



2016 CIP Budget Council Retreat

City of Commerce City
August 24, 2015

Purpose

- Review Capital Improvement Program project criteria
- Review application of the criteria to CIP projects for 2016-2020
- Review proposed definition of a capital project



Criteria Background

- Staff has been refining a 5 year Capital Improvement Program for the last 6+ months since the City Council retreat – Jan, 2015
- June 8 – City Council initial review of 5 year CIP
 - Directed staff to develop criteria for projects and review with CIP-CAC
- July 15 – Staff reviewed draft criteria with CIP-CAC – then revised based on input



Background

- Initially, staff drafted 6-9 review criteria and assigned initial weights to each category
- CIP-CAC provided input and staff finalized a set of 12 criteria
- When scored, each project will receive a raw score in each category and have the weight applied to reflect a total score
- The initial system results in a total possible score of 265 points



CIP Project Criteria (page 1)

Criteria	Max Points	Weight	Max Weighted Points
Regulatory Mandate (No = 0 or Yes = 3)	3	25	75
City Council Goal Alignment (1 goal = 1, 2 goals = 2, 3 goals = 3)	3	20	60
Economic Development Return on Investment (Low = 1, Medium = 2, or High = 3)	3	20	60
Priority in Plan Documents (No = 0 or Yes = 3)	3	15	45
Deferred Maintenance (Low = 1, Medium = 2, or High/Functionally Obsolete = 3)	3	10	30
Impacted Population (< 5,000 = 1, 5-10,000 = 2, or > 10,000 = 3)	3	10	30
Impacted Businesses (< 1,000 = 1, 1-3,000 = 2, or > 3,000 = 3)	3	10	30
“Window of Opportunity” (No = 0 or Yes = 3)	3	10	30

CIP Project Criteria (page 2)

Criteria	Max Points	Weight	Max Weighted Points
Operational ROI (Low/Long-term > 15 years = 1, Med/Intermediate term 5-15 yrs = 2, or High/Short-term = 3)	3	10	30
Timing of Benefit (Long-term > 2 years = 1, Med-term 1-2 years = 2, or Short-term < 1 year = 3)	3	5	15
2K Eligible (No = 0 or Yes = 3)	3	10	30
Grants and Funding Source (GF = 0, GF + grants = 1, Non GF + grants = 2, or 100% grants = 3)	3	10	30
Totals		155	465



CIP Project Criteria / Application

- Staff applied the revised criteria to projects currently requested for the 5 year CIPP
- Staff is seeking final approval from City Council on the criteria
- Decisions about which projects to fund rest with City Council and the criteria may be used as a system for initial prioritization
- Final projects for the CIPP will be dependent upon funding sources



Council Approval

- Is Council in agreement with the criteria?
- It can be adjusted at Council's winter retreat





Definitions

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August 24, 2015

Definition of Capital Expenditure

- Outlay of significant value (\$50,000 or more) that:
 - results in the acquisition of or addition to a capital asset
 - capital asset is property held or used for more than one year and typically more than five years



Definition of Capital Project

- A capital improvement project will add value or extend the life of a capital asset.
- Capital improvement projects:
 - may include capital construction and capital maintenance projects,
 - for the purposes of this program, are defined as “non-recurring major projects”



Capital Projects Include

- Building improvements costing \$50,000 or more
- Public infrastructure improvements costing \$50,000 or more
- Projects funded through the Facility Services Internal Services Fund and the Information Technology Internal Service Fund costing \$50,000 or more
- Needs assessments costing \$50,000 or more that are done in anticipation of or in preparation for a capital improvement project
- Preparation or updating of planning documents such as the Comprehensive Plan, Parks and Recreation Strategic Plan, and the Transportation Plan costing \$50,000 or more



Capital Projects Do Not Include

- Vehicles and equipment acquired and funded through the Fleet Management Internal Service Fund
- Routine acquisition of computers, related equipment, or software applications, which are funded through the Information Technology Internal Service Fund
- Capital projects and fixed assets costing less than \$50,000 but more than \$5,000 continue to be budgeted under the capital outlay part of each department's operating budget



Council Approval

- Is Council in agreement with the above definition?
- If so, then it will be included with other finance policies in the appendix of the annual budget book

