



SEATTLE CITY COUNCIL
CENTRAL STAFF

SELECT BUDGET COMMITTEE

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

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SEPTEMBER 20, 2017

OVERVIEW

I. CIP BUDGET BACKGROUND

- SCOPE AND SCALE OF CIP BUDGET
- CAPITAL PROGRAM FUNDING

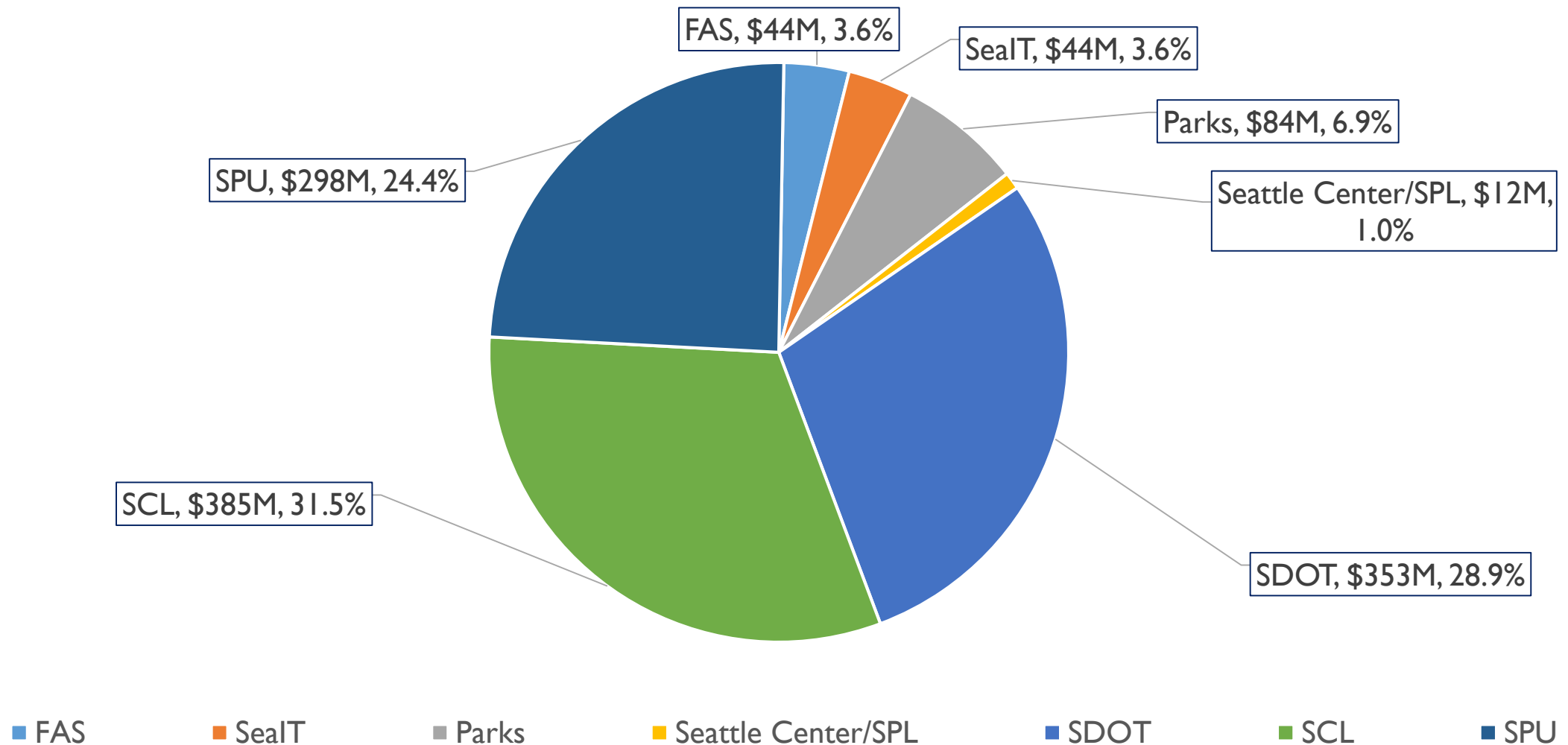
2. 2017 CIP OVERSIGHT ACTIVITIES

- IMPROVING CIP OVERSIGHT
- STAGE-BASED IMPROVEMENTS
- WHAT'S NEW

CIP BUDGET BACKGROUND

- Council adopts a 6-year companion Capital Improvement Program (CIP) each year.
- Projects and programs are identified and receive CIP appropriation authority before money can be spent on them.
- **Council** adopts the budget with any CIP proviso controls (and supplemental budgets throughout the year), and receives ongoing reports.
- **Executive** is responsible for project management and implementation, coordinates CIP activities on the Executive side via a new Capital Cabinet.

SCOPE AND SCALE OF BUDGET 2018 ENDORSED CIP – \$1.22 BILLION



CAPITAL PROGRAM FUNDING

- Locally Generated Revenues
 - Taxes, fees (commercial parking tax)
 - Voter-approved levies (2015 Move Seattle, 2014 Seattle Parks District, 2012 Seawall, 2012 Library, 2008 Parks, 2006 Bridging the Gap, 2003 Fire and Emergency Response)
 - User charges (utility rates)
 - General Fund
- Intergovernmental Tax or Revenue (REET, state and federal grants, gas tax, county funding)
- Private Funding (franchise utilities, philanthropy)
- Proceeds from Bond Sales (supported by future revenues from various sources)

2017 CIP OVERSIGHT ACTIVITIES

IMPROVING CIP OVERSIGHT – RES 31720

Goal

- New rigor in capital project oversight that increases appropriate and timely oversight and provides more transparency to the public

Some key elements

- **Budgeting, reporting, and inter-branch coordination**

Process

- Central staff and CBO collaboration in 2017 on areas of improvement for budgeting and reporting

IMPROVING CIP OVERSIGHT – RES 31720

Department-level improvement actions (highlights)

- Increasing subproject details for large appropriations
- More targets and specificity in department CIP goals
- Syncing the CIP budget with strategic plans
- Being clear on project owners for FAS and SealT
- Continuing the SDOT grant process changes from last year

Citywide oversight improvement

- CIP quarterly reporting
- Stage-based improvements

STAGE-BASED IMPROVEMENTS

SETTING THE STAGE WITH CAPITAL SUBCABINET THIS YEAR

- **Developing common terminology**
 - Common stage definitions (completed)
- **Developing a tool to identify projects of heightened interest**
 - Co-development of a scoring tool (in progress, 2018)

STAGE-BASED OVERSIGHT PROCESS (DRAFT) PROPOSED LEGISLATION AFTER BUDGET



Risk Assessment scoring tool applied by Departments for projects meeting certain criteria

Executive identifies watch list for Capital Cabinet review

Central Staff & CBO collaboratively recommend projects from watch list to Council for greater scrutiny

Council selects projects for enhanced CIP quarterly reporting

Council selects subset for budgetary controls

WHAT'S NEW IN THIS 2018 CIP BUDGET PROCESS?

- **Stage-Based Oversight Pilot Project**
 - Two pilot projects transmitted for 2018 Budget this fall with proposed budgetary controls included
- **Improved CIP budget pages – stage information and total project cost**
- **Conversations on the planned department-level improvements continue into 2018**

DISCUSSION AND QUESTIONS

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