

**Capital Improvements Program Review and Advisory Committee  
(CIPRAC)**

**Minutes of Meeting**  
**Thursday, July 24, 2014**

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<input checked="" type="checkbox"/> Fire-Rescue	<input checked="" type="checkbox"/> ADA Compliance and Assessment	<input checked="" type="checkbox"/> Public Works
<input checked="" type="checkbox"/> Library	<input checked="" type="checkbox"/> Comptrollers	<input checked="" type="checkbox"/> Police
<input checked="" type="checkbox"/> Office of COO	<input checked="" type="checkbox"/> Environmental Services	<input checked="" type="checkbox"/> Transportation & Storm Water
<input checked="" type="checkbox"/> Park and Recreation	<input checked="" type="checkbox"/> Public Utilities	<input type="checkbox"/> EOC
<input checked="" type="checkbox"/> Debt Management	<input checked="" type="checkbox"/> Development Services	<input checked="" type="checkbox"/> EAM
<input checked="" type="checkbox"/> Facilities Financing	<input checked="" type="checkbox"/> Financial Management	<input checked="" type="checkbox"/> Planning Department

**Guests:**        *Luis Schaar-OCA DD of ROW. Katherine Crow-City Wide Grant Management*

**Support:**        *Mohsen Maali, Angela Colton, Darren Greenhalgh, Reshannon Harrell, Elmer Dulay*

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**1. General Announcements/Discussion**

Tony Heinrichs brought meeting to order.

No announcements.

**2. Approved CIPRAC Meeting Minutes from June 26, 2014**

Minutes were approved.

**3. Multi-Year CIP Status Update**

James gave CIPRAC an update on the Multi-Year CIP. He stated that yesterday they had presented an update to the Infrastructure Committee and did not receive many responses. The below items are matters that need to complete for the Multi-Year CIP.

- a. Service Level Standards - Rania stated that she has received responses from everyone and is collating the data.
- b. Financial Management - The Five-Year Financial Outlook will be coming out and James would like it to be a summary of the Multi-Year CIP. They will be working with Financial Management on the revenues.
- c. Condition Assessments - James stated we need to pull together what we know regarding the condition assessments already completed, to present to the Infrastructure Committee in October.

Informational item only.

**4. Review of Available CIP Funding & Cash management Practices**

Angela Colton gave CIPRAC a presentation on the CIP funding and cash management practices. She stated that the current budget is \$1,032,580,977.83, after deducting encumbrances and actual expenditures the total available balance not yet spent is \$569,375,961.56. Below is a breakdown of money not yet exhausted.

Annual Allocations:	\$101,626,658.84
<u>Project Systems</u>	
B Projects ( <i>sublets</i> ):	\$145,768,342.62
L Projects:	\$3,949,800.06
RD Projects ( <i>Developer Reimbursement</i> ):	\$3,678,663.26
S Projects ( <i>Stand alone</i> ):	<u>\$314,352,496.78</u>
Total Available Balance:	\$569,375,961.51

Angela and her team researched the findings and found that \$341,947,330.40 (72.75%) of the available balance belongs to Public Works, and \$227, 528, 63.16 (27.25%) belongs to asset owning departments.

Angela gave CIPRAC a handout with ideas for improving CIP Cash Management, below are a few examples.

- Release excess budget once bid received (routing of PA2625)
- Use more sublets and less stand-alone because of the increased budgetary flexibility, that reduces the amount of budget held overall (work well with pooled contingencies)
- For overall analysis, determine how much available budget is reasonable and agree to this with the support of the Finance Department (set expectations)
- Balance the goals of not getting budget too soon versus the risk of a project being held up because of funding delays
- Increase sublet size limits to \$30M or change council budget approval to asset type or asset department level to allow more flexibility to move funding around as needed (works well with pooled contingencies)
- Determine when project should be returned to Asset-Managing Department if there has been no progression on the project (i.e. lack of funding or pending decisions)
- Pooled warranty funding-similar to pooling construction contingencies but, would be after NOC and represent the funding that “might” be needed if a warranty issue occurs. Leave budget for ongoing expenses like staff charges and mitigation/monitoring contracts in the project.

Angela stated that she was working very close with Financial Management to figure out the holes, where our money is and what the money is intended for.

Informational item only.

**5. Future Agenda Items:**

**1. RTCIP funds for the Torrey Pines Corridor Phase 2 Improvements**

Item not ready for discussion.

**2. Allocation of 2016 CDBG Funds (and beyond) to the City’s Infrastructure Committee**

James stated that Council rewrote how the CDBG money is allocated. 60% is set aside for CIP and the other 40% is for competing departments. Projects need to have separate money for design.