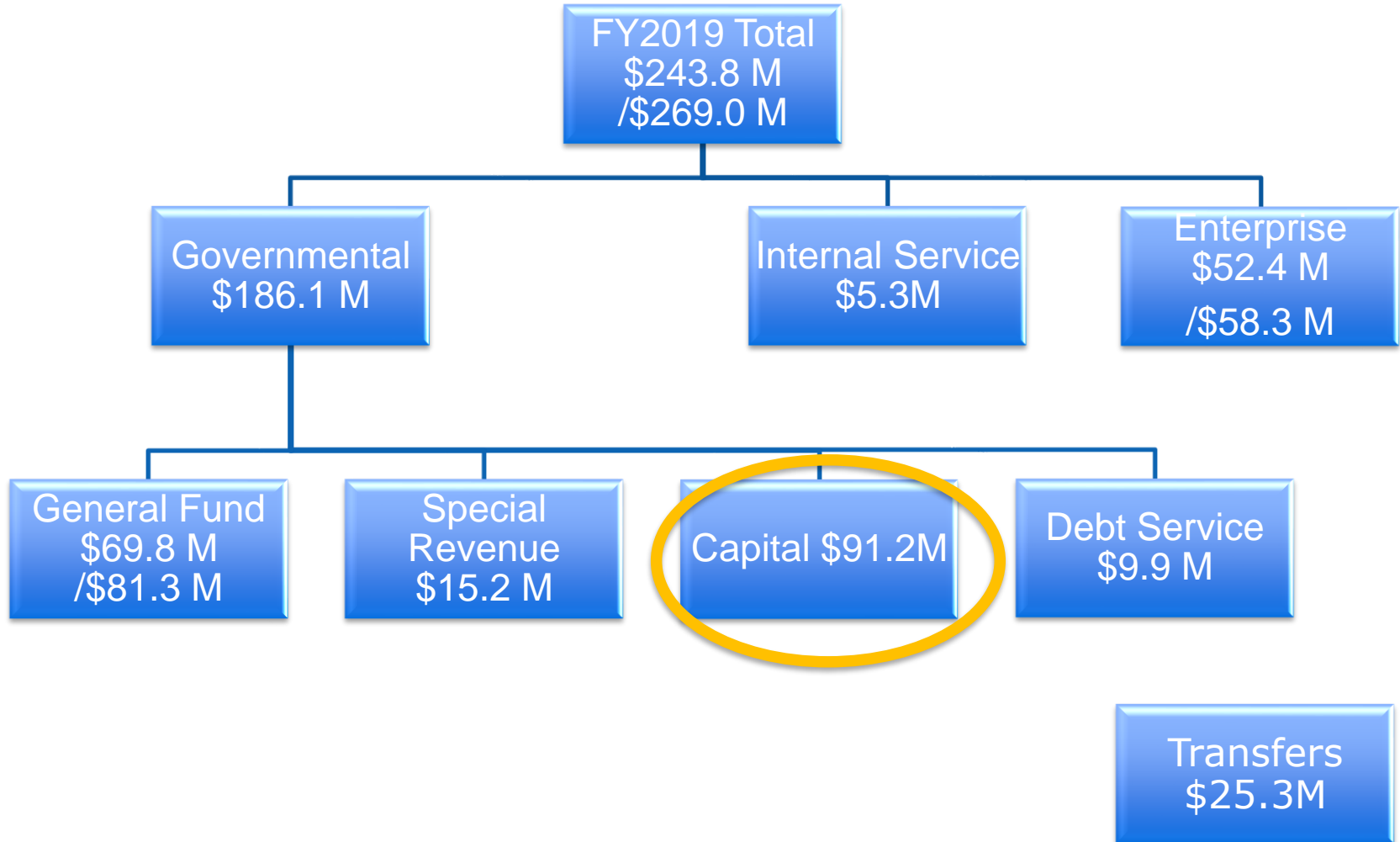




FY2020 Budget Process Capital Budget

**City Council Work Session
March 25, 2019**

Fund Structure





Capital Improvement Program

- Define Capital Improvements
- Review Capital Sources
- Review Project Priorities by Category



Capital Improvements

- Capital Projects
 - Generally greater than \$100,000
 - Useful life of at least five years
- Asset Replacement
 - Technology Replacement
 - Vehicle Replacement



Capital Improvement Program

- Projects identified through staff analysis, contractual obligation, and/or council direction
- Multi-year plan for capital infrastructure
- City Council appropriates funding for first year through the annual budget adoption process
- Individual construction contracts are brought to Council for approval throughout the year



Capital Improvement Program and O&M

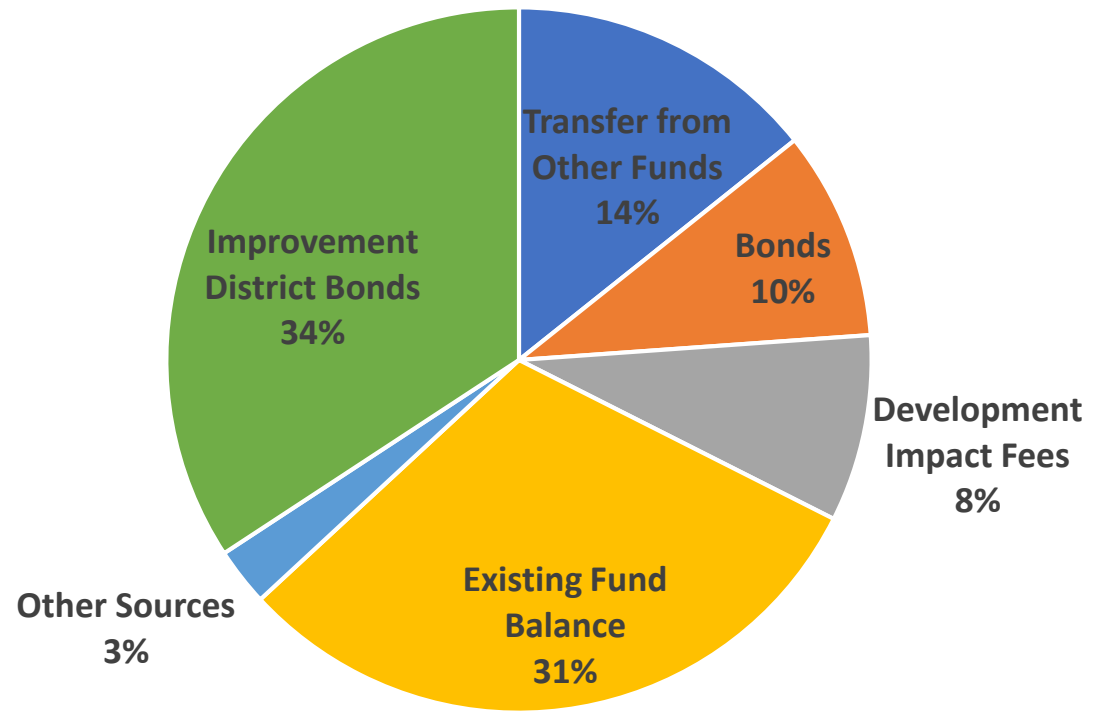
- Reviewed throughout the CIP project lifecycle
- Budgeted to ensure City can meet the operational requirements of capital improvements

Example:

Budgeting positions and services necessary to maintain new park



Capital Sources by Category FY2019



**FY2019 Budgeted Capital Sources
by Category
Total \$116.8 M***

*includes Capital Funds and capital budgeted to Enterprise Funds



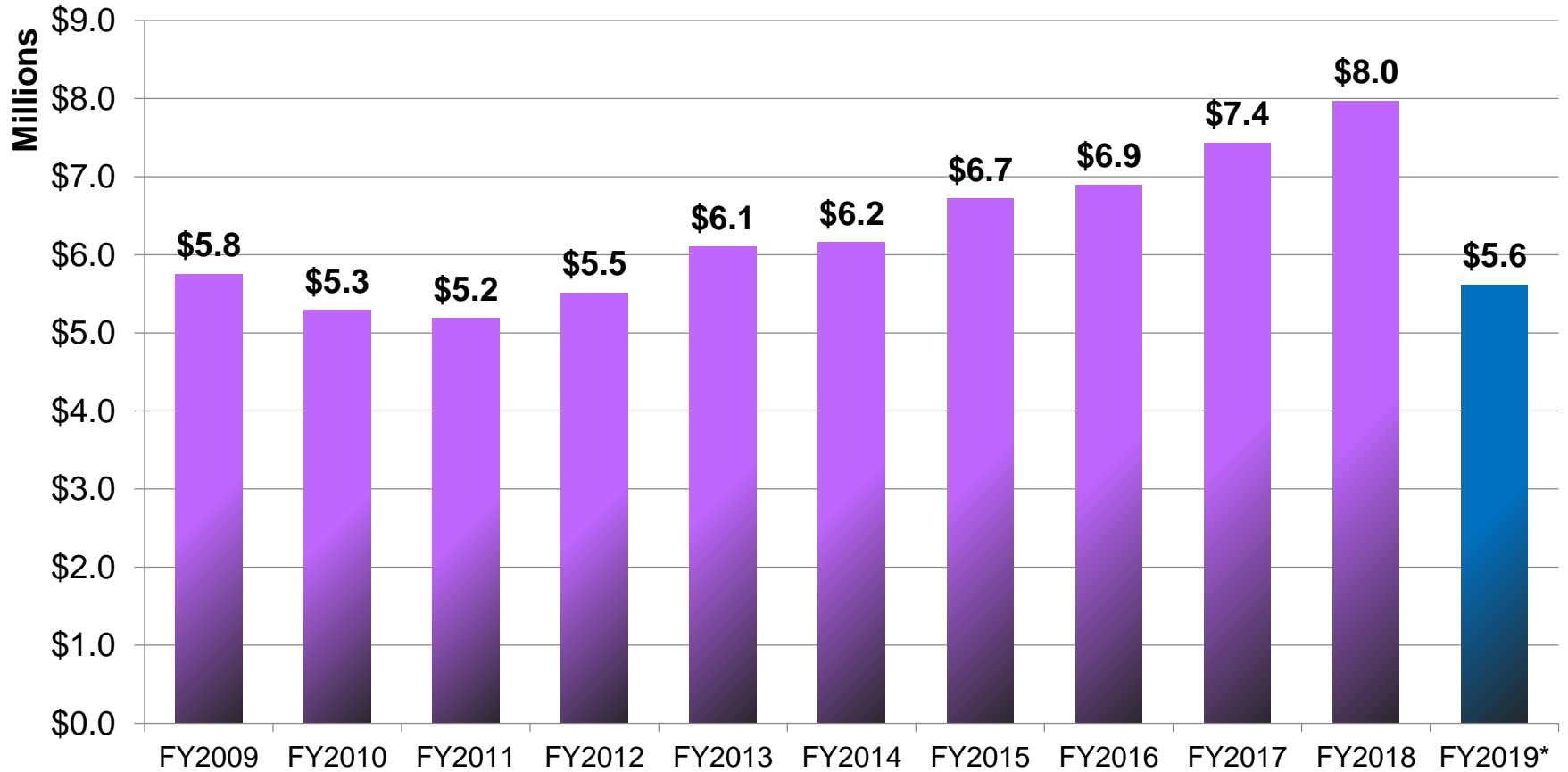
Fund Transfers

- Most fund transfers from operational funds (General Fund, Water Operations Fund, Wastewater Operations Fund)
- 0.5% Dedicated Sales Tax used to water, sewer, streets, transportation.
- Contracting Sales Tax cyclical with conditions in overall economy
- \$16.7 million in Budgeted Fund Transfers in FY2019

FY2019 Capital Sources – Transfers

Transfers	Amount
General Fund	\$6.9 M
Utility Operations	\$4.6 M
Other	\$3.9 M
0.5% Dedicated Sales Tax	\$1.3 M
Total	\$16.7 M

0.5% Dedicated Sales Tax



*Through February 2019



Bonds

- Two main types of bonds – General Obligation and Revenue bonds
- General Obligation bonds backed by full faith and credit of Avondale
- Revenue bonds backed by specific revenue sources (example – water utility revenues)

FY2019 Budgeted Capital Sources – Bonds

Bond Proceeds	Amount
Park Development (GO)	\$7.2 M
One-Time Project Fund (GO)	\$4.0 M
Improvement District	\$40.0 M
Total	\$51.2 M



Development Impact Fees (DIF)

- Collected on issuance of new development building permit
- Restricted use
 - By project type (Streets, Police, Fire, Parks, Water, Wastewater)
 - Growth attributed only
 - Debt service responsibilities (Library)
- Key revenue driver is housing development

FY2019 Budgeted Development Impact Fees

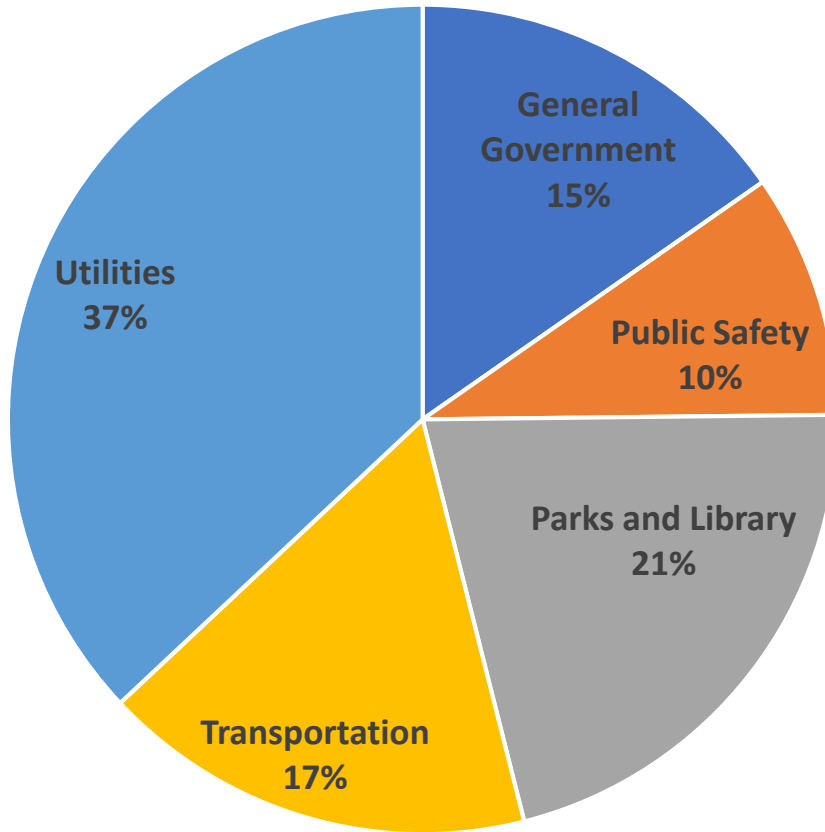
Impact Fee	Amount
Street Construction	\$2.0 M
Police	\$0.3 M
Park	\$0.5 M
Library	\$0.1 M
General Government	\$0.2 M
Fire Dept.	\$0.4 M
Sewer	\$3.8 M
Water	\$2.7 M
Total	\$10.0 M



Other Sources

- Existing Fund Balance
- Grants
- Intergovernmental Agreements and developer agreements
- Investment Earnings

FY2020 Requested Capital Improvement Uses By Category



**FY2020 Capital
Improvements and Asset
Replacement
Requested: \$91.4 M**



General Government

FY2020 Requested Capital Improvements

- Resource Center: \$11.7 M
- Court and Finance Dept Improvements: \$0.3 M

Total FY2020 Requested: \$12.1 M

5 Year Requested: \$12.1 M



General Government

Requested Asset Replacement FY2020

- Sustain Existing Building Infrastructure: \$0.4 M
- Vehicle Replacement: \$1.8 M
- Technology and Equipment Replacement: \$0.5 M

Total FY2020 Requested: \$2.7 M

Total 5 Year Requested: \$20.4 M



Public Safety

FY2020 Requested Capital Improvements

- Police:
 - FY2020 Requested: \$8.9 M
 - 5 Year Requested: \$21.9 M
- Fire:
 - FY2020 Requested: \$0.8 M
 - 5 Year Requested: \$8.3 M

Public Safety - Priorities

■ Police:

Project	FY 2020	Total Est. 5 Years
Property and Evidence Room	\$8.2 M	\$8.2 M
Detention Center and Police Substation	\$0.1 M	\$8.6 M
Command Vehicle	\$0.8 M	\$0.8 M
Alamar Substation	\$0.0 M	\$2.0 M
Police Substation	\$0.0 M	\$2.5 M

■ Fire:

Project	FY 2020	Total Est. 5 Years
Fire Apparatus Refurbishment	\$0.2 M	\$0.2 M
Command Vehicle	\$0.2 M	\$0.2 M
Replace Training Facility Support Building	\$0.3 M	\$0.3 M
Relocate/Reconstruction Fire Station 171	\$0.0 M	\$6.6 M
Alamar Firestation Design	\$0.0 M	\$0.5 M



Parks and Library

FY2020 Requested Capital Improvements

- Parks: Total Requested - \$19.3 M
- Library: Civic Center Library Study: \$0.1 M

Total FY2020 Requested: \$19.4 M

5 Year Requested: \$44.8 M

Parks - Priorities

Project	FY 2020	Total Est. 5 Years
Neighborhood Park Enhancements	\$0.9 M	\$2.3 M
Community Center Repurposing	\$0.1 M	\$2.1 M
Festival Fields	\$13.5 M	\$14.2 M
Friendship Park Enhancements	\$1.2 M	\$3.2 M
Crystal Gardens Trail Improvements	\$0.2 M	\$1.3 M
Sand Volleyball Courts	\$0.1 M	\$0.3 M
Sports Field Lighting	\$0.2 M	\$1.1 M
Monument Signage	\$0.0 M	\$0.1 M
Goodyear Farms Cemetery Improvements	\$0.4 M	\$0.6 M
Future Park - Alamar Development	\$0.0 M	\$8.0 M



Streets and Transportation

FY2020 Requested Capital Improvements and Asset Maintenance

- Streets Construction: \$15.0 M
- Transportation: \$0.5 M

Total FY2020 Requested: \$15.5 M

5 Year Requested: \$60.2 M

Streets Capital - Priorities

Project	FY 2020	Total Est. 5 Years
Dysart Road Median Improvements	\$0.4 M	\$0.4 M
Historic Avondale Improvements	\$0.2 M	\$8.6 M
Fairway Drive Improvements	\$3.0 M	\$4.0 M
Avondale Blvd - McDowell to Encanto	\$1.0 M	\$2.0 M
107th Ave/McDowell Rd Widening	\$2.6 M	\$2.6 M
Traffic Signal 119th Ave and McDowell	\$0.0 M	\$0.6 M
Thomas Road Bridge Design	\$0.8 M	\$1.8 M
Avondale Blvd Landscape and Meridian	\$0.1 M	\$1.1 M
Palm Lane Rd Extension	\$0.1 M	\$0.4 M
El Mirage and Buckeye Rd	\$0.3 M	\$0.3 M
ITS Fiber Backbone	\$0.3 M	\$1.3 M



Streets and Transportation Asset Replacement

Requested Asset Replacement FY2020

- Preventative Street Maintenance: \$1.8 M
- Pedestrian Ramp/Sidewalks Program: \$0.6 M
- Street Drainage Issues: \$0.4 M
- Streetlight Replacements: \$0.3 M



Utilities

FY2020 Requested Capital Improvements

- Water:
 - FY2020 Requested: \$19.0 M
 - 5 Year Requested: \$53.3 M
- Sewer:
 - FY2020 Requested: \$11.3 M
 - 5 Year Requested: \$23.3 M
- Sanitation:
 - 5 Year Requested: \$0.3 M



Utilities

FY2020 Asset Replacements

- Water:
 - FY2020 Requested: \$0.8 M
 - 5 Year Requested: \$2.3 M
 - Technology, Communication Systems, Vehicle Replacement
- Sewer:
 - FY2020 Requested: \$0.3 M
 - 5 Year Requested: \$1.8 M
 - Technology, Communication Systems, Vehicle Replacement
- Sanitation:
 - FY2020 Requested: \$1.9 M
 - 5 Year Requested: \$5.4 M
 - Vehicle Replacement

Water Capital - Priorities

Project	FY 2020	Total Est. 5 Years
Historic Avondale Improvements	\$0.1 M	\$13.9 M
White Mountain Apache Tribe Settlement	\$2.3 M	\$2.3 M
North Avondale Water Supply	\$7.4 M	\$7.4 M
Well at 107th & Encanto	\$1.6 M	\$1.6 M
Reservoir Coating Repairs and Rehab	\$2.4 M	\$3.1 M
Rio Vista Waterline Replacement	\$0.1 M	\$3.6 M
Rancho Santa Fe Reservoir	\$0.1 M	\$0.7 M
McDowell Rd 16 inch Waterline	\$0.5 M	\$1.0 M
Northside Arsenic Treatment Rehab	\$0.0 M	\$1.0 M
Gateway Nitrate Treatment Replacement	\$0.5 M	\$3.0 M
Dysart Rd Waterline	\$0.0 M	\$0.5 M
Well #7 Site Improvements	\$0.6 M	\$1.6 M

Sewer Capital - Priorities

Project	FY 2020	Total Est. 5 Years
Historic Avondale Improvements	\$0.0 M	\$0.4 M
Relocate Riley Lift Station	\$0.6 M	\$0.6 M
Large Diameter Sewer Line Repair	\$2.5 M	\$6.5 M
Dysart Rd Sewer Replacement	\$2.3 M	\$2.3 M
10th Street Lift Station	\$0.3 M	\$0.4 M
WRF Grit System and Odor Control	\$0.0 M	\$2.7 M
Lift Station Rehab Program	\$1.0 M	\$1.8 M
Water Reclamation Facility Building	\$0.8 M	\$0.8 M
Citywide Sewer Improvements	\$0.9 M	\$1.9 M
Sewer System Improvement Projects	\$1.8 M	\$2.6 M
Lift Station Security System Upgrades	\$0.1 M	\$0.3 M
McDowell Rd Sewerline Replacement	\$0.0 M	\$0.5 M



Sanitation Capital - Priorities

Project	FY 2020	Total Est. 5 Years
Sanitation Equipment Purchase	\$0.3 M	\$0.3 M

Budget Calendar

Date	Topic
April 7	Recommended Budget Released
May 6	Tentative Budget Adoption
June 3	Hearing and Final Budget Adoption





Capital Budget

Questions/Comments?