



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5850
May 4, 2021
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5850: Capital Improvement Program 2020 Year-End Progress Report	<input checked="" type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Receive FY 2020 CIP Progress Report.	<input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations/Public Works Director Matthew Mornick, Finance Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. FY 2020 CIP Progress Report
CITY COUNCIL PRIORITY:	n/a

SUMMARY

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

A core component of the biennial budget is development of a six-year Capital Improvement Program (CIP). The CIP outlines the City's strategic financial plan to acquire, expand, or rehabilitate public infrastructure. Each year capital managers from different City departments oversee over 100 capital projects.

After each fiscal year, staff provide the City Council, the administration, and the public with a status update on progress made for funded capital projects. Exhibit 1 is the Capital Improvement Program Year-End Progress Report which details infrastructure improvements during fiscal year (FY) 2020.

Capital projects are classified as part of the Capital Reinvestment Plan (CRP) or the Capital Facilities Plan (CFP). The CRP includes all maintenance projects that preserve the City's existing infrastructure. The CFP consists of newly proposed capital assets. To maintain and improve existing assets before acquiring new assets, CRP projects take priority over CFP projects.

All street, pedestrian, and bicycle facilities maintenance and construction projects from the CIP are also organized in the City's Transportation Improvement Program (TIP). The TIP is reviewed and approved by the City Council in tandem with the CIP before it is submitted each year to the State Department of Transportation.

Taken collectively, all capital projects fall into four programmatic areas:

1. Parks, Recreation and Open Space
2. Streets, Pedestrian and Bicycle Facilities
3. General Government (Equipment, Public Buildings, and Technology)
4. Utilities (Sewer, Stormwater, and Water)

Although the planning document spans six years, funds for the first two fiscal years are appropriated as part of the biennial budget process.

FY 2020 PROGRESS REPORT

The year-end progress report (see Exhibit 1) summarizes activity in the second funded year of the City's 2019-2024 CIP. In general, projects range in size from small improvements and routine maintenance projects to large one-time investments costing millions of dollars.

The progress report includes projects adopted in the 2019-2024 CIP as well as multiyear, carryover projects still underway from prior CIP adoptions. This retrospective report does not include projects for which funding was not provided in FY 2020.

Summary of Progress

In FY 2020, the approved CIP budget was \$16.3 million. As of December 31, 2020, approximately \$7.9 million was spent. Given the multi-year nature of capital projects, unspent capital funds in FY 2019 were available for use in FY 2020 to cover any outstanding obligations. Unspent funds not approved as budget carryover in [AB 5837 \(Ordinance No. 21-07\)](#) were returned to corresponding fund balances to be appropriated for future projects with City Council's approval.

There were 110 budgeted projects in FY 2020; 37 are ongoing capital infrastructure maintenance projects that receive funding allocations each year and are recurring by nature. This includes projects to maintain the safety and integrity of City facilities; replace technology, vehicles, and equipment that have reached the end of their useful life; sustain parks, open space, and trail networks on public lands; maintain pedestrian and bicycle amenities; repair and resurface streets and sidewalks; and, maintain and improve the underground public water, sewer, and stormwater utilities.

Work was completed on 46 different capital projects during the fiscal year, releasing any remaining funds when projects were closed out (highlighted in gray in the progress report).

Exhibit 1 outlines capital projects organized by asset category: Parks, Recreation and Open Space; Streets, Pedestrian and Bicycle Facilities; General Government Equipment, Public Buildings, and Technology; Sewer, Stormwater, and Water Utilities.

NEXT STEPS

While staff made progress on the capital program in FY 2020, many projects were postponed due to the ongoing COVID-19 Pandemic. Many of the projects that were not completed were reprogrammed, approved, and adopted as new projects in the 2021-2026 CIP. Staff will report to the City Council next year with a fiscal year 2021 capital program progress summary.

RECOMMENDATION

Receive report, discuss material, and provide input to staff.