

CAPITAL IMPROVEMENT PLAN POLICY AND PROCEDURES

I. St. Louis Capital Planning established

The City of St. Louis established the Capital Fund along with policies and procedures for capital improvements planning and budgeting by Ordinance 60419 in July, 1987 and as amended by Ordinance 61250 February, 1989.

The ordinance charges the Budget Division, in conjunction with the Capital Committee, with the responsibility of preparing a five year Capital Improvement Plan (CIP) each fiscal year beginning July 1, 1988. The CIP shall be updated annually and submitted by the Budget Division to the Board of Estimate and Apportionment and to the Board of Aldermen for approval.

All capital budget appropriations shall be proposed in accordance with the Capital Improvement Plan.

II. Committees

The Capital Committee as established by ordinance is charged with the responsibility to review and assess capital needs and to develop and recommend the CIP's and corresponding capital budgets. The members of the committee are as follows:

- Budget Director, Chairperson
- President, Board of Aldermen or designee
- Mayor or designee
- Comptroller or designee
- Representative appointed by Comptroller
- Alderman (appointed by the President)
- Community Development Agency Director
- President, Board of Public Service
- Chairperson, Ways and Means Committee

The Citizens Advisory Committee for Capital Expenditures as established by ordinance is charged with the responsibility to review and assess capital needs and to advise the Capital Committee on the development and recommendation of the CIP'S and corresponding Capital Budgets and to review the City's accomplishments with respect to the Capital Budgets approved in previous years. The Committee shall consist of (2) appointees by each member of the Board of Aldermen and (4) appointees by each member of the Board of Estimate and Apportionment.

III. Capital Planning Policies

- A. The City will maintain its physical assets and infrastructure at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The annual operating budget will provide for the adequate maintenance and orderly replacement of capital plant and equipment from current revenues where possible.
- B. The City will make every effort to make new capital investments consistent with maximizing the efficiency of operating departments.
- C. The City hereby establishes a goal, to be gradually phased-in by Fiscal Year 1992-93, of appropriating an amount equivalent to 10% of the General Fund Budget appropriated for the year immediately preceding to capital improvement projects and/or equipment replacements in the annual capital budget. Funds may come from any lawful source including, but not limited to, the various sources enumerated in Section Seven and shall be appropriated in the Capital Budget hereinafter provided for, and expended from the Capital Fund hereinafter provided for.

IV. Capital Improvement Plan Procedures

- 1. As part of its budget preparation process, the Budget Division shall annually compile and assemble Board of Public Service capital improvement and public works needs assessments and projects, departmental requests for capital improvements, and any other City programs that include improvements to public infrastructure, buildings, assets and public works and significant capital equipment expenditures.
- 2. Upon assembling and compiling all such needs assessments, departmental requests, and other programs, the Budget Division shall submit same to the President of the Board of Public Service, who shall develop costs estimates and timetables for all projects.
- 3. The Capital Committee shall then review, assess, prioritize and recommend a five-year capital improvement plan based on the needs assessments, financing capabilities, and the capital policies set forth in Section Three herein. The proposed plan shall include recommended financing alternatives and specific project timetables.
- 4. The CIP and proposed Capital Budget for each fiscal year shall be submitted to the Board of Estimate and Apportionment in the same manner and timing as the general operating and enterprise funds budgets. All specific timing requirements and procedures set forth in Section Three of Article XVI of the Charter of the City of St. Louis will apply to the Capital Budget which will be presented with the general and enterprise funds budgets as a total operating and capital plan for the City.

V. CIP Evaluation Criteria

The Capital Committee shall apply the following criteria to evaluate the merit of individual projects.

- a. Capital improvements which will foster St. Louis' goal of preserving and improving municipal buildings and other assets will receive priority;
- b. Capital improvements, which will foster St. Louis' goal of fiscal stability and soundness, will receive priority;
- c. Capital improvements which will foster St. Louis' goal of preserving its infrastructure and heritage, will receive priority;
- d. Projects which reduce the cost of operations or energy consumption will receive priority; and
- e. Projects which promote operational safety will receive priority.

Additional selection criteria established by the Capital Committee from policy statement dated January 1994.

- a. The Capital Committee shall approve all Capital Improvements for the Capital Fund as established by Ordinance.
- b. The Capital Committee recommends that the Capital Fund be dedicated for:
 - 1) Required payment for existing debt at a level not less than the amount appropriated in FY1993-94.
 - 2) Known match amounts for bridges, et al;
 - 3) Known current mandates with deadlines;
 - Underground tanks
 - EPA
 - ADA
 - Asbestos removal
 - 4) On going necessary replacements for operation of the City.
- c. The Capital Committee recommends that the City-wide portion of the 1/2 cents and any other funding to the Capital Fund be first appropriated for the above mentioned priority items before other appropriations are considered.

VI. Capital Budget

Upon completion of the CIP by the Capital Committee, the Budget Division and the

Comptroller's Office shall develop the Capital Budget based on the first year of the proposed CIP. The sources and uses of funds for the Capital Budget shall be identified specifically in the Capital Fund.

All capital budget appropriations shall be proposed in accordance with the Capital Improvement Plan.

VII Capital Fund

The Capital Fund established by ordinance is under the care and custody of the Comptroller. Sources of funds for the Capital Fund may include, but are not limited to:

1. Income generated from the sale of City assets;
2. One half of any General Fund Balance from the preceding fiscal year;
3. All revenues received from ½ cent sales tax deposited in the Capital Improvements Sales Tax Trust Fund;
4. Proceeds of issuance of bonds, or other general obligation borrowing;
5. Proceeds of issuance of revenue-backed bonds or obligations, including multi-year lease transactions involving issuance of certificates of participation and/or institutional lease loans;
6. Existing or new earmarked tax or fee revenue sources for specific projects;
7. Appropriations from any balance in the Capital Fund; and appropriations from the general fund;
8. The use of intergovernmental grants-in-aid, including matching grants.

Uses of the fund shall be for capital improvement expenditures as defined by ordinance. As defined by ordinance, capital improvements means any action or expenditures taken or made to replace, install, refurbish, rehabilitate, reconstruct, construct, update or otherwise improve the City's public infrastructure, including, for example but not limited to, roads, bridges, parks, other public places (neighborhood parks), sidewalks, arterial streets, alleys and municipal buildings, and efforts or expenditures taken or made to improve the quality of the City's fleet of rolling stock or other major equipment items (dumpsters, for example).

No funds appropriated in the Capital Fund may be transferred to any other fund without an amending ordinance.

VIII. Capital Improvements Sales Tax Trust Fund

All revenues received by the City from the 1/2 cents sales tax authorized by ordinance shall be deposited in the above named special trust fund.

The fund shall consist of five main accounts;

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| 1. Ward Capital Improvements Account | 50% |
| 2. Major Park Capital Improvements Account | 17% |
| 3. Recreation Center Capital Improvements Account | 3% |

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| 4. | Citywide Capital Improvements Accounts | 20% |
| 5. | Police Department Capital Improvements Account | 10% |

The Ward Capital Improvements Account revenue shall be allocated in equal amounts to twenty-eight sub-accounts, one for each ward of the City. The Major Parks Capital Improvement Account revenues shall be allocated to six sub-accounts, one each for capital improvements in Carondelet, Fairgrounds, O'Fallon, Forest, Willmore and Tower Grove parks. Revenues credited to each of the six sub-accounts are determined by the percentage of acreage of each Major Park of the total acreage of all the Major Parks.

No money credited and allocated to any account or sub-account within the Capital Improvements Sales Tax Trust Fund shall be transferred to any other fund nor appropriated, expended, used or encumbered for any other purpose other than capital improvements as indicated by the name of the respective account or sub-account. In other words, once the revenues have been credited and allocated to an account or sub-account revenues must be used for the purpose of capital improvements for that account or sub-account name.

Police Department Capital Improvement Account shall be used only to pay bonded debt incurred before the effective date of Ordinance 62885, for capital projects of the Police Department.

All monies from any account or sub-account within the Capital Improvements Sales Tax Trust Fund shall be expended only by appropriating ordinances.

All accounts and sub-accounts within the Capital Improvements Sales Tax Trust Fund, as part of the Capital Fund by Ordinance 61250 shall adhere to and be consistent with the policies and procedures as outlined in all Sections herein especially, as it refers to timing requirements set forth by the City Charter.

The proposed capital improvements for the twenty eight sub-accounts within the Ward Capital Improvements Account shall be pre-approved by each respective alderperson of said sub-account before being submitted as part of the proposed Capital Budget to the Board of Estimate and Apportionment.

The proposed capital improvements for the Recreation Center Capital Improvement Account, the City-Wide Capital Improvement Account, the Police Department Capital Improvements Account, and the Major Parks Capital Improvement Accounts shall be approved by the Capital Committee before being submitted to the Board of Estimate and Apportionment.

IX. Infrastructure Inventory and Assessment Requirements

The Board of Public Service shall develop and maintain a full infrastructure inventory and an annual assessment of the condition of such infrastructure. This information shall be used as needs assessments to be reviewed by the Capital Committee in developing the CIPs heretofore set forth in Section Four. In addition, the Board of Public Service, through the

Equipment Services Division shall maintain equipment inventory and conditions assessment and submit to the Capital Committee a recommended 5-year equipment replacement schedule based on this information and efficient operating requirements.

X. Ways and Means Aldermanic Committee Review

There shall be an annual review by the above named committee to monitor the distribution of all the funds generated by the Capital Improvements Sales Tax Trust Fund.

XI. Conclusion

The policies and procedures set forth herein have been reviewed by the Capital Committee and are based solely on said Committee recommendations and Ordinances 60419, 61250 and 62885.

Dated: Revised April 1996