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Honorable Mayor and City Council
Sacramento, California

Mayor and Members of the City Council:

The Approved 2013-2018 Capital Improvement Program (CIP), the City's five-year financial plan for the funding of infrastructure and facility projects, totals \$472.6 million from all funding sources, including \$22.6 million from the General Fund. It has 132 programs and projects. The Capital Budget for Fiscal Year 2013/14 totals \$41.2 million and includes funding for 95 programs and projects in various geographic areas of the city. The General Fund capital expenditures in FY2013/14 are \$4.1 million, funding only critical life safety and fee-supported programs. The Approved 2013-2018 CIP has been prepared in accordance with generally accepted accounting principles.

Despite the financial challenges the City is facing we have a responsibility to continue to invest in the City's infrastructure (water, sewers, streets, bridges, etc.), as infrastructure and economic development and prosperity go hand-in-hand. Without adequate infrastructure to support operational needs, businesses will not find Sacramento an attractive location, and companies needing to expand or seeking to relocate will go elsewhere.

Voter approval of the City of Sacramento Essential Services Protection Measure (Measure U) in November 2012 authorized an additional one-half cent transaction and use tax effective April 1, 2013. The capital budget includes \$250,000 in Measure U restorations for high priority park maintenance projects, which will be added to the \$600,000 previously allocated for this purpose by the City Council.

The projects in the Approved 2013-2018 CIP continue to reflect Council's adopted policies and plans, such as the City's 2030 General Plan, Transportation Programming Guide, Department of Utilities Capital Improvement Programming Guide, 2010 Sacramento City/County Bikeway Master Plan, Parks and Recreation Master Plan, and the Parks and Recreation Programming Guide. I wish to express my sincere appreciation to the Mayor and City Council for providing clear goals and direction through the adoption of these master plans, which have been incorporated in the CIP, and to the staff members who have contributed in the preparation of the capital budget.

Respectfully submitted,



John F. Shirey
City Manager

THE 2013-2018 CAPITAL IMPROVEMENT PROGRAM (CIP)

The 2013-2018 CIP totals \$472.6 million from all funding sources. The General Fund portion of the five-year program is \$22.6 million. The FY2013/14 CIP Budget totals \$41.2 million.

The following is a summary of the larger projects included in the FY2013/14 CIP Budget:

- Assessment District Basin 141 Improvements (W14140100, Section J);
- ALS (Advanced Life Support) Equipment Program (F12000200, Section E);
- City College Bike/Pedestrian Crossing (T15065700, Section I);
- City Facility Reinvestment Program (C13900000, Section D);
- Drainage Plant Regulatory Improvement Program (W14130800, Section J);
- Fire Apparatus Program (F12000300, Section E);
- Major Street Improvements Program (T15148000, Section I);
- Pedestrian Safety Program (S15120500, Section I);
- Public Rights-of-Way Accessibility Program FY2014 (T15148000, Section I);
- Residential Water Meter Program (Z14010000, Section J);
- Solid Waste Facility Repair & Rehabilitation Program (Y14000900, Section J); and
- Street and Bikeway Overlays and Seals Program (R15142000, Section I).

Detailed information on the projects listed above can be found on the project detail sheets in the appropriate CIP sections (as referenced).

Program Highlights & Issues

The scope of an existing CIP description may include only the preliminary aspects of a project such as master planning or environmental review. In such projects, additional funding and a new CIP approved by the City Council are required to fully develop the project. Other projects may include the development of Phase I of a new facility or of the entire project. The level of funding and the project scope description in the CIP determine the parameters of the project at that point in time. The following summarizes major Program Areas with project funding included in the 2013-2018 CIP:

General Government

The 2013-2018 General Government Program totals \$16.2 million. The FY2013/14 budget for the General Government Program is \$2.7 million including \$1.7 million in General Funds. In an effort to address the City's significant budget challenges, all General Fund CIPs were reviewed to determine funding requirements for FY2013/14. This review resulted in \$128,000 of funding for the Americans with Disabilities (ADA) Compliance Program and \$1.0 million of funding for the City Facility Reinvestment Program (formerly known as the City's Deferred Maintenance Program).

The General Government section also includes General Fund programs that are fully offset by user fees, development surcharges, and management fee dedications. These programs include Planning Technology (A21006400); Building Permit Technology (A21006600); and information technology replacement and expansion (A07000300 and A07000400).

Public Safety

The 2013-2018 Public Safety Program totals \$11.7 million. The Public Safety section reflects the City's efforts to provide/replace public safety emergency generators throughout the city and to ensure sustainable funding for long-term capital equipment necessary for advanced life safety and firefighting services. In addition to the annual capital budget, an additional \$1.8 million in General Funds is budgeted in the FY2013/14 Operating Budget to make required debt payments for fire apparatus purchased over the past several years.

Convention, Culture, and Leisure

The Convention, Culture, and Leisure Program delivers accessible arts, leisure, and educational experiences to enrich people's lives and enhance the metropolitan area. The CIP reflects the diverse and exciting activities that provide numerous educational, cultural, and regional experiences to residents of the City of Sacramento, northern California, and beyond.

The FY2013/14 Convention, Culture, and Leisure Program totals \$1.8 million. The budget reflects funding of seven projects at the Convention Center Complex (\$1.7 million), one project at William Land Golf Course (\$15,000), and one project at the Sacramento Marina (\$50,000). The 2013-2018 CIP for the Convention, Culture and Leisure Program totals \$6.3 million and includes eight projects at the Convention Center (\$5.7 million), one project for Golf (\$75,000), and two projects at the Marina (\$525,000).

It is important to note that although the City no longer operates the golf courses, they remain City assets and as such funds are budgeted for improvements at William Land Golf Course.

Parks and Recreation

All great cities have great parks systems and our parks and recreation system provides residents and visitors with significant personal, social, environmental, and economic benefits. Our parks and recreation programs form the green and social "infrastructure" of a vital, livable city. Our parks, bikeways, community centers, swimming pools, sports fields, skate parks, dog parks, rivers and waterways, urban forest, and nature areas are public places for people to gather, celebrate, learn, connect, grow, relax, and recreate.

Further developing and rehabilitating existing parks and facilities is a high priority with a focus on park safety and sustainability. New amenities help meet needs identified in the 2005 – 2010 Parks and Recreation Master Plan and the Parks and Recreation Programming Guide. Although the Parks and Recreation Program reflects a significant decline in development in the last six years due to the economic downturn and a building moratorium in North Natomas, it continues to reflect the City Council's commitment to improving the quality of life for all residents and visitors. In addition to maintaining the physical assets already in the City park system, in FY2013/14, a total of \$919,460 in new or additional funding will be programmed to nine new and ongoing projects and programs.

Transportation

The 2013-2018 Transportation Program is designed to optimize the use of available local funds by leveraging state and federal funds to achieve the City's transportation priorities. In FY2013/14, a total of \$23.7 million in new or additional funding will be programmed to 38 new and ongoing projects and programs. This year, pedestrian and bicycle projects (projects that begin with the letter "K") were moved into the Transportation Program to reflect the importance of those modes of travel as part of the city's overall transportation network. This includes on- and off-street bike trails and bicycle and

pedestrian bridges. These projects and funds are generally managed through the Department of Public Works.

The FY2013/14 Transportation CIP is divided into seven major subprograms: Major Streets (major roadway construction); Parking (parking facility maintenance and upgrades); Bridges (maintenance); Street Maintenance (overlays and seals); Traffic Operations and Safety (new traffic signals and signal modifications, Traffic Operations Center, traffic calming, pedestrian safety, and major street light replacement programs); Community Enhancements (bikeway programs, alley abatement, street light and pedestrian improvement programs); and Public Rights-of-Way Accessibility (Americans with Disabilities Act compliance).

The FY2013/14 Transportation Program reflects funding of 38 projects or programs: four in major street construction; 23 in maintenance and operations; 10 in pedestrian projects, neighborhood street lights, and community enhancements; and one in public rights-of-way accessibility.

City Utilities

The 2013-2018 City Utilities Program totals \$354.3 million. The FY2013/14 budget is \$9.9 million, which reflects additional appropriations to existing and new projects.

A substantial portion of the five-year program budget reflects the Department of Utilities' (DOU's) Water and Wastewater program, which is a 30-year look at the infrastructure needs of the water and wastewater systems including a five-year project specific plan. The five-year plan uses a mix of bond and cash financing allowing the City to invest in its infrastructure and meet regulatory requirements while smoothing rate increases and avoiding rate spikes for utility customers. There was a significant appropriation to this program in FY2012/13, and the five-year program reflects a continuation of the program with another major appropriation anticipated in FY2015/16. Funding for the final three years of the five-year plan will require subsequent approval from City Council.

Some of the major Water, Wastewater, and Storm Drainage projects include the continued improvements and rehabilitation of the Combined Sewer System (CSS) as required by the National Pollutant Discharge Elimination (NPDES) permit and outlined in the CSS Improvement Plan, which began in 1995 and is budgeted at approximately \$8-10 million per year; the residential water meter installation program, which is projected to cost approximately \$133.4 million in the five-year period, and; the rehabilitation of the Fairbairn Water Treatment Plant, which is projected to cost approximately \$33.1 million over the five-year period. Solid Waste projects include a continuation of funding for city landfills as required by the State of California to comply with post-closure monitoring requirements. In addition, funding will be allocated to the Solid Waste Facility Repair and Rehabilitation Program (Y14000900) for the construction of a new liquefied natural gas fueling station at the Meadowview Corporation Yard.

Wastewater and CSS projects receiving significant new or additional funding in the 2013-2018 City Utilities Program include the 7th Street Sewer Upsizing K to P Streets and 9th Street Sewer Upsizing L to G Streets, which will provide additional capacity and are the final legs of the larger 15-year program to upsize downtown sewers, and the Oak Park Regional Storage which will provide 500,000 cubic feet of underground storage to relieve flooding in the CSS.

The primary Storm Drainage projects receiving new funding in the 2013-2018 CIP are the generator program for the provision of secondary power to Sump 99 and the Basin 141 improvements program that provides increased reliability to the pump station and increased conveyance in portions of the pipe network.

The CIP is a comprehensive five-year plan for capital project expenditures. The program is a guide for identifying current and future fiscal requirements and becomes the basis for determining annual capital budget expenditures.

WHAT IS A CAPITAL IMPROVEMENT?

Capital improvements are major projects undertaken by the City that are generally not recurring and are for repairs, maintenance, improvement, or acquisition of City assets with a total cost of at least \$20,000.

WHAT IS THE DIFFERENCE BETWEEN A CAPITAL IMPROVEMENT PROJECT AND PROGRAM?

Capital improvement projects are typically site specific and have a defined budget and completion date. Capital improvement programs are used for ongoing funding for similar improvements that will be constructed at multiple locations based on the availability of funding annually at locations identified through master plans, planning guides, and replacement programs (e.g., the Groundwater Protection Program, Fire Apparatus Program, Bikeway Program, and Area 1 Park Planning Program). Capital improvement programs are not site specific, do not typically have a defined completion date and will contain "Program" in the title.

THE CIP REVIEW PROCESS

Each project proposal is scrutinized from a variety of approaches before it is included in the CIP. Projects that are included in the CIP are identified by department staff based upon (1) input from the community received at neighborhood meetings during the year; (2) input from the Mayor and City Council on needs that develop or are identified during the year; (3) the City Council approved Master Plans for growth, improvements, and rehabilitation for specific programs (examples include the [Parks and Recreation Master Plan](#), [Library Facility Master Plan](#), [Transportation Programming Guide](#), and [Department of Utilities Capital Improvement Programming Guide](#)); (4) adopted criteria for selecting projects to meet the Mayor and City Council's goals; and (5) staff-identified projects based on critical need due to safety issues or to comply with new mandates.

All CIP projects are reviewed first by the appropriate operating departments. Projects are prioritized and presented for funding based upon the level of funding estimated to be available for the coming fiscal year and subsequent fiscal years. The Budget, Policy & Strategic Planning Division of the Department of Finance reviews the proposed projects and prepares the CIP for submittal to the Mayor and City Council no later than 60 days prior to the start of the new fiscal year. The proposed CIP is presented, discussed, and acted upon by the Mayor and City Council in public session during the budget hearings. Members of the community can comment on the proposed CIP and provide input to the Mayor and City Council during the hearing process. The City Council can make changes to the proposed CIP and then take action on final project approval for inclusion in the [Approved CIP and Operating Budget](#).

All projects are reviewed by Planning Division staff and the Planning and Design Commission for consistency with the City's General and Specific Plan policies (Government Code §65402). In general, projects are introduced in accordance with existing approved master plans. This CIP incorporates several plans, including the [2010 Sacramento City/County Bikeway Master Plan](#), [North Natomas Community](#) and [Financing Plan](#), the [Parks and Recreation Programming Guide](#), the [Transportation Programming Guide](#), and the various utility master plans.

PROGRAM SUMMARIES

The bulk of the CIP Budget includes program area summaries and detailed project pages for each project being funded within those programs during the five-year plan period. The summaries include program goals and criteria used to select projects to meet those goals (project selection criteria); a summary of planned spending; a long-range plan and list of unmet needs (if completed); a summary of projects by fund; and maps detailing project location for FY2013/14 funded projects.

Nine program areas are presented within the Capital Budget. Each Program Area includes subprograms that are divided alphabetically, and in turn the subprograms include a number of different projects. Each project is assigned a letter and eight-digit code when it is approved for funding. The first digit of this code must be the alphabetical letter assigned to the subprogram in which the project is included. Individual projects are detailed in their respective program areas.

General Plan Consistency

Includes a summary of projects by specified geographic areas (i.e., community plan, finance plan, or other specific plan) that are included in various programming sections of the document.

General Government

A – Technology
 B – New Buildings
 C – Facility Improvements
 D – General Government

Public Safety

F – Public Safety

Convention, Culture & Leisure

M – Community Center, Cultural/Arts,
 Golf, Marina, and Zoo

Parks & Recreation

L – Parks and Recreation

Economic Development

U – Successor Agency
 Other various letters, dependent on type of project

Transportation

K – Bikeway
 R – Street Maintenance
 S – Signals/Lighting/Traffic Control
 T – Street Improvements
 V – Parking

Utilities

W – Drainage
 X – Wastewater
 Y – Solid Waste
 Z – Water

The discussion of an individual capital program area generally begins with summary information on total program expenditures and which major projects make up the bulk of those expenditures, what planning documents are referenced in identifying projects, the funding sources to support the projects, and issue statements that highlight significant unresolved fiscal and program policy issues. Each project is summarized within a project detail page.

Project and program detail sheets include the following:

- Project Title: CIP project number.
- Project Description: A brief but specific description of the project.
- Project Objectives: The purpose(s) of the project.

- Existing Situation: The circumstances that result in the need for the project, including any pertinent history.
- Operating Budget Impact: Any annual operating impact of the completed project.
- Project Costs: For each funding source, the amount of current budget, the estimated amount of unspent budget funds available as of February 2013, and the funding request for each year of the five-year program.
- Funding Notes: The following reimbursable funds are included within the Capital Budget for planning purposes, but budgets are not appropriated until all grant/award documents have been signed: Grant Funds (Funds 3702, 3703, and 3704) and City Utility Grant Funds (6015, 6205, 6206, 6207, and 6211).
- Funding Years: The five-year CIP includes a fiscal year (FY) budget (2013/14) and four fiscal years of planned programming (2014/15, 2015/16, 2016/17, and 2017/18).
- Timelines: Reflects the relationship of budget expenditures to the project timeline. Capital projects will include a Project Start and an Estimated Completion Date; however, capital programs will typically not include a timeline for completion as they are ongoing in nature. New capital projects approved at the start of a fiscal year will reflect 0% completion in the Approved CIP, but the elapsed time will reflect the current elapsed time of the project at the time the budget is printed.
- City Council District: The number of the City Council District in which the project is located.
- Plan Area: The number(s) of the plan area(s) in which the project is located (e.g., South Natomas, Pocket, Central City, South Area). Plan areas are defined in the City's [General Plan](#). A map of these plan areas is included in the Sacramento Area Maps Section of this document.
- Project Location: Street address, intersection, building name, etc.
- Project Manager: The name of the department and/or the individual project manager responsible for delivering the capital project.
- The City Charter requires that the City Council adopt a budget for operations and capital improvements on or before June 30 each year. In adopting a capital plan for five years, we are allowing for prudent and longer-term planning and allocation of resources for our facility and infrastructure needs. Each year, staff reaffirms the City Council's direction for the following fiscal year and extends the program planning period for additional years. In some program areas, such as transportation and utilities, the City Council has adopted strategies for planning periods exceeding five years to meet the long-term needs of the city.

CONTINUING PROJECTS

In addition to new capital projects funded in FY2013/14 or current projects with additional funding identified in the 2013-2018 CIP, there are many continuing programs or projects that have remaining budget authority but do not have additional funding allocated in future years. These are listed in Index N by City Council District, and Index O by Project Number.

HOW TO READ THIS DOCUMENT

The CIP contains the following sections:

- 1) The *Executive Summary* contains the City Manager's transmittal letter, program highlights, and issues of the various capital program areas and a summary of the approved five-year plan.
- 2) The *Background of the Capital Improvement Process* includes information on the process and detail on how to utilize information included in the document.
- 3) The *Sacramento Area Maps* section includes Council District, Community Plan Area, Shovel-Ready Areas, Neighborhood Commercial Revitalization, and Bikeways.
- 4) Individual capital program area summaries include goals and project selection criteria, project budgets, how they are funded, program issues (including in some cases unmet needs), program long-range plans, and detail sheets for those projects that include funding in FY2013/14 through FY2017/18.
- 5) *Description of Major Capital Funding Sources* provides the following information on funding sources: (a) restrictions on the use of the funds; (b) legislation governing the use of these funds for the period 2013-2018; (c) five-year historical CIP programming; and (d) how those funds have been expended.
- 6) Indexes of funding for the FY2013/14 CIP Budget by Fund (*Index L*) and Program (*Index M*) and for all active and new projects included in the 2013-2018 CIP by City Council District (*Index N*) and by Project Number (*Index O*).
- 7) A *Glossary* with definitions of commonly used terms or concepts.

A quick reference guide is available at the back of the Table of Contents to provide easy reference to the information contained in this document.