fiscal goals – *structural balance*



# 2021-2025 Capital Plan Summary

Capital Project Summary	Capital Plan Year Requests					2021-2025
	2021	2022	2023	2024	2025	CIP
<i>Capital Project Segment</i>						
<i>Police</i>	\$ 374,000	\$ 618,000	\$ 481,000	\$ 715,500	\$ 408,500	\$ 569,000
<i>Fire</i>	\$ 967,900	\$ 377,200	\$ 902,400	\$ 387,900	\$ 641,700	\$ 3,277,100
<i>Service*</i>	\$ 624,248	\$ 1,834,768	\$ 1,767,568	\$ 2,045,973	\$ 1,727,283	\$ 7,999,840
<i>Bldg &amp; Grounds</i>	\$ 962,000	\$ 3,247,345	\$ 532,500	\$ 316,000	\$ 161,600	\$ 5,219,445
<i>Community Life</i>	\$ 40,000	\$ 110,000	\$ 400,000	\$ 1,614,000	\$ 252,500	\$ 2,416,500
<i>IT &amp; Systems</i>	\$ 680,300	\$ 431,000	\$ 125,000	\$ 186,000	\$ 71,000	\$ 1,493,300
<i>Community Development</i>	\$ 65,000	\$ 2,650,000	\$ 4,000,000	\$ -	\$ -	\$ 6,715,000
<b>Total General Capital CIP</b>	<b>\$ 3,713,448</b>	<b>\$ 9,268,313</b>	<b>\$ 8,208,468</b>	<b>\$ 5,265,373</b>	<b>\$ 3,262,583</b>	<b>\$ 29,718,185</b>
<i>* Net of annual payments for current equipment lease financing</i>						
<b>Infrastructure</b>	\$ 17,810,000	\$ 20,591,000	\$ 11,466,000	\$ 13,516,000	\$ 11,680,000	\$ 87,616,000
<b>Water Reclamation</b>	\$ 2,238,100	\$ 1,750,000	\$ 1,975,000	\$ 1,200,000	\$ 5,445,000	\$ 14,808,100
<b>Grantwood Golf Course</b>	\$ 125,000	\$ 960,000	\$ 170,000	\$ 160,000	\$ 125,000	\$ 1,540,000
<b>Total Infrastructure &amp; Enterprise</b>	<b>\$ 20,173,100</b>	<b>\$ 23,301,000</b>	<b>\$ 13,611,000</b>	<b>\$ 14,876,000</b>	<b>\$ 17,250,000</b>	<b>\$ 89,211,100</b>
<b>Total Combined CIP</b>	<b>\$ 23,886,548</b>	<b>\$ 32,569,313</b>	<b>\$ 21,819,468</b>	<b>\$ 20,141,373</b>	<b>\$ 20,512,583</b>	<b>\$ 118,929,285</b>

CIP Total **\$ 118,929,285**

- The 2021 capital budget requests totaling **\$23.9 million** are recommended for approval – *the revised 2021 capital budget is \$19.0 million*

# Capital Plan Segments

*The operating budget is divided by **departments**, the capital plan is categorized by **CIP segments***

- **Police Equipment** - Police equipment & vehicles (Funds 421/491)
- **Fire Equipment** - Fire equipment and vehicles (Funds 421/491)
- **Service Equipment & Fleet** - Service department equipment and fleet vehicles (Funds 421/491)

# Capital Plan Segments

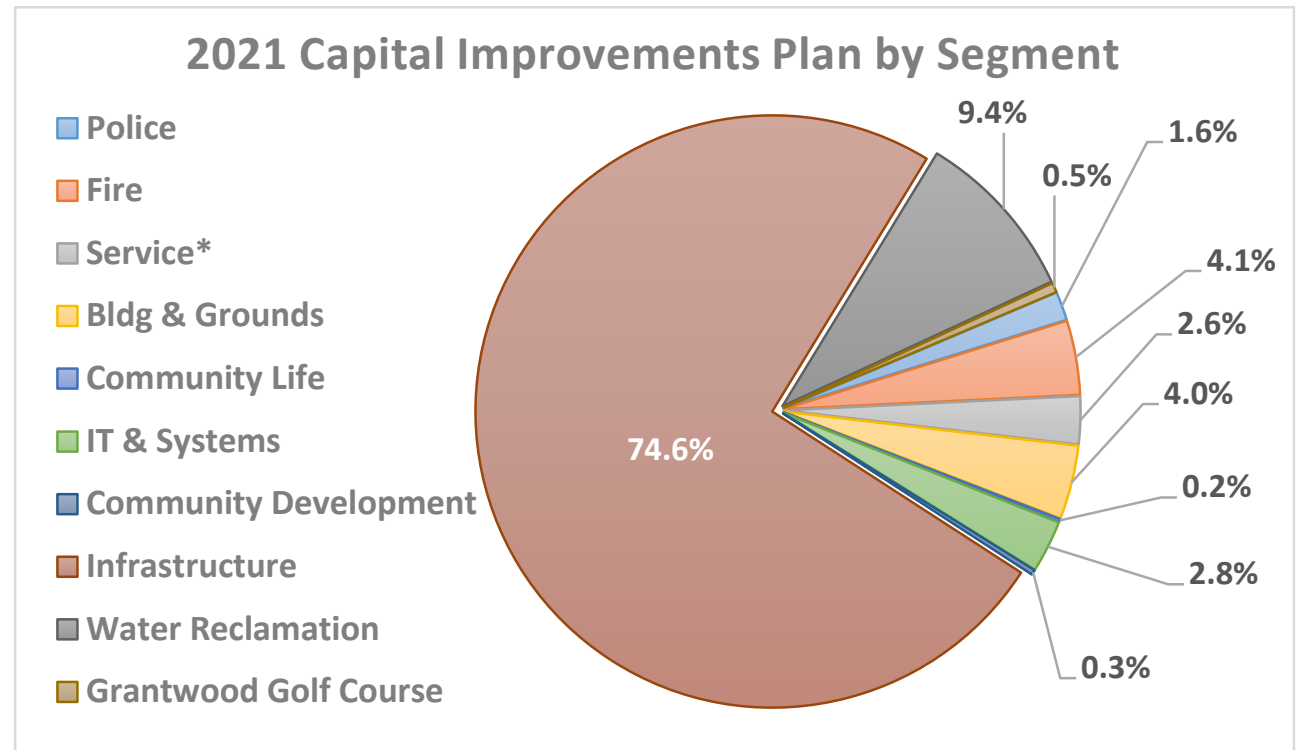
- **Buildings & Grounds** - Building improvements, parking lots, building equipment, HVAC, and LED upgrades for all City buildings (Fund 435)
- **Community Life** – Recreation, Senior Services, and Center for Arts equipment and fields (Funds 491)
- **Community Development** – investments in City green space, connections, outdoor amenities, and innovation
- **Information Technology** - Information systems, computer, communications and networking equipment for City departments (Fund 491)

## Capital Plan Segments

- **Infrastructure** - Roads and infrastructure projects, sidewalks, catch basins, concrete/asphalt maintenance, design services, related inspection and maintenance of infrastructure (Fund 400)
- **Water Reclamation** - Plant improvements and equipment replacement and upgrades (Fund 512)
- **Grantwood Golf Course** – equipment and facility upgrades to the City golf course (Fund 550)

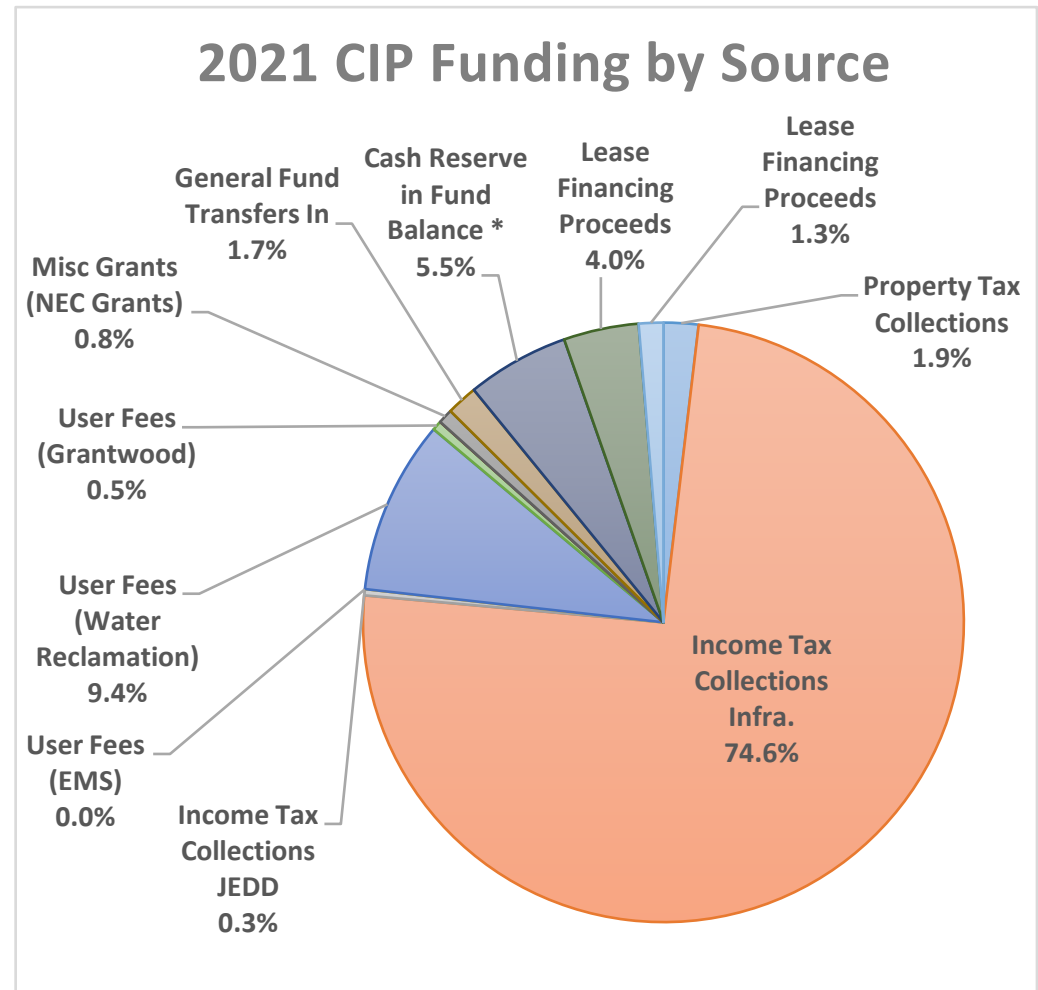
## 2021 Capital Plan Summary – by Segment

- The bulk of the 2021 capital budget is dedicated to infrastructure needs – **74.6%**
- Water Reclamation plant upgrades are **9.4 %** of the CIP
- The remainder of the budget for 2021 supports City operations and programs – **18.0%**



## 2021 Capital Plan Summary by Source

- Most of the City's plan is funded with local dollars – **94.7%**
- Non local sources include:
  - Lease proceeds
  - Debt proceeds
  - Federal grant dollars



# 2021-2025 Capital Plan Funding Summary

Capital Plan Funding Summary 2021-2025		Fund	2021	2022	2023	2024	2025
<b>Capital Funding Source</b>							
Property Tax Collections	421	\$	447,800	\$ 447,800	\$ 447,800	\$ 447,800	\$ 447,800
Income Tax Collections Infra.	400		17,810,000	18,591,000	10,466,000	13,516,000	11,680,000
Income Tax Collections JEDD	491		80,000	80,000	80,000	80,000	80,000
User Fees (EMS)	217		-	-	38,000	-	-
User Fees (Water Reclamation)	512		2,238,100	1,750,000	1,975,000	1,200,000	4,039,783
User Fees (Grantwood)	550		125,000	960,000	170,000	160,000	125,000
Cable Franchise Fee Revenue	209		-	-	-	-	-
Federal/State Grants	Var.		-	2,000,000	1,000,000	-	-
Misc Grants (NEC Grants)	435		189,000	90,000	90,000	90,000	90,000
General Fund Transfers In	Var.		400,000	1,770,000	2,080,000	2,860,000	2,970,000
<i>Cash Reserve in Fund Balance *</i>	Var.		1,316,648	3,137,513	92,668	1,007,573	-
<b>Other Sources - Revenue</b>			<b>\$ 22,606,548</b>	<b>\$ 28,826,313</b>	<b>\$ 16,439,468</b>	<b>\$ 19,361,373</b>	<b>\$ 19,432,583</b>
Lease Financing Proceeds	421		965,000	775,000	1,380,000	450,000	1,080,000
Lease Financing Proceeds	217		315,000	318,000	-	330,000	-
Debt Financing Proceeds	435		-	2,650,000	4,000,000	-	-
<b>Other Sources - Proceeds</b>			<b>\$ 1,280,000</b>	<b>\$ 3,743,000</b>	<b>\$ 5,380,000</b>	<b>\$ 780,000</b>	<b>\$ 1,080,000</b>
<b>Total CIP Sources</b>			<b>\$ 23,886,548</b>	<b>\$ 32,569,313</b>	<b>\$ 21,819,468</b>	<b>\$ 20,141,373</b>	<b>\$ 20,512,583</b>

## 2021 Capital Plan Sources

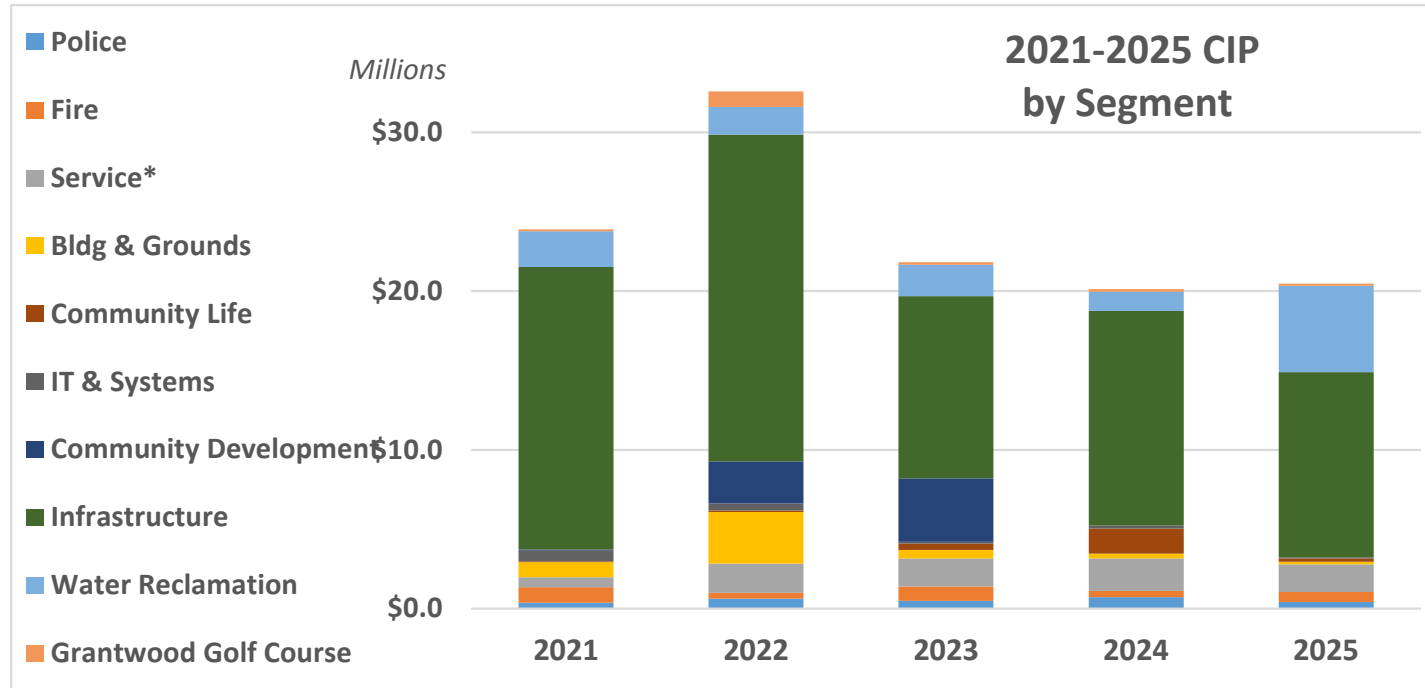
- Sources totaling **\$23.9 million** in 2021 have been identified and applied towards capital needs across City functions
- The City allocates 25% of annual income tax collections into a capital fund (No. 400) dedicated for road and sewer infrastructure improvements - *\$11.7 million in 2021 and a reliance on \$5.3 million in fund balance*
- The Grantwood improvements are 100% fee revenue supported in 2021
- User fees (\$2.2 million) from sewer charges will fund plant improvements in 2021



## 2021 Capital Plan Sources

- General capital requests require **15.5%** of the total resources identified for all capital funding in 2021
- General capital requests are funded with a mix of sources that include:
  - Property tax revenue of \$447,800 estimated to be collected in Fund 421
  - JEDD income tax revenue of \$80,000 into Fund 491
  - Approximately \$75,000 in grants for energy upgrades
  - Lease proceeds of \$365,000 used for acquisition of new refuse
  - Additional **\$400,000** transferred from the General Fund to the three general capital funds

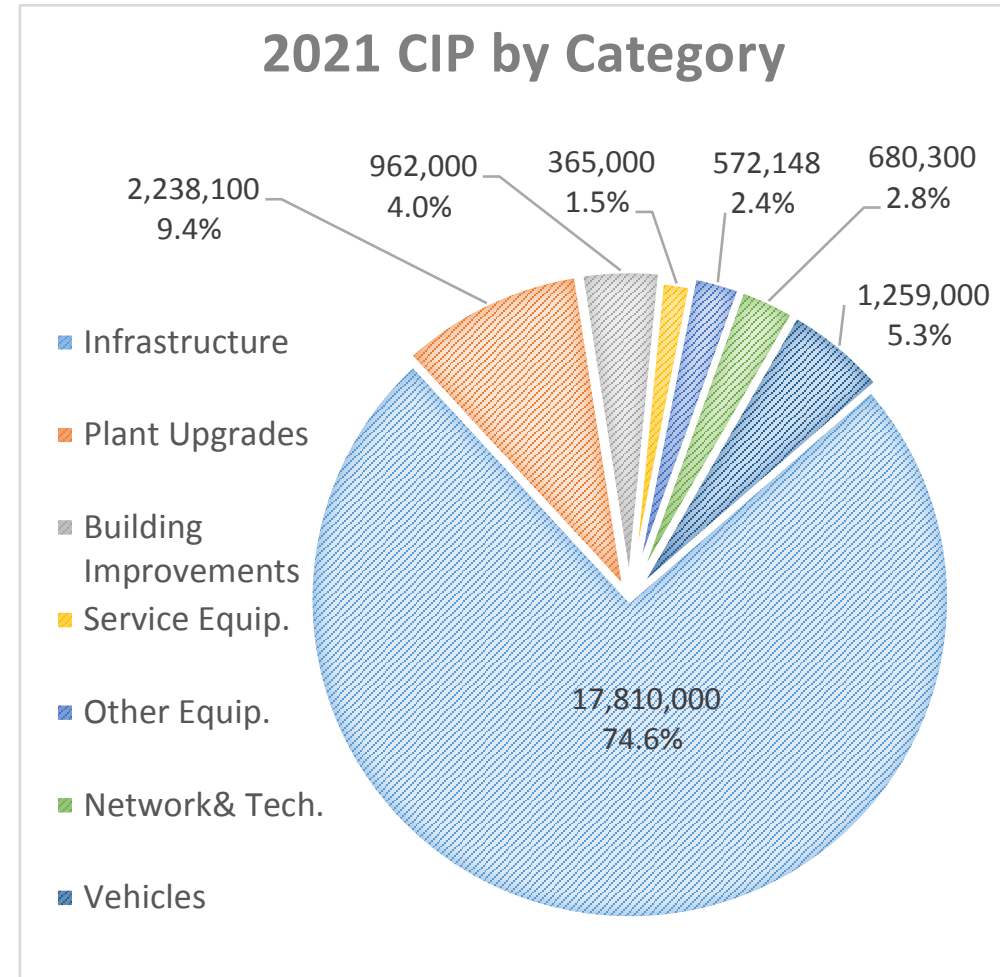
# 2021-2025 Capital Plan by Segment



- The proposed 2021 projects are being presented for approval with the 2021 operating budget – *2021 is 20.1% of the entire five-year CIP*
- The requests for 2022 through 2025 are presented to assess the upcoming needs that will require funding in subsequent capital budget cycles

## 2021 Capital Budget Uses by Project Category

- The majority of the 2021 capital plan uses **(74.6%)** are for infrastructure
- **21.4%** of the capital budget uses are for general equipment and vehicles and **4.0%** are for building improvements
- Expenditures for vehicles include the acquisition of assets or annual lease payments to support financing *of new and existing equipment*



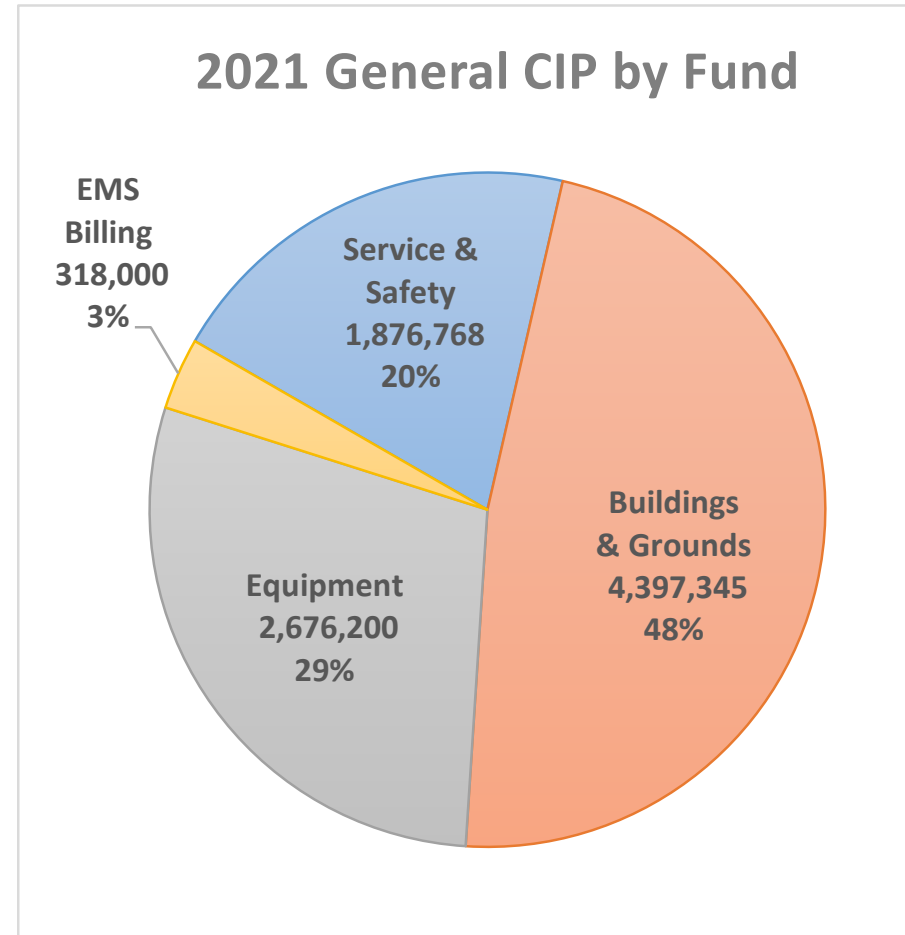
## 2021-2025 Capital Plan Summary – General Capital

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<i>Community Life</i>	\$ 40,000	\$ 110,000	\$ 400,000	\$ 1,584,000	\$ 206,500	\$ 2,340,500
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- Total **2021** General Capital Plan requests of **\$3.73 million**
- Requested investments of **\$15.7 million** in equipment over five years
- Requested investments of **\$5.2 million** in City facilities over five years
- Average annual General Capital Plan expenditures of **\$5.9 million**

## 2021 General Capital Plan Requests by Fund

- General capital funds include approximately 15% of the 2021 requested capital budget
- The 2021 general capital plan by fund has the majority of the projects (96.1%) budgeted in the capital funds
- Resources from one operating fund are being utilized for limited requests



# Capital Plan Project Summary

## **2021 Capital Plan – Infrastructure**

The infrastructure projects include major roadway and related improvements, sanitary sewer rehabilitation and ongoing maintenance of City streets & sidewalks

- Over 95% is funded with collections of local income tax dollars
- Projects totaling \$10.1 million in 2021 including the latest estimates for Solon Rd. and Brookland Avenue reconstruction projects
- Maintenance of roads, sanitary sewers and other appurtenances requested (million) in 2021

### **Future Years**

Aurora Rd. and Liberty Rd. reconstruction projects combined \$10 million estimate

## 2021 Capital Plan – Police Equipment

- Phased MDT Replacement (3 per year)
- Replace Jail Breath Testing Equipment
- Replace Jail Video Arraignment Systems
- Replace police cruisers (6)
- Replace police command vehicles - one per year 2021,2022
- Phased Computer Replacement
- **Future Years** – replacement of shooting range (\$350,000)



## 2021 Capital Plan – Fire Equipment

- Replace 2001 Fire Engine VF022
- Replace 2012 Ambulance VF037
- Replace 2011 Fire Inspector Vehicle VF045
- Replace firefighting safety gear (5)
- Replace Carbon fiber SCBA Bottles (5)
- Major expenditures to replace apparatus are planned in the next five years
- **Future Years** – a reliance on lease financing and other short-term debt to fund acquisition of fire apparatus

## 2021 Capital Plan – Service Equipment

- One new rubbish truck acquired in 2021 funded with lease proceeds
- In addition to the rubbish truck and vacuum truck ordered in 2020 for delivery in 2021 – *lease financed*
- Continued reduction of the general vehicle fleet by reuse of vehicles

### Future Years

- Continue to expedite the replacement of packers and heavy equipment with the use lease financing proceeds
- Planned investment of \$2.0 million to replace dump trucks and other trucks

## 2021 Capital Plan – Buildings & Grounds

- The 2021 capital plan combines all building improvements into one segment as a means of improving the prioritization and allocation of funding to building improvements each year
- City Hall Security Upgrades
- Facility Capital Maintenance - Various
- Remodel Bull House Phase 2 (interior)
- Landscaping Bull House property
- General Engineering & Design Services
- City-wide LED Lighting Upgrades

## **2021 Capital Plan – Buildings & Grounds**

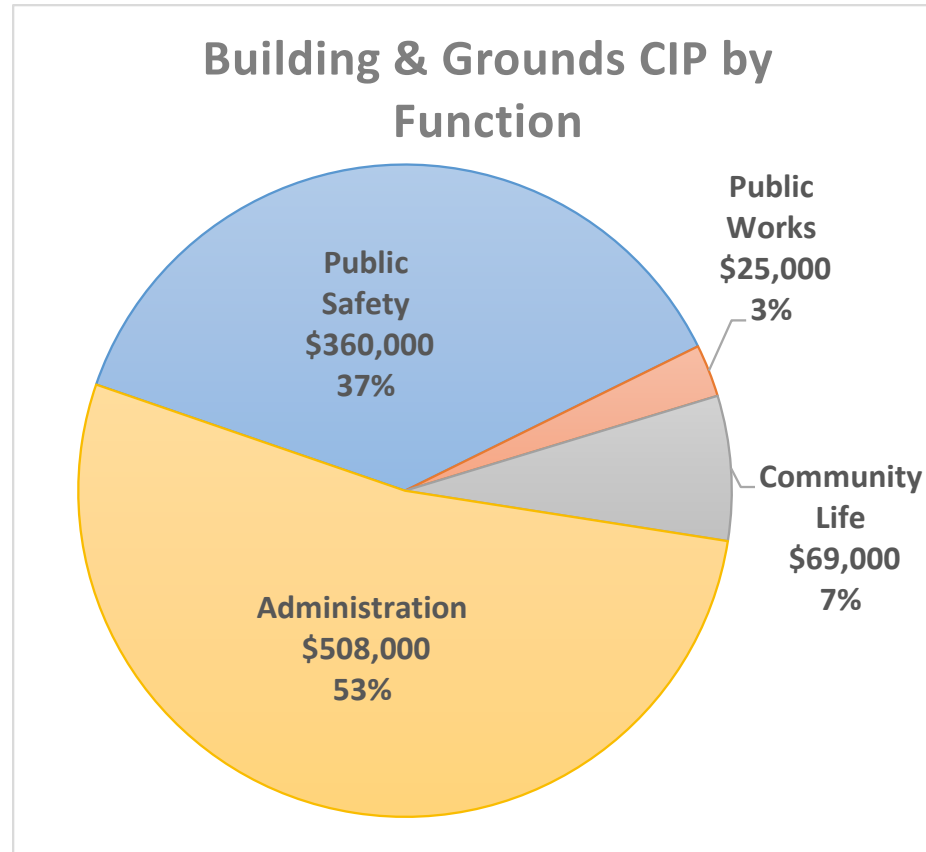
- Electronic Building Access Control
- Replace Locker Room Flooring
- Fire Station #1 Pavement Replacement (year 2)
- Arts Center Patio Repairs
- Community Center Carpeting – Offices
- Community Park Log Cabin Upgrades
- Municipal Pool Lighting & Electrical Upgrades

### **Future Years**

- Senior Center parking lot expansion project moved back to 2022
- Other lot repaving and paths to be packaged in one contract in 2022

## 2021 Capital Plan – Buildings & Grounds

- Continued investment is made throughout the five-year plan to all City locations
- Improvements to support public safety and public works operations are **40%** in 2021
- Over **53%** of the five year CIP is directed to locations that are highly visible and accessible to residents



## **2021 Capital Plan – Community Life**

Requests for Recreation, Senior Center and Arts Center are consolidated in the Community Life segment of the general capital plan

- Community Center Fitness Equipment (Phase)
- Replace Dance Studio Marley Flooring

### **Future Years**

- Continued investment in outdoor fields and related equipment in five year plan
- Two major playground upgrades planned in 2022-2023

## 2021 Capital Plan – Community Development

Projects envisioned for shared community spaces and to enhance the economic development prospects of the City

- Gateway to Solon road sign – *as approved by Safety & Public Properties*
- Bicentennial Park upgrades outside of Bull Home – *to complete the space*

### Future Years

Investment in Solon Connects and Multi Purpose Trail Network

Library Innovation Center – City portion of project

Amphitheater Venue at Community Park

## 2021 Capital Plan – Information Technology

The information technology requests are consolidated and are managed by the Information Technology Department on behalf of City departments

- 5 year PC Refresh Cycle & Virtual Desktop Deployment
- Spam & Email Archiving
- City Wide Network Switch Upgrade
- Content Inventory and Compliance Software
- City ERP Implementation Project (Phase 1)
- Work Tracking Program (Call enter & work order)
- Copier Replacements (2)
- Community Center Cameras



## 2021 Capital Plan – Water Reclamation

The capital plan for Water Reclamation is comprised mainly of improvements to the areas around the plant and upkeep of critical plant systems

- LED Lighting (High Bay)
- Miscellaneous Concrete Construction – Year 2
- Laboratory Information Systems (LIMS)
- Install Fiber Optic Cable to the Plant
- Odor Control Carbon Replacement
- Repaint Clarifier and Lime Silos
- Northeast Pump Overhaul
- Install Closed Loop Water System Northeast II Pumpstation

## 2021 Capital Plan – Grantwood Golf Course

The 2021 plan picks up with the practice of the exclusive use of self-funding the capital needs at Grantwood – *capacity tied directly to operating margin*

- Asphalt Repairs to Cart Paths
- Replace Outdoor Cooler
- Grantwood Pavilion Restroom

### Future Years

- Full upgrade of irrigation system – *design and planning will begin in 2021*
- Updates to club house and course facilities
- Continued replacement of equipment and golf carts

# Capital Plan Funding Considerations

# Capital Plan Considerations

## Deferred Projects

- Limitations on General Fund resources have required the City to defer or phase out some project request to 2022
  - *Senior Center Parking Lot - \$1,064,845*
  - *Service Complex Fire Alarm Replace - \$250,000*
  - *Community Park / Police Station Parking Lots Rehabilitation - \$600,000*
  - *Community Park Path Resurface - \$75,000*
  - *One Police Command vehicle - \$55,000*
  - *City Wide Network Switch Upgrade - \$38,000*

# Capital Plan Considerations

## Funding Considerations & Recommendations

- Approving final proposed 2021 General Capital requests are in balance with available resources - *reduced General Fund transfers to \$400,000*
- Maintain a combined reserve in the three general capital funds - *\$800,000*
- Additional use of lease financing for Service equipment and Ambulances
- Potential for State grants for trail and Library Innovation Center projects
- Debt financing of major community development projects is probable
- Develop financing option for Grantwood improvements that is revenue supported
- *Recovery of income tax collections* will have an impact on future capacity to cash fund projects and support new debt financing

## 2021 Capital Appropriation Ordinance

- The ordinance appropriates capital expenditures by capital fund (400, 421, 435, and 491) and project category – *total 2021 budget request of \$20.8 million*
- Appropriating the total cost of projects except lease financing and special revenue funds (*EMS Billing, Grantwood, Water Reclamation*)
- Encumbered appropriation carries over into following year if the project is not completed
- Permanent appropriations will be effective January 1, 2021 if approved by Council

## Up Next – First Reading of Appropriation Ordinances

- First reading of operating and capital ordinances at the November 16<sup>th</sup> Council meeting
- Second reading of both ordinances on December 7<sup>th</sup>
- Third reading adoption of the operating and capital appropriations measures on December 21<sup>st</sup>
- **Questions?**