

Capital Improvement Plan (CIP) Questions and Answers (Q&A)

What is a Capital Improvement Plan (CIP)?

The Capital Improvements Plan (CIP) serves as an effective guide for the efficient and effective provision of public facilities, outlining timing and financing schedules of capital and infrastructure projects for a five-year planning period, and for the next fiscal year capital budget.

The CIP identifies capital needs, establishes priorities and identifies potential funding sources. Key sources of identifying capital requirements include the City of Windsor Heights Comprehensive Plan as well as professional studies of facilities, transportation, utilities, and stormwater needs.

The CIP neither appropriates funds nor authorizes projects. The City Council must act to initiate each project. Proceedings to initiate capital improvements are presented when sources of funding are available.

The capital budget is a significant part of the 2017-2018 Budget. It represents costs associated with capital projects in the first year of the 2017-2021 Capital Improvements Plan.

Capital projects may include land acquisitions, the construction of new buildings, additions to or renovations of existing buildings, construction or reconstruction of street and utility infrastructure, and major equipment purchases. Because of the size and magnitude of these projects, bond funds are a major source of financing for projects including utility projects.

Staff performs a systematic evaluation of capital project requirements, identifies any project changes, incorporates recommended changes and submits the revised Plan to the City Council for consideration, modification and adoption as a part of the annual budget process.

During the preparation and review of the recommended Capital Improvements Plan, city management staff employed experience-based judgment to identify which projects can be accomplished within a given year, within the limit of the City's control. As would be expected, project expenditure and revenue estimates for the earlier years are more precise than in the late years of the plan.

Numerous sources are drawn upon to develop the expenditures included within this document including plans and/or studies completed or currently in process.

Capital Improvement Plan projects scheduled for completion during each year for the next five-year period are summarized herein.

What is the process of building a CIP?

The annual capital improvement process is a process created for the purpose of developing a five-year capital improvement Plan. The five-year capital improvement process is for projects occurring in calendar years 2017-2021. The CIP process is intended to provide a format for departments and utilities to submit projects to the City Administrator and to the City Council while providing an objective means for reviewing and ranking capital projects.

As a part of the process, capital projects are evaluated based on if it meets legal mandates, removes or reduces hazards, advances a Council Goal, improves efficiency, maintains standard of

service, supports economic development, improves service, facilitates new services, improves the Quality of Life or Aesthetic Values and offers a convenience.

These urgency-of-need criteria are used as general guidelines that point to, rather than determine priorities among capital project requests. In evaluating the urgency of need, affordability is given strong consideration.

Once the projects are evaluated using the above criteria, they will then be ordered based upon their fund source and project year.

The first year of the capital improvement Plan will be included as part of the budget submitted for Council approval next March. The first three (3) years of the Plan also determines the amount of bond issues and other debt instruments that will be issued over the upcoming year(s).

The capital improvement process includes a Master Plan prepared by the City Engineer. Each street was rated or scored by pavement surface done objectively through CTRE, scored by Des Moines Water Works as a priority, scored by the Public Works Director, Walkability Connectivity, utility needs, scored by the City Engineer and input from the Walkability Taskforce.

These factors will be combined with other factors such as relevance to City Council goals, method of financing and whether or not it is new or replacement work. Evaluation criteria will be applied to the relevant factors to provide each project with a score that will be used to rank and prioritize each project.

Since the financing for the first three (3) years of projects will be issued through a bond in early 2017 and the expenditures for these projects will also become part of the adopted budget, the emphasis in the capital improvement process will be on the first three years of the capital Plan. The projects for the remaining two years of the Plan will become part of the City's long-term financial plan and five-year capital improvement plan, and will not have debt issued for them until future years. These projects are still an important part of the capital improvements Plan as they help shape the debt issues and debt service levy into the future.

All documentation is then reviewed by the City Administrator and organized for presentation to the City Council.

Synopsis

The Capital Improvements Plan for 2017-2021 totals \$13,196,202. Of this total:

- 57% for infrastructure reinvestment and transportation projects
- 19% for parks facilities
- 17% for utility projects
- 8% for safe routes to schools/sidewalks
- Less than 1% is for public works facilities

Capital Budget requirements for 2017 total approximately \$2,922,020. Capital spending authorizations by year/project/category for the upcoming year include:

- \$1,140,444 for utility projects
- \$707,676 for infrastructure reinvestment and transportation projects
- \$993,900 for safe routes to schools/sidewalks
- \$50,000 for public works facilities
- \$30,000 for trails/parks facilities

This Plan represents a concerted effort to ensure that needed capital projects and infrastructure are in place in a timely manner to accommodate continued growth and development in the community.

Plan Overview

The capital improvement Plan provides an organized timeline and objective grading criteria for the purpose of scheduling capital projects and planning long-term debt. The annual Plan calendar starts in August or September and culminates in late December or early January so that next year's capital expenditures and debt issues are finalized and ready to be included in the City's budget for the next fiscal year.

Plan Calendar

October 24 and December 12, 2016

Council Budget Committee meets. City Administrator, Treasurer, Public Works Director and Financial Advisor reviews capital budget process overview, capital planning, project ranking/priority list for the calendar year, and review financial plan and debt service requirements for proposed 2017-2021 CIP.

November 7, 2016

Council Public Works Committee meets. City Administrator, Treasurer, and Public Works Director reviews capital budget process overview, capital planning, project ranking/priority list for the calendar year, and review financial plan and debt service requirements for proposed 2017-2021 CIP.

November 11 and December 13, 2016

Council Trail Hub Committee meets. City Administrator reviews capital budget process overview, capital planning, project ranking/priority list for the calendar year, and reviews financial plan and debt service requirements for proposed 2017-2021 CIP.

December 13, 2016

City Administrator meets with Des Moines Water Works to review proposed 2017-2021 CIP.

December 20, 2016

City Administrator meets with Urbandale Windsor Heights Sanitary District to review proposed 2017-2021 CIP.

December 21, 2016

City Council sets the Public Hearing on the proposed 2017-2021 CIP for January 16, 2017.

January 16, 2017

Following a public hearing, City Council approves the 2017-2021 Capital Improvements Plan.

March 6, 2017

Following public hearing, City Council considers FY 2018 Budget for adoption, including Debt Service Fund appropriation and 2017 capital project expenditures.

Who is involved in preparing a CIP?

- Staff reviews the Strategic Goals and Initiatives approved by the City Council.
- Staff collects data from Public Works, City Engineer, Des Moines Water Works, MidAmerican Energy, etc.
- The data is rated; which provides objective information that is fact-based, measurable and observable.

- The City Engineer provides probable costs for top priority projects.
- Staff meets with the City's Financial Advisor to review the debt service levy and short and long-term financial position of the City.
- Staff presents a draft to the Council Public Works Committee for review and feedback.
- Staff presents a draft to the Council Trail Hub Committee for review and feedback.
- Staff presents a draft to the Council Budget Committee for review and feedback.
- The Council Budget Committee presents the final draft to the City Council for approval.
- The City Council approves the Budget, including the Capital Improvement.

What are the criteria that are considered in assembling a CIP?

Capital projects are evaluated based on if it meets legal mandates, removes or reduces hazards, advances a City Goal, improves efficiency, maintains standard of service, supports economic development, improves service, facilitates new services, improves the Quality of Life or Aesthetic Values and offers a convenience.

These urgency-of-need criteria are used as general guidelines that point to, rather than determine priorities among capital project requests. In evaluating the urgency of need, affordability is given strong consideration.

The overall projects lists identified 24 projects prioritized by the City and totals over \$33 million, how did the staff, engineer and council prioritize these proposed projects over others on the list? First, it is reasonable to state that the City could simply not finance over \$33 in improvements in the next ten years. The overall plan addresses all utilities and accomplishes 30% of the entire list of City Priority projects. Furthermore, the proposed projects support the goals of the City. See criteria above and goals listed below.

How does the City plan to communicate the CIP and its implementation to the public?

Besides public meetings, the City will use Media, Social Media, Website, Des Moines Water Works City Newsletter, Windsor Heights Living, Mayor's News Hours and electronic City News Bulletins to inform the public of city business.

Could the City consider adding more public input into the budgeting and CIP process?

Staff meets with Council Budget Committee in early October and specifically reviews and improves the budget timeline for each year.

Which strategic goals are going to be met with the proposed CIP?

- Provides a Funding Plan for Street, Sewer, and Water Infrastructure Improvements and Maintenance thereof
- Funds Storm Water Projects
- Redesigns University Avenue with Streetscape
- Implements Complete Streets and Safe Routes to Schools
- Expands Bike Trail/Trail Hub Improvements/Opportunities
- Supports the latest draft of the Comprehensive Plan provided by RGD
- Supports the TEAP Walkability/Pedestrian Safety Study Report provided by HRG
- Supports the Healthiest State and Blue Zones Initiatives

In addition to the goals listed above, there are several goals that are being proposed to be met within the general (fund) budget.

Which goals from the latest draft of the Comprehensive Plan are going to be accomplished?
See [Comprehensive Plan](#) here.

Chapter	Goal #	Description of Goal
1	4	Make improvements to streets and other infrastructure to enhance neighborhood quality.
2	1	Attract new business to Windsor Heights.
2	2	Support strategic redevelopment along key corridors, including University Avenue, Hickman Road, 73 rd Street, and 63rd Street.
4	1	Provide safe and pleasant streets that allow travel by car, foot, and bicycle.
4	2	Create a connected sidewalk network, especially along arterial roads, schools, parks, trails, and retail.
4	3	Embrace an expansive view of “walkability” that includes creating a pleasant walking environment (e.g. providing shade and good street-side aesthetics) and encouraging mixed-use development (so that homes are within walking distance to other daily destinations).
4	4	Calm the speed of traffic through the community.
5	1	Update parks and facilities, expanding park land when possible.
5	2	Improve connections between trails and neighborhoods.

In addition to the goals listed above, there are several goals that are being proposed to be met within the general (fund) budget.

Why does construction of new sidewalk have to be included in the CIP?

Attached is a list of [Actions on Walkability](#); which is a summary of the 20 years of struggle on the issue. Also attached is the [Complete Streets Policy](#). City leaders are dedicated to moving the community goals forward in order to increase the safety and quality of life of all residents.

Why is Council considering increasing the debt service levy from \$1.48 to \$3.00?

See attached [CIP per \\$3.00 Levy Funding](#) prepared by Independent Public Advisors, LLC. The City’s current debt service tax rate of \$1.48 is not sufficient for projects currently identified to receive GO Debt funding. The current outstanding debt obligations already showed an increase to \$1.52446 in FY18, \$1.54402 in FY19 and \$1.18696 in FY20. City Council did not wish to delay recovery until FY21 to issue new debt and do nothing in the interim; which would expand the grand list and costs of improvements needed.

What will the \$3.00/1000 levy rate do to our debt capacity?

See attached [CIP per \\$3.00 Levy Funding](#) prepared by Independent Public Advisors, LLC. This worksheet illustrates the proposed debt increases the debt capacity just slightly.

What would help stabilize or lower the debt service levy?

Increased businesses, increases jobs and those who work here may spend their money here and decide to move here. Thus, residents increase the school and city population. Increase in residential, commercial and industrial property valuations could help stabilize or even lower property taxes in the foreseeable future.

How does the \$3.00/1000 levy rate affect each household?

See attached [CIP per \\$3.00 Levy Funding](#) prepared by Independent Public Advisors, LLC. This light green column in this document provides several annual estimates of property owner impacts. See next Question/Answer for more details.

Can you give me a couple examples of what my City tax bill will be with the new levy rate compared with last years?

For a \$164,230 property:

2017

(Assessed Value) \$164,230

X (State Rollback) 55.6259%

Taxable Value \$91,354.42

Example

(Taxable Value) \$91,354.42

X (Levy Rate) \$15.66110/1000

Total Property Tax Revenue \$1,430.71

2018

(Assessed Value) \$164,230

X (State Rollback) 56.9392%

Taxable Value \$93,511.25

Example

(Taxable Value) \$91,354.42

X (Levy Rate) \$17.16110/1000

Total Property Tax Revenue \$1,567.74

Increase \$137.03

For a \$275,000 property:

2017

(Assessed Value) \$275,000

X (State Rollback) 55.6259%

Taxable Value \$152,971.23

Example

(Taxable Value) \$152,971.23

X (Levy Rate) \$15.66110/1000

Total Property Tax Revenue \$2,395.70

2018

(Assessed Value) \$275,000

X (State Rollback) 56.9392%

Taxable Value \$156,582.80

Example

(Taxable Value) \$156,582.80

X (Levy Rate) \$17.16110/1000

Total Property Tax Revenue \$2,687.13

Increase \$291.43

Is the City considering bonding \$2.9 million for sidewalk projects alone? The CIP indicates only \$993,900 in total projects is being considered at this time. Which is correct?

See attached CIP. If you only add Projects P, V2, and B2, the total sidewalks proposed in the plan estimates the cost to be \$780,000. The proposed revenue is 50% GO Bond and 50% assessment totaling \$390,000 each and Project A is \$213,900 to be financed with TIF.

Why has the Council selected these four (4) particular sidewalk projects?

Safe routes to schools.

Where are the four (4) proposed projects; where is the sidewalk going to be located? Which side of the street? See the attached tentative Sidewalk Project Timeline. After the Council approves a CIP and Budget, the City Engineer will begin working with a Complete Street Advisory Committee and location of the sidewalks will be recommended by this Committee. A public hearing on the plans, specifications and bid documents will be scheduled in May for a June City Council meeting.

When will the sidewalk construction begin and conclude if approved for this year?

Per the tentative Sidewalk Project Timeline, if the Council awards the project in June, construction could begin as early as July and conclude on or before November 1.

Who is going to replace the landscaping retaining block, brick, plantings, etc. in the right of way? Engineers will tell you that they typically salvage the materials and give them back to the property owner to reinstall or replant elsewhere on their property.

Who is going to maintain and repair them, including remove ice and snow?

Per the attached **Ordinance No. 16-07, Chapter 136** it is the responsibility of the adjacent property owner to maintain and repair sidewalks, including removal of ice and snow.

I understand the City is considering implementing a sidewalk program in the City, and plans to assess a portion of the costs, of such repair and/or construction against the abutting property owners, what is the percentage and why is the City considering this?

50%

1. Council has relayed in recent public meetings and to staff the interest in perhaps offering a 50/50 cost share for replacement of existing sidewalks. The rationale is to be uniform or even with those who will receive new sidewalks with those who could be eventually asked to replace in the future. A replacement program concept has not been formalized nor brought to the City Council for consideration at this time.
2. Case law provides that both sides of the street receive a benefit so properties on both sides of the street can be assessed.
3. Other bordering cities have assessed property owners 100% of their sidewalk construction costs.
4. With limited resources and the grand list of needed improvements, the Council has considered all revenue sources in order to get as much capital improvements accomplished as possible.

How will assessments impact these particular property owners? What is the proposed schedule of repayment for those assessed?

Length or duration of repayment is determined by Council; however staff and legal counsel recommend a five (5) year repayment schedule as such:

Project #	Street	Cost/ Parcel	Cost/Year for 5 yrs	Cost/Month
B-2	64 th – College to University	\$2154	\$430.80	\$35.90
C	64 th – Northwest Dr. to Franklin	\$3572	\$714.40	\$59.53
P	Del Matro – 73 rd to 64 th St.	\$2433	\$486.60	\$40.55
V-2	Northwest Drive – 69 th to 64 th St.	\$3276	\$655.20	\$54.60

Estimates provided by the City Engineer

When comparing one street to another, how does one calculate an assessment of a property?

See **Project Assessments**. In order to estimate the sidewalk assessments for this plan, the City Engineer took the total project costs and divided them in half since several Council members wanted to consider a 50% assessment. Then they estimated the average footage of the property and divided by the number of parcels affected on both sides of the street.

How can assessments be paid?

Length or duration of repayment is determined by Council; however staff and legal counsel recommend annual payments be made either through payment of taxes to County or by payment of one lump sum due upon final completion of the assessment. See the attached tentative **Sidewalk Project Timeline**, the due date would be December 20, 2017.

If the property owner moves shortly after completion of the sidewalks is the entire lien due or is the debt on the property rather than the person?

Per the City Attorney, any assessment for the sidewalk project will be assessed against the property itself, rather than the specific property owner. In the event a property owner sells or

otherwise transfers the property that is subject to a city assessment, the assessed amount will show up in the property abstract. The buyer and seller of the property will then have to negotiate whether the assessment is paid in full as part of the sale of the property (this is typically what happens), or if the new buyer will assume the future assessments.

If the sidewalk is not compliant, will the entire stretch of sidewalk be replaced or will the City just construct new to fill in the gaps?

Staff proposed removing existing sidewalk that is not in compliance and replacing it with new per the city's code. For example, for Northwest Drive, there is existing sidewalk and the proposed plan indicates the City is taking out the existing and reconstructing the entire stretch from 69th to 64th Street.

How can I tell if my sidewalks are defective or non-compliant per the code?

The affected area is inspected by staff using the sidewalk defect figures adopted by the City Council.