



OFFICE OF THE
CITY MANAGER

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CALIFORNIA

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July 1, 2009

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Mayor and City Council
Sacramento, California

Honorable Members in Session:

The 2009-2014 Capital Improvement Program (CIP) is a five-year expenditure plan which provides the City with a financial strategy for its infrastructure and facility needs. The CIP includes the Capital Budget for Fiscal Year (FY) 2009/10, which totals \$50.1 million and includes funding for 155 programs and projects in various geographic areas of the City of Sacramento. The General Fund total for capital expenditures in FY2009/10 is \$1.8 million. The five-year program totals \$219.2 million from all funding sources. The General Fund portion of the five-year program is \$17.9 million. The 2009-2014 CIP has been prepared in accordance with generally accepted accounting principles.

The FY2009/10 CIP is \$49.6 million less than the prior year. This reflects the overall decline in available resources that the City faces in the context of the decline in the local, State and national economies. We are constantly challenged to prioritize competing capital needs, and the current financial challenges of the City's budget will further constrain available funding for capital projects.

In FY2009/10 the City will begin operating new facilities (three new libraries, two community center expansions, and the Crocker Art Museum expansion), funded through the City's Community Reinvestment Capital Improvement Program (CRCIP), state grants, development impact fees, and private development contributions. Funding to address increased operation and maintenance costs related to these new facilities is included in the FY2009/10 Approved Budget.

Notwithstanding the financial challenges the City is addressing, the projects included in the 2009-2014 CIP continue to reflect Council's adopted policies and plans, including the City's 2030 General Plan, Transportation Programming Guide, Utility Master Plans, Parks and Recreation Master Plan, and the Parks and Recreation Programming Guide. While the ability to provide General Fund support to the CIP is very limited beyond the debt-financed CRCIP, it is important to note that the General Fund continues to support approximately seven percent of the City's CIP, consistent with the proportional level of funding in prior years.

The 2009-2014 Capital Improvement Program (CIP) was approved by Council on June 16, 2009. Subsequent to approval of the CIP the City Council adopted a two-year rate increase for the City's utility funds (water, sewer and solid waste) which was lower than originally proposed. As a result, the FY2009/10 Utility Program budget has been amended to reflect the reduction in the availability of funding for capital improvements.

In order to appropriately reflect the legislative record, amendments related to Council adoption of FY2009/10 utility rates are not reflected in the 2009-2014 Approved CIP. However, the Resolution approved by Council amending the Utility Program is included in the "Resolutions" section of this document (2009-445, Exhibit D) in order to accurately reflect Council's intent to implement the amendments as part of the FY2009/10 CIP.

Finally, I am pleased to report that the City has received the California Society of Municipal Finance Officers (CSMFO) Association Excellence in Capital Budgeting Award for its Fiscal Year 2008/09 Adopted Capital Improvement Program. This award was established by CSMFO to recognize agencies whose Capital Improvement Budget meets certain statewide standards and requirements considered to be of the highest quality. This is the first year in which the City has been bestowed this award. I wish to express my sincere appreciation to the Mayor and City Council for providing clear goals and direction through the adoption of master plans, which have been incorporated in the 2009-2014 Capital Improvement Program, and to the staff members who have contributed in the preparation of the capital budget.

Respectfully submitted,



RAY KERRIDGE
City Manager



California Society of Municipal Finance Officers

Certificate of Award
For

Excellence in Capital Budgeting

Fiscal Year 2008-2009

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For meeting the criteria established to achieve the EXCELLENCE AWARD in the CAPITAL BUDGET CATEGORY.

February 17, 2009



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Budgeting & Financial Reporting

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This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to CSMFO to determine its eligibility for another award.



2009-2014 CAPITAL IMPROVEMENT PROGRAM

THE 2009-2014 CAPITAL IMPROVEMENT PROGRAM (CIP)

The 2009-2014 CIP totals **\$219.2 million** from all funding sources. The General Fund portion of the five-year program is \$17.9 million or 8 percent of the total. The FY2009/10 CIP Budget totals \$50.1 million.

The following is a summary of the larger projects included in the FY2009/10 CIP Budget:

- Citywide Deferred Maintenance for City Facilities (C13000500, Section D);
- Fire Apparatus and Ambulances (F11000200 & F11000300, Section E);
- Gardenland Park-Park Safety Improvement Program (PSIP) Tier III (L19809000, Section G);
- Greenhaven Drive and Gloria Drive Traffic Signal (S15104300, Section I);
- Interstate 5 Freeway Landscape (W14004100, Section J);
- Major Street Improvements Program (T15098000, Section I);
- Public Rights-of-Way Program (T15100600, Section I);
- Residential Water Meters (Section J): City Farms (Z14010014); Fruitridge Manor (Z14010016); Golf Course Terrace (Z14010015); North Laguna (Z14010017); and South Land Park Phase 4 (Z14010011); and
- Tanzanite Community Park (L19169100, Section G);

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 Mayor and City Council are required to fully develop the project. Other projects may include the development of Phase I of a new facility or 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.

General Government Projects:

The 2009-2014 General Government CIP totals \$13 million. The FY2009/10 CIP budget for General Government projects totals \$1.7 million. In an effort to address the City's significant budget challenges all General Fund CIPs were reviewed to determine funding requirements for FY2009/10. This review resulted in staff's recommendation to take a one-year funding hiatus for the ADA Program as there are adequate resources available to deliver the projects identified for FY2009/10. Additionally, a review of prior capital improvement revenue bonds (CIRBs) identified residual funds from the 2002 CIRBs that could be used on eligible capital improvement projects. As these are restricted funds staff is recommending that the General Fund contribution be reduced to \$500,000 for the Deferred Maintenance Program with the other \$500,000 being allocated from the 2002 CIRBs. Finally, the City Treasurer is returning \$500,000 from the Treasurer's Investment CIP to provide funding for the Information Technology Operating Budget (\$100,000) for web development and to the General Fund (\$400,000) to provide resources toward closing the gap in the FY2009/10 operating budget.



Despite the current fiscal challenges the City is facing, the General Government section continues to reflect the City's commitment to focus resources toward existing facilities and programs like the Citywide ADA Project (C13000400) and the Deferred Maintenance Program (C13000500) for City facilities. One of the key initiatives for the Deferred Maintenance Program will be to the City's commitment to "green building" practices, including upcoming energy surveys of existing City buildings.

The General Government section also includes General Funded projects that are fully offset by user fees, development surcharges and management fee dedications. These projects include: Planning Technology (A21006400); Plan/Permit Network System (A21006600); City Treasurer Investment Reserve (D05000100); and Information Technology Improvements (A07000300, A07000400 and A07000500).

Public Safety Projects:

The 2009-2014 Public Safety CIP totals \$9.5 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 fire fighting services. The FY2009/10 CIP budget for these projects is \$1.45 million. In addition to the FY2009/10 CIP budget, an additional \$1.2 million in General Funds is budgeted in the FY2009/10 Operating Budget to pay for fire apparatus purchased over the past several years.

Parks and Recreation Projects:

Sacramento's parks and recreation system provides the City with significant personal, social, environmental, and economic benefits. All great cities have great parks systems. Our unique 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.

The City's park system continues to expand as new parks are master planned and developed primarily in the northern and southern areas of Sacramento. In addition, expanding and rehabilitating existing parks and facilities is also a high priority for the Department with a focus on park safety and sustainability. New amenities help meet needs identified in the Parks and Recreation Master Plan and the Parks and Recreation Programming Guide.

The 2009-2014 CIP for Parks and Recreation totals \$87.6 million, which includes a \$2.6 million budget for FY2009/10. This includes \$1.548 million in projects funded from the Park Development Impact Fee (PIF). In addition, capital grants supplement the PIF and Quimby Act fees and are often the primary source of funding for Regional Park and Parkways development.

Transportation Projects:

The Transportation Department's mission is to ensure the City's transportation system supports and enriches the quality of life for present and future generations. The department actively works with local, state and federal agencies to plan and deliver transportation improvements, which support the City's Strategic Plan Goals to improve and enhance public safety, achieve sustainability, enhance livability, and expand economic development throughout the City. The 2009-2014 Transportation Capital Improvement Program (CIP) is designed to optimize the use of available local funds by leveraging state and federal funds to achieve the City's transportation priorities.



The funds programmed in this year's CIP reflect the funding and revenue challenges that are being felt throughout the City and the region. Reductions in New Measure A Construction and Maintenance Sales Tax, Gas Tax, and private development have resulted in reductions in major local transportation revenue sources for the City's Transportation CIPs beginning in FY2009/10. As such, Gas Tax is anticipated to be down by ten percent (10%); New Measure A Maintenance and Construction sales tax down by twenty-five percent (25%) each; and Major Street Construction Tax down by seventy-five percent (75%).

Both maintenance and capital programs are significantly impacted by these revenue reductions as programs will be reduced by \$2.1 million (69%) for maintenance and \$4.2 million (34%) for capital from FY2008/09 to FY2009/10. As per the January 15, 2008, FY2008/09 Measure A Expenditure Plan, old Measure A (Fund 2001) program fund balances are available for future citywide programming. The old Measure A program balance is \$19 million and will be used per City Council direction to preserve/supplement many of the citywide program reductions through 2014.

In FY 2009/10, a total of \$12.2 million in new or additional funding will be programmed to 41 new and ongoing projects and programs. The Transportation CIP is divided into seven major areas: Major Streets (major roadway construction); Parking (parking facility maintenance and upgrades); Bridges (rehabilitation, maintenance, and replacement); Street Maintenance (overlays and seals); Traffic Operations and Safety (new traffic signals and signal modifications, Traffic Operations Center, Neighborhood Traffic Management Program, speed humps, pedestrian safety and safety light program); Community Enhancements/Economic Development (street light program, and economic development); and Public Rights-of-Way Accessibility (ADA compliance).

Approximately 49% (\$5.9 million) of funding is programmed to maintenance and operations projects and programs, 17 % (\$2.1 million) of funding to Major Street construction projects, 23% (\$2.8 million) of the funding is programmed to projects and programs related to public rights-of-way accessibility pursuant to the ADA settlement agreement, and 11% (\$1.3 million) of funding to pedestrian and bicycle projects, community enhancements and economic development.

Utilities Projects:

The 2009-2014 City Utilities CIP totals \$104.5 million, which includes \$55 million of the estimated \$300 million construction costs for the state-mandated residential water meter installation program. Water projects receiving significant new or additional funding in the 2009-2014 CIP include: Treatment Plants Rehab (Z14006000), to prepare the plans and specifications for improvements and rehabilitation of the two water treatment plants; and Residential Water Meter Retrofit Program (PN: Z14010001-Z14010017) as mandated by State law requiring that the City install meters on all residential water services by 2025.

Sewer and Combined Sewer System (CSS) projects receiving significant new or additional funding in the 2009-2014 CIP include: Fremont Area Sewer Rehab, Phase 3 (X14010047), to continue the effort to rehabilitate several of the combined sewer mains that lie in streets and backyard easements; and Sump 85 Influent Pipe, (X14003900): to replace or rehabilitate the 24-inch diameter trunk sewer that routes sewage to Sump 84. The CSS projects are part of the \$132 million CSS Improvement Project adopted by City Council and approved by the Regional Water Quality Control Board.

Solid Waste projects receiving new funding in the 2009-2014 CIP include: Dellar Landfill Closure (Y14000700), to proceed with the closure and post-closure of the Dellar Landfill.

Storm Drainage projects receiving new or additional funding in the 2009-2014 CIP include: FY10-FY14 National Pollution Discharge Elimination System Program (W14004600).



Convention, Culture and Leisure Projects:

The Convention, Culture and Leisure (CCL) Department's mission is to promote our unique culture and heritage by delivering accessible arts, leisure and educational experiences to enrich people's lives and enhance the metropolitan area. The department is unique in that it includes: Golf, Historic City Cemetery, Old Sacramento, Sacramento Archives, enterprise funds that operate like private businesses (Convention Center and Marina), non-profits (Crocker Art Museum, Sacramento History Museum, Discovery Museum Science and Space Center, Fairytale Town, and Sacramento Zoo), City and County funded divisions (Metropolitan Arts Commission), membership organizations, and boards and commissions. 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 FY2009/10 CIP budget for CCL totals \$1.9 million. The budget reflects funding of six projects at the Convention Center Complex (\$1.6 million), two projects at the City's three golf courses (\$70,000) and two projects at the Sacramento Marina (\$200,000). These amounts include \$60,000 in facility improvements to meet requirements of the ADA, which is included in the General Government program.

The 2009-2014 CIP for CCL totals \$14.7 million and includes 11 projects at the Convention Center (\$13.38 million), two projects for Golf (\$350,000) and two projects at the Marina (\$1.0 million). This funding includes \$300,000 for the ADA modifications.

Sacramento Housing and Redevelopment Agency (SHRA) Projects:

SHRA's budget is completed on a calendar year basis, so the projects listed in this document were approved in late 2008 for the 2009 calendar year. As part of an ongoing collaborative effort to maximize the use of scarce resources, SHRA capital projects are included in this document so that a full picture of all City CIP projects can be presented. The SHRA section in this document details all Tax Increment (TI) projects by Redevelopment Area and all Community Development Block Grant (CDBG) funded projects for FY2009/10. Due to uncertainties in the future funding for both the Community Development Block Grant Program and Tax Increment revenues, SHRA is not including the use of funds for the five year period in this year's CIP. In cases where the City anticipates managing SHRA funds, funded projects are also found in that department's program section.

Economic Development Projects:

In an effort to assist in the development of projects that contribute toward economic development goals and objectives, funding from a variety of sources has been identified for capital projects. Funding sources include: Downtown Tax Increment (TI), Community Development Block Grant (CDBG), Measure A, and City Utility funds. Projects identified are matched with the appropriate funding source(s) based on the type of improvements proposed (refer to the Summary of Funding Source section for additional information on funding restrictions).

Projects are initiated by the Economic Development Department in coordination with the Utilities and Transportation Departments, and SHRA. Related budgets are established in each of the three City departments and in SHRA's budget.

The Economic Development FY2009/10 CIP budget totals \$11.3 million. The Transportation and Utilities Departments provide funding annually to assist with the City's economic development efforts. Programming of these funds is subject to Mayor and City Council approval and is done in close coordination with the Economic Development, Transportation and Utilities Departments.



The Capital Improvement Program (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 with a total cost of at least \$20,000.

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 Mayor and City Council approved Master Plans for growth, improvements, and rehabilitation for specific programs (examples include the Parks Master Plan, Library Master Plan, Transportation Planning Guide, etc.); (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. With the assistance of the Budget, Policy & Strategic Planning Division of the Department of Finance, the City Manager's Office reviews the proposed projects and prepares the CIP for submittal to the Mayor and City Council by May 1st of each 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 Mayor and City Council can make changes to the proposed CIP and then take action on final project approval for inclusion in the Approved Capital Improvement Budget and Program.

All projects are reviewed by Planning Division staff and/or the Planning Commission for consistency with the City's General and Specific Plan policies. In general, projects are introduced in accordance with existing approved Master Plans. This CIP incorporates several master plans, including the North Natomas Community and Financing Plan, the Parks and Recreation Programming Guide, the Transportation Programming Guide, and the Utility Master Plans.

CIP NUMBERS AND eCAPS

The electronic Citywide Accounting and Personnel System (eCAPS) is a new enterprise resource management system implemented in 2007 and 2008 to manage all City financial, human resource, and payroll transactions. As part of the citywide conversion to eCAPS, the existing City financial structure (funds, project numbers, organizations, etc.) was converted to new financial numbers. Index Q has been added to provide a conversion chart reflecting old four-digit CIP numbers to the new nine-digit eCAPS CIP numbers. Additionally, the Summary of Funding Sources provides the new four-digit eCAPS fund numbers and the old three-digit fund numbers.



HOW TO READ THIS DOCUMENT

The Capital Improvement Plan and Budget Document contains the following sections:

- 1) The Executive Summary contains the City Manager's transmittal letter, Program Highlights & 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, Neighborhood Area, Community Plan Area, Infill Area, Neighborhood Commercial Revitalization, and Redevelopment Area maps.
- 4) Individual capital program area summaries include goals and project selection criteria, project budgets and 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 FY2009/10 through FY2013/14.
- 5) Description of Major Capital Funding Sources provides detail by various funding sources on historic levels of use of that fund, how those funds have been expended, restrictions on the use of the funds, and what legislation governs the use of these funds.
- 6) Indexes of funding for the FY2009/10 CIP Budget by Fund (Index M) and Program (Index N) and for all active and new projects included in the 2009-2014 CIP by City Council District (Index O) and by Project Number (Index P).
- 7) A Glossary with definitions of commonly used terms.

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.

Program Area Summaries

The bulk of the Capital Improvement 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 FY2009-2014 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 four-digit account 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, with the exception of SHRA, which is numeric.



Individual projects are detailed in their respective program areas.

New Growth/Infill Areas

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

K – Bikeways
L – Parks and Recreation

Economic Development

Various Letters dependent on type of project

Transportation

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

Utilities

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

Sacramento Housing & Redevelopment Agency

9-Digit numbers starting with 9 – SHRA

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.

Detailed project information includes:

- The Project Title: Capital Improvement Project (CIP) 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 June 30, 2009, and the funding request for each year of the five-year program.
- Timelines: Reflects the relationship of budget expenditures to the project timeline.



- City Council District: The number of the City Council District in which the project is located.
- Neighborhood Area: The number of the Neighborhood Area in which the project is located.
- Planning Area: The number(s) of the planning area(s) in which the project is located (e.g. South Natomas, Pocket, Central City, Meadowview, etc.). Planning areas are defined in the City's General Plan. A map of these planning areas is included in the Overview 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 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 providing a tool to allow for prudent and longer-term planning and allocation of resources for our facility and infrastructure needs. Each year, staff reaffirms the Mayor and City Council's direction for the following fiscal year and extends the program planning period out for additional years. In some program areas, such as transportation and utilities, the Mayor and City Council have adopted strategies for planning periods exceeding five years to meet the long-term needs of the City.

Long-range needs and priorities, as well as programming guides, have not been adopted by the Mayor and City Council for all capital programs. Until current planning processes are completed and capital priorities are further identified, projects identified for approved funding within the 2009-2014 CIP should be reviewed for consistency with the City's adopted Strategic Plan.

CONTINUING PROJECTS

In addition to new capital projects with funding in FY2009/10 or current projects with additional funding identified in the 2009-2014 capital program, there are many continuing projects that have remaining budget authority but do not have additional funding allocated in future years. Section O of this document indexes these projects by City Council District, and Section P of this document indexes all CIP Projects by CIP Number.



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The Transportation Department's mission is to ensure the City's transportation system supports and enriches the quality of life for present and future generations. The department actively works with local, state and federal agencies to plan and deliver transportation improvements, which support the City's Strategic Plan Goals to improve and enhance public safety, achieve sustainability, enhance livability, and expand economic development throughout the City. The 2009-2014 Transportation Capital Improvement Program (CIP) is designed to optimize the use of available local funds by leveraging state and federal funds to achieve the City's transportation priorities.



The funds programmed in this year's CIP reflect the funding and revenue challenges that are being felt throughout the City and the region. Reductions in New Measure A Construction and Maintenance Sales Tax, Gas Tax, and private development have resulted in reductions in major local transportation revenue sources for the City's Transportation CIPs beginning in FY2009/10. As such, Gas Tax is anticipated to be down by ten percent (10%); New Measure A Maintenance and Construction sales tax down by twenty-five percent (25%) each; and Major Street Construction Tax down by seventy-five percent (75%).

Both maintenance and capital programs are significantly impacted by these revenue reductions as programs will be reduced by \$2.1 million (69%) for maintenance and \$4.2 million (34%) for capital from FY2008/09 to FY2009/10. As per the January 15, 2008, FY2008/09 Measure A Expenditure Plan, old Measure A (Fund 2001) program fund balances are available for future citywide programming. The old Measure A program balance is \$19 million and will be used per City Council direction to preserve/supplement many of the citywide program reductions through 2014.

In FY 2009/10, a total of \$12.2 million in new or additional funding will be programmed to 41 new and ongoing projects and programs. The Transportation CIP is divided into seven major areas: Major Streets (major roadway construction); Parking (parking facility maintenance and upgrades); Bridges (rehabilitation, maintenance, and replacement); Street Maintenance (overlays and seals); Traffic Operations and Safety (new traffic signals and signal modifications, Traffic Operations Center, Neighborhood Traffic Management Program, speed humps, pedestrian safety and safety light program); Community Enhancements/Economic Development (street light program, and economic development); and Public Rights-of-Way Accessibility (ADA compliance).

Approximately 49% (\$5.9 million) of funding is programmed to maintenance and operations projects and programs, 17 % (\$2.1 million) of funding to Major Street construction projects, 23% (\$2.8 million) of the funding is programmed to projects and programs related to public rights-of-way accessibility pursuant to the ADA settlement agreement, and 11% (\$1.3 million) of funding to pedestrian and bicycle projects, community enhancements and economic development.

Utilities Projects:

The 2009-2014 City Utilities CIP totals \$104.5 million, which includes \$55 million of the estimated \$300 million construction costs for the state-mandated residential water meter installation program. Water projects receiving significant new or additional funding in the 2009-2014 CIP include: Treatment Plants Rehab (Z14006000), to prepare the plans and specifications for improvements and rehabilitation of the two water treatment plants; and Residential Water Meter Retrofit Program (PN: Z14010001-Z14010017) as mandated by State law requiring that the City install meters on all residential water services by 2025.

Sewer and Combined Sewer System (CSS) projects receiving significant new or additional funding in the 2009-2014 CIP include: Fremont Area Sewer Rehab, Phase 3 (X14010047), to continue the effort to rehabilitate several of the combined sewer mains that lie in streets and backyard easements; and Sump 85 Influent Pipe, (X14003900): to replace or rehabilitate the 24-inch diameter trunk sewer that routes sewage to Sump 84. The CSS projects are part of the \$132 million CSS Improvement Project adopted by City Council and approved by the Regional Water Quality Control Board.

Solid Waste projects receiving new funding in the 2009-2014 CIP include: Dellar Landfill Closure (Y14000700), to proceed with the closure and post-closure of the Dellar Landfill.

Storm Drainage projects receiving new or additional funding in the 2009-2014 CIP include: FY10-FY14 National Pollution Discharge Elimination System Program (W14004600).



Convention, Culture and Leisure Projects:

The Convention, Culture and Leisure (CCL) Department's mission is to promote our unique culture and heritage by delivering accessible arts, leisure and educational experiences to enrich people's lives and enhance the metropolitan area. The department is unique in that it includes: Golf, Historic City Cemetery, Old Sacramento, Sacramento Archives, enterprise funds that operate like private businesses (Convention Center and Marina), non-profits (Crocker Art Museum, Sacramento History Museum, Discovery Museum Science and Space Center, Fairytale Town, and Sacramento Zoo), City and County funded divisions (Metropolitan Arts Commission), membership organizations, and boards and commissions. 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 FY2009/10 CIP budget for CCL totals \$1.9 million. The budget reflects funding of six projects at the Convention Center Complex (\$1.6 million), two projects at the City's three golf courses (\$70,000) and two projects at the Sacramento Marina (\$200,000). These amounts include \$60,000 in facility improvements to meet requirements of the ADA, which is included in the General Government program.

The 2009-2014 CIP for CCL totals \$14.7 million and includes 11 projects at the Convention Center (\$13.38 million), two projects for Golf (\$350,000) and two projects at the Marina (\$1.0 million). This funding includes \$300,000 for the ADA modifications.

Sacramento Housing and Redevelopment Agency (SHRA) Projects:

SHRA's budget is completed on a calendar year basis, so the projects listed in this document were approved in late 2008 for the 2009 calendar year. As part of an ongoing collaborative effort to maximize the use of scarce resources, SHRA capital projects are included in this document so that a full picture of all City CIP projects can be presented. The SHRA section in this document details all Tax Increment (TI) projects by Redevelopment Area and all Community Development Block Grant (CDBG) funded projects for FY2009/10. Due to uncertainties in the future funding for both the Community Development Block Grant Program and Tax Increment revenues, SHRA is not including the use of funds for the five year period in this year's CIP. In cases where the City anticipates managing SHRA funds, funded projects are also found in that department's program section.

Economic Development Projects:

In an effort to assist in the development of projects that contribute toward economic development goals and objectives, funding from a variety of sources has been identified for capital projects. Funding sources include: Downtown Tax Increment (TI), Community Development Block Grant (CDBG), Measure A, and City Utility funds. Projects identified are matched with the appropriate funding source(s) based on the type of improvements proposed (refer to the Summary of Funding Source section for additional information on funding restrictions).

Projects are initiated by the Economic Development Department in coordination with the Utilities and Transportation Departments, and SHRA. Related budgets are established in each of the three City departments and in SHRA's budget.

The Economic Development FY2009/10 CIP budget totals \$11.3 million. The Transportation and Utilities Departments provide funding annually to assist with the City's economic development efforts. Programming of these funds is subject to Mayor and City Council approval and is done in close coordination with the Economic Development, Transportation and Utilities Departments.



The Capital Improvement Program (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 with a total cost of at least \$20,000.

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 Mayor and City Council approved Master Plans for growth, improvements, and rehabilitation for specific programs (examples include the Parks Master Plan, Library Master Plan, Transportation Planning Guide, etc.); (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. With the assistance of the Budget, Policy & Strategic Planning Division of the Department of Finance, the City Manager's Office reviews the proposed projects and prepares the CIP for submittal to the Mayor and City Council by May 1st of each 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 Mayor and City Council can make changes to the proposed CIP and then take action on final project approval for inclusion in the Approved Capital Improvement Budget and Program.

All projects are reviewed by Planning Division staff and/or the Planning Commission for consistency with the City's General and Specific Plan policies. In general, projects are introduced in accordance with existing approved Master Plans. This CIP incorporates several master plans, including the North Natomas Community and Financing Plan, the Parks and Recreation Programming Guide, the Transportation Programming Guide, and the Utility Master Plans.

CIP NUMBERS AND eCAPS

The electronic Citywide Accounting and Personnel System (eCAPS) is a new enterprise resource management system implemented in 2007 and 2008 to manage all City financial, human resource, and payroll transactions. As part of the citywide conversion to eCAPS, the existing City financial structure (funds, project numbers, organizations, etc.) was converted to new financial numbers. Index Q has been added to provide a conversion chart reflecting old four-digit CIP numbers to the new nine-digit eCAPS CIP numbers. Additionally, the Summary of Funding Sources provides the new four-digit eCAPS fund numbers and the old three-digit fund numbers.



HOW TO READ THIS DOCUMENT

The Capital Improvement Plan and Budget Document contains the following sections:

- 1) The Executive Summary contains the City Manager's transmittal letter, Program Highlights & 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, Neighborhood Area, Community Plan Area, Infill Area, Neighborhood Commercial Revitalization, and Redevelopment Area maps.
- 4) Individual capital program area summaries include goals and project selection criteria, project budgets and 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 FY2009/10 through FY2013/14.
- 5) Description of Major Capital Funding Sources provides detail by various funding sources on historic levels of use of that fund, how those funds have been expended, restrictions on the use of the funds, and what legislation governs the use of these funds.
- 6) Indexes of funding for the FY2009/10 CIP Budget by Fund (Index M) and Program (Index N) and for all active and new projects included in the 2009-2014 CIP by City Council District (Index O) and by Project Number (Index P).
- 7) A Glossary with definitions of commonly used terms.

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.

Program Area Summaries

The bulk of the Capital Improvement 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 FY2009-2014 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 four-digit account 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, with the exception of SHRA, which is numeric.



Individual projects are detailed in their respective program areas.

New Growth/Infill Areas

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

K – Bikeways
L – Parks and Recreation

Economic Development

Various Letters dependent on type of project

Transportation

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

Utilities

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

Sacramento Housing & Redevelopment Agency

9-Digit numbers starting with 9 – SHRA

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.

Detailed project information includes:

- The Project Title: Capital Improvement Project (CIP) 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 June 30, 2009, and the funding request for each year of the five-year program.
- Timelines: Reflects the relationship of budget expenditures to the project timeline.



- City Council District: The number of the City Council District in which the project is located.
- Neighborhood Area: The number of the Neighborhood Area in which the project is located.
- Planning Area: The number(s) of the planning area(s) in which the project is located (e.g. South Natomas, Pocket, Central City, Meadowview, etc.). Planning areas are defined in the City's General Plan. A map of these planning areas is included in the Overview 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 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 providing a tool to allow for prudent and longer-term planning and allocation of resources for our facility and infrastructure needs. Each year, staff reaffirms the Mayor and City Council's direction for the following fiscal year and extends the program planning period out for additional years. In some program areas, such as transportation and utilities, the Mayor and City Council have adopted strategies for planning periods exceeding five years to meet the long-term needs of the City.

Long-range needs and priorities, as well as programming guides, have not been adopted by the Mayor and City Council for all capital programs. Until current planning processes are completed and capital priorities are further identified, projects identified for approved funding within the 2009-2014 CIP should be reviewed for consistency with the City's adopted Strategic Plan.

CONTINUING PROJECTS

In addition to new capital projects with funding in FY2009/10 or current projects with additional funding identified in the 2009-2014 capital program, there are many continuing projects that have remaining budget authority but do not have additional funding allocated in future years. Section O of this document indexes these projects by City Council District, and Section P of this document indexes all CIP Projects by CIP Number.

