

City of Miami Gardens' Capital Improvement Program

History of CIP

Because Miami Gardens is a fairly new municipality, the City's first Capital Improvement Program was only approved in FY 2007.

In order to prepare for such a program, in FY 04-05 the City Manager proposed, and the City Council approved, the establishment of a separate budgetary fund called The Capital Project Fund. This fund initially received its revenue from a dedicated .1840 mill revenue stream (\$500,000). No expenditures were planned from these funds for FY 04-05 or FY 05-06 in order to utilize the monies as a back-up emergency reserve and to assist in cash-flow. (As a new City, we did not have a lot of reserve fund balance to carry us over until the property tax receipts came in). Programming for these monies, as well as potential grants and other resources begin with the FY 06-07 budget.

In late FY-05, the City issued its first capital bond issue, a \$7.5 million, 20 year bond, designed to provide funding to purchase land for a future City Hall and a future Public Works complex. In FY-07, the City issued an additional \$14.4 million for a new Police Headquarters as well as other capital acquisitions. Most of the City's funding in the Capital Project Fund has come from grants and most are received on a reimbursement basis.

What is a Capital Project?

Capital projects are major fixed assets or infrastructure with long-term value, such as buildings, roads, bridges and parks. Proposed project requests may originate from staff, City Council and/or citizens. A key feature of a capital project is that funds budgeted for specific projects remain allocated until project completion.

Project budgets are reviewed annually; and, if needed, funding may be adjusted. Projects may be funded by current revenues, grants or by debt financing, depending upon the availability of funds, the nature of the project.

What is a Capital Improvement Program (CIP)?

The City's Capital Improvement Program (CIP) is a planning, budgetary, and prioritizing tool which reflects the City's infrastructure needs (via a list of capital projects) for a five-year time frame. Only the first year of a CIP is required to be balanced; for the remaining four years, potential funding sources have been identified that in future years could be

used to help balance the CIP Utilization of these sources cannot be initiated without formal Council approval as part of the budget process. Based on such approval, the five-year CIP should be balanced in future years.

The program consists of projects that generally comply with all or a combination of the following criteria: project costs \$50,000 or more (minimum threshold); project meets a health and safety standard qualifying it for funding consideration; project enhances a department's productivity; and project is identified by the City's Development Master Plan. The CIP is updated on an annual basis during budget formulation time.

Capital Improvement Costs

Capital project costs include all expenditures related to land acquisition, planning, design, construction, project management, legal expenses, and mitigation of damages. Departments estimate project costs but consider operating impacts as well, including startup and recurring costs. The start-up costs refer to one-time initial costs to be funded from the operating budget at the time the facility comes on line. Recurring costs are those costs to be borne from the operating budget that cover annual personnel and operating expenses related to the facility. Both start-up and recurring cost details are broken down by project and submitted with the proposed capital project list to the City Council for review and consideration. In this manner, the decision makers can readily recognize the "true" costs of a potential CIP project, and the funding impact once a project is completed and becomes "on-line." The operating cost estimates provide information which is then useful in preparing the City's operating budget.

Capital Improvement Program Process

The Capital Improvement Program process begins during the second quarter of each fiscal year with a Capital Improvement Program meeting attended by all City departments. Instructions for required data and proposed schedules are discussed and revised. Preliminary revenue estimates are disseminated.

In February, City Council holds a CIP workshop where department managers, Council Members and City residents identify initial proposed revisions to the CIP. Typically, there are not sufficient funds to provide for all of the projects that are identified. These preliminary lists are then reviewed to determine if the projects meet the requirements of the Comprehensive Plan. Once this review is completed, the revised project lists are reviewed by the City Manager and a "balanced CIP" is prepared. It is presented to the City Council along with the preliminary budget in July.

After receiving direction from the Council and implementing any resulting changes, the CIP is approved by the City Council in September. In balancing the CIP, projections of revenues from existing sources are compared to requested capital projects. If there are adequate revenues to fund all the requested projects, the program is balanced. If not, projects must be revised to reduce costs, postponed to a future time period or eliminated from the program. Alternative financing, such as long-term debt, may be proposed in

order to provide sufficient revenues to fund requested capital projects. The current fiscal year funding for the approved CIP is incorporated in the proposed budget prepared in August and adopted at the public hearings held in September of each year.

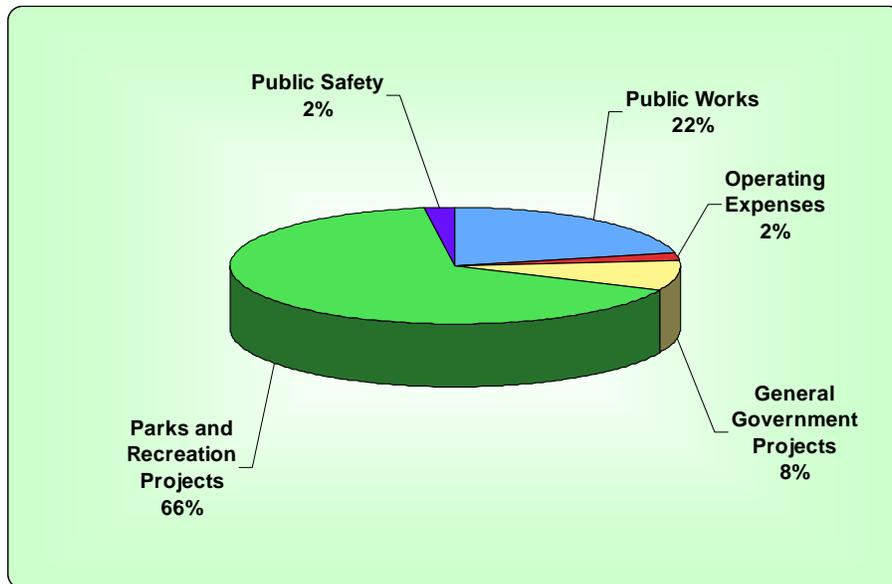
The overall CIP with its five-year time-frame gives a fair indication of the foreseeable infrastructure needs of the City. The CIP helps to structure this decision-making by reviewing both capital project requests as well as the operational impact from the implementation of the program.

The Capital Improvement Program is dynamic, changing as identified projects require funding adjustments during the fiscal year and sometimes from year to year. Any amendments must be approved by the City Council. Monitoring of the CIP being the responsibility of the City Manager through the City's' Public Works Director or the Capital Projects Administrator.

Summary of FY 09-10 Capital Improvements Program

The FY 09-10 capital consists of \$31,875,424 in capital outlay (projects) and \$707,111 in operating expenses, mostly for debt service and expenses related to the three capital projects managers who are funded here.

Chart #1: Allocation of CIP Funds in FY 09-10 Budget



The following tables show funding in the FY 09-10 budget for Capital Projects. Some of these do not meet the definition above for Capital Projects as an individual project but do meet the definition as a “program” (for example, sidewalk construction).

FY 2009-2010 Capital Projects Overview

FUND	PROJECT	Planning Process Goal	FY-10 COST BY FUND
GENERAL PROJECTS			
Administration			\$707,111
Parks & Recreation	Miami Gardens Community Center	CVS (1aeg); CDMP; PMP	\$10,784,854
	Bunche Park & Pool	CVS (1aeg); PMP	\$1,466,170
	Rolling Oaks Park	CVS (1aeg); PMP	\$4,159,933
	Senior Center Park	CVS (3c); PMP	\$400,000
	Norwood Park & Pool	CVS (1aeg); PMP	\$345,652
	Rolling Oaks Land Acquisition	CVS (1a&g); PMP	\$2,436,700
	North Dade Optimist	CVS (1aeg); PMP	\$1,041,064
	Brentwood Park	CVS (1aeg); PMP	\$20,000
	Miami Carol City Park	CVS (1aeg); PMP	\$809,101
General Government	Spirit of Christ Land Acquisition	CVS (1k,2); TCMP	\$100,000
	Police Building	CDMP; CVS (1a)	\$46,000
	Police Crime Lab	CDMP; CVS (1a)	\$150,000
	Fueling Station	TMP; CDMP	\$2,605,289
TOTAL GENERAL			\$25,571,803
TRANSPORTATION PROJECTS			
Streets	183rd St. Landscaping Phase I	CDMP; CVS (1a.);TMP	\$300,000
	183rd St. Landscaping Phase II	CDMP; CVS (1a.);TMP	\$400,000
	US 441 Sidewalks	CDMP; CVS (1a.);TMP	\$672,732
	12 th Ave Ramp Beautification	CDMP; CVS (1a.);TMP	\$120,000
	Arch Rehabilitation	CDMP; CVS (1a, 1j.);TMP	\$70,000
	Sidewalk Repair & Installation	CVS (1a-e); TMP;SSA	\$100,000
	Street Paving Program	SSA; CVS (1a)	\$50,000
	Citywide Tree Program	SSA; CMPD; CVS (1j)	\$50,000
	US 441 Beautification Phase III	CDMP; CVS (1a.);TMP	\$75,000
	NW 7 th Avenue Reconstruction	CMPD; TMP; CVS (1e)	\$5,173,000
TOTAL TRANSPORTATION			\$7,010,732
TOTAL CAPITAL PROJECTS			\$32,582,535

Impact of Capital Projects on the Operating Budget

As indicated above, it is not only important to understand the full costs of constructing a capital improvement (planning, design, financing, bidding and construction), but it is important to understand that all Capital Improvements will have a resulting effect on the City's operating budget, positive or negative. The analysis below looks at the projects listed above and tries to predict the impact on the operating budget of the City in future years. This information assisted in the preparation of the FY 09-10 and will be useful subsequent budgets by providing a more complete picture of the cost of a particular capital project.

Capital projects are an important part of what we do in local government. They often make the difference in defining a community's identity, and in delivering efficient and responsive service to our residents. Because of the inherent significant costs involved in capital improvements, it is important to look at not only those immediate development costs such as planning, design and construction, but to understand how the capital improvement will affect the city's operating budget once completed.

For the purposes of this budget, a capital improvement is any project that costs in excess of \$10,000 and has an expected life of at least 10 years. This may be a single item, such as a recreation center, or may be a "project" such as the "ADA" sidewalk project. While repairs for routine maintenance are not generally considered "capital" projects, certain maintenance operations, because of their scope or sheer cost, may be classified as capital projects.

Capital projects will have an effect on the City's operating budgets. This effect may be to save money, or it may require an increase in operating funding. The table below looks at the City planned capital projects and their expected impact on operating budgets.

Project	Capital Cost	Operating Cost impact	Notes
Miami Gardens Senior Center	\$400,000	+ \$120,000/yr	The renovated building will require Parks staff to operate and maintain. This includes a Recreation leader and aide and janitorial and minor repair services. Utilities will also be a new expense. These expenses are not included in the adopted FY-10 budget.

Project	Capital Cost	Operating Cost impact	Notes
Miami Gardens Community Center	\$10,784,854	\$1,733,801/yr	This 55,000 sq. ft. facility will become the City's principal recreation center in Spring 2010. With an indoor pool, basketball court, fitness center, day care and auditorium, it will require extensive manning. Other operating expenses are also significant. Although the opening in April only leaves six (6) months of operation in FY-10, it was budgeted as if there would be 12 months operations. This ensures that there will be sufficient funds available in FY-11.
Bunche Park Improvements	\$1,466,170	-\$10,000/yr	This park will be under construction during FY-10 resulting in some operational savings such as power, and janitorial services. In FY-11, the redesigned park will open. It is expected to result in a slight decrease as maintenance should be less.
Rolling Oaks Park	\$4,159,933	FY-10 -\$5,000 FY-11 +\$300,000	This park will also be under construction during FY-10 which will result in some operational savings such as power, and janitorial services. In FY-11, the redesigned park will open. This is expected to be a major increase in operational cost due to the many new and expanded facilities. Current estimates are \$200,000 to \$300,000.
Rolling Oaks Park Addition	\$2,700,000	\$1,000/yr	There are minimal immediate cost implication for this addition. However, the 2½ acre site will eventually be the site of an 11,000 sq. ft. recreation center, requiring

Project	Capital Cost	Operating Cost impact	Notes
			additional operating and maintenance staff. Development of the site is scheduled for FY 10-11, and prior to that, a full operating/maintenance program will be developed. The center should be available by FY 12- or FY-13.
Norwood Park & Pool Improvements	\$345,652	-\$5,000	The project consists of upgrades to the Norwood Pool. These upgrades should reduce maintenance services.
North Dade Optimist Park	\$1,041,064	-\$5,000	These improvements should result in a slight drop in maintenance costs.
Brentwood Park	\$20,000	n/a	Minor improvements with little or no impact on operating costs.
Miami-Carol City Park Improvements	\$809,101	-\$10,000	These improvements consist of upgrade to the irrigation system and to the fields, as well as general landscaping. Most of the improvements will tend to lessen the intensive maintenance that the old park required.
NW 7 th Avenue Road Reconstruction	\$5,173,000	- \$5,000/yr	This is one of the City's major North - South arterials. By reconstruction the street to modern standards, the City can expect to realize savings in pothole and other surface repairs. The City's liability exposure may decrease due to better, safer streets.
Transportation 183 rd Landscaping/Projs.	\$700,000	+ \$80,000/yr	The City intends to add irrigation, pavers and significant landscaping to this signature community project. Maintenance has previously been assumed from the state, and they pay the city for the pre-enhanced level.

Project	Capital Cost	Operating Cost impact	Notes
			Additional maintenance will be assumed by the City. The City's liability exposure may decrease due to better, safer streets. One new correction department field crew estimated at \$60,000 was acquired for these new landscaping projects in the FY-09 budget. Phase II will not be undertaken until the FY 10 budget.
Transportation: NW 12 th Ave Ramp Landscaping	\$120,000	+ \$10,000/yr	This is a joint projects with the Mercedes dealership, with each paying half. Upon completion, the City will assume maintenance. The principal on-going cost will be irrigation and maintenance estimated at \$10,000/yr.
Transportation: Sidewalks/paving/ Trees	\$200,000	-\$5,000	Repair and replacement of deteriorated and missing segments of sidewalks. Upon completion, a decrease in both maintenance costs and liability costs should be realized. Paving should have a minimal positive on road maintenance and the tree replacement program should have no impact in FY-10 as we bid with 1 year maintenance included.
Spirit of Christ Land	\$100,000	+ \$10,000	This property was purchased for future economic development activity. No use is planned for FY-10. We will have to maintain the property until it is resold.
Police Building	\$46,000	No impact	The renovation of the police building took place in the FY-08 and FY-09 budget. This is for additional minor changes to the building.

Project	Capital Cost	Operating Cost impact	Notes
Fuel Station	\$2,605,289	FY-10 No impact	The fuel station will not be complete until the FY-11 budget. Estimated operating cost is \$60,000/yr.
US 441 Beautification	\$75,000	No impact	Minor additions to median landscaping that can be handled by existing crews.

FY 2009-2010 CIP Budget with 5-Year Horizon

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Revenues						
Fund Balance Forward	\$13,152,229	\$7,223,844	\$7,379,306	\$1,809,796	\$1,921,879	\$1,204,168
General Fund	\$2,450,000	\$2,000,000	\$500,000	\$500,000	\$500,000	\$500,000
Transportation Fund	\$0	\$200,000	\$400,000	\$500,000	\$500,000	\$500,000
Interest	\$125,000	\$150,000	\$50,000	\$250,000	\$250,000	\$50,000
Impact Fees	\$161,000	\$300,000			\$600,000	
Bonds/Loans			\$42,300,000			
Sale of Assets (net)	\$500,000			\$1,000,000	\$1,000,000	
Grants	\$14,264,000	\$1,050,000	\$500,000	\$300,000	\$300,000	\$300,000
Total Revenues	\$30,152,229	\$10,923,844	\$51,129,306	\$4,359,796	\$4,571,879	\$2,554,168
Expenditures						
Operating Expenses	\$707,111	\$749,538	\$794,510	\$842,181	\$692,711	\$546,274
183rd Landscape	\$700,00	\$200,000				
City Hall			\$42,000,000			
Police Building	\$46,000			\$750,000		
Fueling Station	\$2,605,289					
Palmetto Beautification	\$120,000	\$120,000	\$250,000	\$500,000	\$500,000	\$500,000
Police Crime Lab	\$150,000					
UASI	\$500,000					
Sidewalk Renovation	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Paving Program	\$50,000	\$400,000	\$500,000	\$500,000	\$500,000	\$500,000
Tree Program	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
U.S. 441 DOT Project	\$672,732					
U.S. 441 Beautification	\$75,000	\$75,000	\$75,000	\$275,000	\$275,000	
NW 7 th Ave Reconstruction	\$5,173,000					
Brentwood Park	\$20,000					
Bunche Park	\$1,466,170					
MG Recreation Center	\$9,784,854	\$1,000,000				
Norwood Park & Pool	\$345,652					
Miami Carol City Park	\$809,010	\$300,000	\$300,000			
North Dade Optimist Park	\$1,041,084					
Misc Parks			\$500,000	\$500,000	\$1,000,000	\$500,000
Rolling Oaks Park	\$4,159,933		\$3,000,000	\$500,000		
Rolling Oaks Land Addition	\$2,436,700					
New Park			\$1,500,000			
Senior Center	\$400,000	\$400,000	\$100,000	\$100,000		
Spirit of Christ Land	\$100,000					
TOTAL Expenditures	\$31,892,535	\$3,544,538	\$49,319,510	\$13,800,000	\$3,267,711	\$2,546,274
Balance	\$7,223,844	\$7,379,306	\$1,809,796	\$1,921,879	\$1,204,168	\$7,894