

Introduction

This tab contains the introductory section of the FY21-25 Capital Improvement Plan for the City of Boulder City, Nevada.

BOULDER CITY FIVE-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2021-2025

The City of Boulder City's Capital Improvement Plan ("CIP") establishes, prioritizes, and plans funding for projects to improve existing and develop new infrastructure and facilities. A CIP promotes better use of the City's limited financial resources, reduces costs, and assists in the coordination of public and private development. The City's CIP is a five-year roadmap, which identifies the major expenses over and above routine annual operating expenses. While the CIP serves as a long-range plan, it is reviewed and revised annually. Priorities may be changed due to funding opportunities or circumstances that cause a more rapid deterioration of an asset.

There usually is not enough money available to do all of the proposed projects, so the CIP also serves to inform citizens of the infrastructure needs that are not currently being funded. The first year's projects in a CIP become that year's Capital Budget. In some cities, the Capital Budget is approved and published separately from the Operating Budget. In other cities, including Boulder City, the Capital Budget is developed separately from the Operating Budget but incorporated into the Operating Budget, showing all of the capital and operating expenses combined.

As a basic tool to document anticipated capital projects, it includes "future" projects which have been identified, for which specific solutions and funding have not been determined.

A CIP is a dynamic document. In Boulder City, the CIP is revised annually. When new priorities come up, and new needs arise, a project that may not have appeared at all in a previous CIP could become the highest priority in the next year's CIP. It is important for the reader to understand that the City Council is not committing funding for any projects beyond the first year.

Projects scheduled in the four years after 2021 are included in the CIP to show what the Council's priorities are at the present time. Barring unforeseen circumstances or events, this plan shows what the Council would like to accomplish from 2021 through 2025.

Capital outlays differ from annual operating expenses. They are typically large in size and irregular in frequency and may involve the construction of assets that last for decades. The effects of major capital decisions tend to be longer lasting than annual operating and maintenance decisions and require somewhat different planning and budgeting methods.

How is this Plan Presented:

Tab 1 – Opening Narrative (this document)

Tab 2 – Table showing Funding Totals for each Fiscal Year of this Plan by fund

Tab 3 – The overall project list

Tab 4 – The projects reorganized by Funding Source

Tab 5 – The projects reorganized by Function

Tab 6 – The projects reorganized by Department

Tab 7 – Project Funding Sources by Fiscal Year and Category (11"x17" sheets)

Tab 8 – Project Sheets for FY21-FY25

Tab 9 – Future Years Table and Project Sheets

Tab 10 – Strategic Asset Management Plan ("STAMP")

THE CIP PROCESS

The CIP is the result of an ongoing planning process. Planning for the five-year CIP period provides the flexibility to take advantage of opportunities for capital investments. The 2021-2025 CIP is developed through compliance with adopted policies and master plans, the public, professional staff, and elected and appointed City officials. The Draft CIP is made available to the public for review and then adopted by the City Council. The projects listed in the 2020/2021 fiscal year become the basis for the preparation of the City's budget for that year.

The CIP incorporates information and analyses gathered and incorporated into the *Boulder City Strategic Asset Management Program* ("STAMP") and other planning efforts. Projects are developed using the guiding principles described in the asset management program's Rehabilitation and Replacement Forecast Model, risk prioritization models, and numerous other planning tools. These projects are then prioritized using a CIP Prioritization Model.

ASSUMPTIONS

The basic assumptions that underlie these demand forecasts include the following:

1. The Boulder City service area will remain unchanged.
2. The regulatory environment will remain similar to current conditions. Changes in regulation will allow sufficient time to implement changes to our asset management program.
3. Future cost projections are escalated at an annual rate of 5%.

Who develops the CIP?

The annual process of developing and implementing a capital improvement program is quite extensive and involves the participation of many people. Their diligence and cooperation are crucial to this document's success and quality. The City's Public Works and Finance Departments take the lead in coordinating the development of the CIP and relies heavily on participation by the City's various departments and divisions. The departments and divisions identify the projects to be considered in the CIP; complete the project forms describing the projects and detailing the costs; coordinate with each other on projects that involve more than one department or division; and coordinate with other agencies, if applicable.

Role of the Boulder City Council

The City Council holds at least one workshop in the fall to review the draft CIP document. The City Council then holds a hearing to discuss, makes any changes, and adopt the Tentative CIP prior to December. The adopted Tentative CIP is incorporated into the development of the Operating Budget process the following spring.

How is the CIP developed?

The development of the CIP is a complex and lengthy process because of the enormous amount of information and coordination involved. The process is outlined briefly, as follows:

- A CIP Kickoff meeting is held in July for all City staff who will be involved in identifying and submitting projects.
- The departments complete CIP project forms and submit them to the Public Works Department in July.
- Meetings are held with each submitting department to review the funding proposals and to resolve any questions. The Public Works and Finance Departments make any necessary revisions and prepares a draft of all materials, which are reviewed and ranked by the prioritizing committee.
- The Finance Department prepares the proposed CIP document for review by the City Manager.
- The Public Works and Finance Departments prepare the proposed CIP document incorporating revisions by the City Manager.
- Staff makes a presentation on the proposed CIP to City Council at a workshop. The City Council reviews the CIP and directs staff to make any changes they feel are necessary.
- From time to time, a second City Council workshop may be held.
- Following the workshop(s), staff prepares the final draft of the CIP, and the City Council holds a public hearing prior to December 31st and adopts the CIP.

How are Projects Prioritized?

Once the projects have been evaluated, City Staff reviews each project to prioritize the project for funding. The priority categories are broken down into three types:

Priority 1: Funded for Year One. These are projects that:

- Are funded through outside funding sources and a funding contract is in place which requires performance within the fiscal year
- Are funded through dedicated voter-approved capital improvement funds for a voter-approved specific purpose and those monies are available
- Are funded through restricted funds (i.e., court administration fund, residential construction tax, etc), and those funds are available for that limited purpose
- Are required by a change in Federal, State or other applicable laws and funding is available
- Are the initial step in the implementation of multiple related projects that must be completed in a certain order and funding is available

Priority 2: Funded for Years Two and Three. These are projects that:

- Are funded through outside funding sources and a funding contract is in place which requires performance within those fiscal years
- Are funded through dedicated voter-approved capital improvement funds for a voter-approved specific purpose and those monies are anticipated to become available in fiscal years two and three (i.e., land sales, normal CIP lease revenue collections, etc.)
- Are funded through restricted funds (i.e., court administration fund, residential construction tax, etc.), and those funds are anticipated to become available during fiscal years two and three for that limited purpose
- Are required by a change in Federal, State or other applicable laws and funding is expected to become available in fiscal years two and three
- Are the second, third, fourth, etc. steps in the implementation of multiple related projects that must be completed in a certain order and funding is available

Priority 3: Funded for Years Four and Five. These are projects that:

- Are funded through outside funding sources and a funding contract is in place which requires performance within those fiscal years
- Are funded through dedicated voter-approved capital improvement funds for a voter-approved specific purpose and those monies are anticipated to become available in fiscal years two and three (i.e., land sales, normal CIP lease revenue collections, etc.)
- Are funded through restricted funds (i.e., court administration fund, residential construction tax, etc.), and those funds are anticipated to become available during fiscal years four and five for that limited purpose

- Are required by a change in Federal, State or other applicable laws and funding is expected to become available in fiscal years four and five
- Are the subsequent steps in the implementation of multiple related projects that must be completed in a certain order and funding is available

Priority 4: Future Projects. These are projects that:

- No funding source has been identified or funding is not available within the five-year period
- Projects that are only necessary if other certain projects occur (i.e., a new aquatic center will demolish the tennis courts and park restroom)
- Projects that are only necessary if other certain projects do NOT occur (i.e., no new aquatic center means the existing pool would have to be replastered)
- Require approval by other governmental entities for funding but that review/approval has not yet occurred.
- Are the subsequent steps in the implementation of multiple related projects that must be completed in a certain order and are not expected to be constructed within the five-year CIP period

FUNDING MECHANISMS

CIP projects are paid for out of multiple resources maintained by the City or are received through grant funding agreements. The fund(s) from which projects are financed depends on the type of project, each funds’ financial condition, and each funds’ source of revenues. For example, the construction of a new taxiway at the City’s Municipal Airport would primarily be paid for by the Federal Aviation Administration grant, with a small portion paid directly from the Airport’s Enterprise Fund.

A summary of all projects that are scheduled to be funded, as well as a schedule of all unfunded projects, are included in the Projects Summary section of this document.

General Fund

General fund revenues are derived from consolidated tax returned from the State, land leases, and other sources. Funds are utilized to cover operating costs for Police, Fire, Public Works, Parks and Recreation, City Hall, Courts, and all other non-enterprise funded government services.

Utility Fund

Utility fund revenues are derived predominantly from the ratepayers. Funds are utilized to cover operating costs to keep all utilities functioning, purchase wholesale utilities, and to fund necessary capital projects to replace old infrastructure prior to failure. If there is funding remaining in any given year, it goes to reserve accounts with the goal of

achieving the balances established by the City Council for rate stabilization and capital projects.

Capital Improvement Fund

The Capital Improvement Fund obtains its revenues from land sale proceeds (100%) and lease revenues (20%). All expenditures from the Capital Improvement Fund must be approved by the voters.

Voters have authorized the following expenditures from the Capital Improvement Fund for capital projects:

- 2015 – up to \$1M per year for maintaining and improving City facilities and infrastructure
- 2014 – land sale on the southeast corner of Bristlecone Drive and Adams Boulevard (known as Tract 349, more recently named “Boulder Hills Estates”) with proceeds to be used for repairs and improvements to the City’s utility infrastructure
- 2014 – up to \$500K annually for seven (7) years for City utility infrastructure needs
- 2010 – voters approved the land sale of approximately 45 acres of City-owned land known as Tract 350, located adjacent to and east of the Boulder Creek Golf Club for residential development and commercial development with the proceeds to be used as follows:
 - 10% for public safety capital needs
 - Remaining proceeds to be used to pay other capital debt obligations of the City

Airport

The Airport Fund principal sources of revenue are from land leases, parking fees, and fuel flowage fees. The fund receives Airport Improvement Program monies from the Federal Aviation Administration (FAA) for capital improvements.

The Airport Improvement Program (AIP) grant money has very specific uses, and all Federal Aviation Administration (FAA) program requirements must be met before a municipality may request project reimbursement.

AIP projects must be detailed in the Airport Master Plan and further detailed in the 5-Year Capital Plan submitted annually to the FAA. Environmental review, project design (to FAA specifications), project bid documents, and grant applications must all be submitted to, and approved by the FAA prior to grant award. AIP grants cover 93.75% of eligible costs and the Airport Fund matches the remaining 6.25%.

Regional Transportation Commission of Southern Nevada (“RTC”)

The RTC provides grants to local entities for transportation projects. The grant funding covers design and construction. Boulder City has used RTC funds for street reconstruction projects, street maintenance, pavement condition evaluation, construction management, and traffic light management.

Congestion Management Air Quality Funds (“CMAQ”)

The RTC also administers the CMAQ funds, which are used for projects that can reduce traffic congestion and improve air quality. Examples of such projects include new bicycle lanes, traffic circles, bus routes, and so on.

Clark County Regional Flood Control District (“RFC”)

For over two decades, the City has participated with Clark County Regional Flood Control District (CCRFCD) in the construction and maintenance of flood control facilities shown in Boulder City’s Flood Control Master Plan.

Landfill

A restricted funding source, the Landfill fund is a restricted asset held in the utility fund to be used towards construction, future landfill closure, and post-closure care costs. State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the site for 30 years after closure.

Cemetery

A restricted funding source, the Cemetery fund covers administration, operating, construction, and maintenance to the Municipal Cemetery. In December 2016, a proposal to update the City Code and fees pertaining to the cemetery was presented to City Council. Information included the projected life of the cemetery with the remaining lots, options regarding future expansion, and increasing rates to help build an endowment fund that will supplement perpetual care in the future. The City’s General Fund will continue to subsidize the Cemetery at the rate of approximately \$47,000 per year until such time the interest from the Endowment Fund can cover the maintenance costs. As of June 30, 2017, the Cemetery Fund balance is \$786,830.

Redevelopment Agency (“RDA”)

A restricted funding source, funding for the Redevelopment Agency Program (RDA) is based on property taxes for commercial properties within the RDA District. This account is expended by resolution or through appropriations contained in the annual operating and capital budget adopted by City Council.

Vehicle and Equipment Replacement Fund (“VERF”)

A restricted funding source, the Vehicle, and Equipment Replacement Fund is a dedicated funding source to pay for the replacement of all city vehicles and major pieces of equipment. VERF is the owner of all city vehicles and equipment. The VERF

is funded through annual lease payments made by the individual departments that utilize VERF vehicles. Those lease payments provide the necessary annual capital for vehicle and equipment replacement.

Residential Construction Tax

A restricted funding source, the Residential Construction Tax fund is a locally administered fund that receives its revenues from new building permits for residential development. The fund was created pursuant to NRS, and can only be used to fund park and recreation improvements to serve our community.

Golf Course Surcharge Fund

A restricted funding source, the golf surcharge fund is utilized to make improvements to the two golf courses. For each round played, an average fee of \$1.50 is added to this fund. As monies accumulate, the fund is used for major projects. It is not uncommon that this fund is not used for each CIP cycle so that revenues can accumulate for a major project.

Municipal Court Assessment Fund

A restricted funding source, the Court Assessment Fund generates its revenues through assessments attached to each court action. The Court Assessment Fund is used to make improvements to the Court House and facilities to ensure a safe environment for the employees, visitors, and defendants.

Community Development Block Grant (“CDBG”)

A restricted funding source, CDBG funds are grant funds provided by the U.S. Department of Housing and Urban Development. Their use is limited to eligible census tracts within the community that have a low to moderate income ratio to non-low/moderate incomes of at least 50.1%. As of the 2010 Census, Boulder City only has two census blocks that qualify for CDBG funds. These funds have been utilized in prior years for park improvements on the Lakeside area of the community. As projects are approved by HUD, eligible projects are added to the CIP.

Redevelopment Agency (RDA) Fund

A restricted funding source, the Long-Term Utility Capital Improvement fund was created to aid in the improvement of public utilities that serve the RDA Plan Area. The fund receives annual allocations by the RDA Board each budget year for an application to eligible projects as may be identified from time to time.

What is the general philosophy behind the funding decisions?

Historically, although not exclusively, the City has used the “pay-as-you-go” model for funding projects. If the money is not available in current receipts and fund balance to pay for a proposed project, then the project is not done. The largest projects – such as

a new community events center or new fire station - tend to be funded via a combination of available fund balance and debt.

Some CIP projects may be financed and constructed by a developer. In many cases, the City may oversee the planning and construction of the project, but the actual construction and payment for the project will be undertaken by the developers. These projects are intended to specifically serve new development. An example would be new neighborhood parks to serve a new subdivision.

How are projects selected for funding?

Each project is evaluated by assigning points for consistency with the City's adopted Strategic Plan and priority matrix. The Strategic Asset Management Plan and the Vehicle Replacement Plan are used as reference documents. Below are the criteria used for the point assignments.

Rating Criteria for Capital Improvement Projects

Highest totals are intended to be the highest priorities. Exempt from rankings are those projects with dedicated funding sources that cannot be used for any other purpose (i.e., RTC funds for street projects, Airport projects that are selected by Federal Agencies, etc).

Point Value/Criteria

- 10 Project is required due to a change in federal or state safety regulation
- 10 Removes imminent threat to public health and/or safety
- 7 Project is required due to a change in federal or state regulatory requirement
- 5 Eligible for matching funds for limited time
- 5 Alleviates substandard conditions or deficiencies
- 5 Adds capacity
- 4 Provides economic development incentive or opportunities
- 4 Improves the quality of municipal service delivery
- 3 Improves the quality of a municipal facility i.e., replacement of dead grass in a park, etc.
- 2 Reduces long term operating costs
- 1 Reduces short term operating costs
- 1 Meets a goal/strategy specified in the adopted Strategic Plan. 1 point for every instance.

Strategic Plan Goals

- Prudent Financial Stewardship
- Infrastructure
- Manage Growth and Development
- Promote Historic Preservation
- Public Safety

Other Factors

There are instances where a project was ranked high in total points but not funded. Reasons for not funding a project can include: Insufficient funding in the foreseeable future and project cannot be phased, other projects must be completed prior to this project being funded, site for project not yet identified, or may be ranked high locally but funding agency has higher priorities.

PROJECT LISTS AND DETAILS

Summary lists of projects by category and by funding source are provided for quick reference. The first summary lists each proposed project by category, and proposed funding for each of the five years of the CIP. As explained earlier, not all projects can be funded at this time, or may not be ready for funding until other projects are completed. As the CIP matures year over year, these circumstances may change, and these projects may be funded.

The second summary list provides funding detail for each project by funding category. Several projects are funded from multiple sources, and the amounts are listed. The second summary also provides a consolidated list of those projects that are not funded in the current CIP for fiscal year 2020, but may be funded in future years as shown on the first summary sheet.

Detailed project sheets are grouped by category and sorted by their ranking based on evaluation criteria. Project sheets are designed to explain the need for the project, type of project, the location of the project, the criteria met, funding sources, and provide cost information, including potential ongoing costs.