Moab City Council Agenda Item
Meeting Date: January 28, 2020

Title: Consideration of Proposed Resolution #05-2020 – Adopting the 2020-2024 Capital Improvement Project List

Date Submitted: January 22, 2020
Presenter: Rachel Stenta, Finance Director
Attachment(s):
1) Draft Resolution #05-2020

Background/Summary:

At the City Council meeting on December 10, 2019, the City Council adopted Resolution #51-2019 – Adopting a Capital Projects Prioritization Matrix for the City of Moab. The Staff Capital Improvements Project (CIP) Committee has met for three sessions to apply the newly adopted matrix to identified Capital Projects and has compiled the attached rated and ranked Capital Improvements Project (CIP) list for Council review and adoption.

The horizon of this CIP list is one to four years. Projects were rated beyond that horizon, however staff felt that a four year horizon was the maximum that should be addressed in this year’s process. This list is not inclusive of all identified Capital Projects – it represents those projects identified as critical to complete in the one to four year time frame. The CIP list should be updated and presented to Council annually for adoption which will begin to capture longer horizon projects. Once this initial list is approved by City Council, staff can begin the process of preparing project budgets, identifying funding sources, prioritizing funding needs and then draft and present a Capital Improvements Budget (CIB) and a Capital Improvements Financing Plan to City Council – including a debt service forecast worksheet.

Inclusion of any of these projects in the budget will depend on the following:

- Availability of grant funding or other non-debt funding sources
- Availability of Cash for Pay-as-you-go projects
- Assessment of debt capacity for each existing revenue source
- Exploration of new revenue sources to expand debt capacity
- Ability of staff to manage and complete projects
- Council approval of project budgets

As previously discussed, prioritization of capital projects is crucial to the financial process of analyzing the annual debt repayment limit of the municipality and other resource constraints. It is recommended that all proposed capital projects be assessed using the Capital Projects Prioritization Matrix accompanied with a supplementary financial analysis to determine the specific impact the project will have on tax revenue allocations, user fees and the municipal tax rate, if applicable. This will assist Council...
with an understanding of how a specific project ranks in relation to other capital projects and the direct financial impact its implementation will have on residents.

Staff requests that the Council evaluate the prioritized project list and formally adopt it, allowing staff to move forward with pursuing funding and financing resources.

Thank you for your consideration.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Possible Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Category</td>
<td>5 categories of projects that support different classifications of projects which vary depending on importance and impact to the public</td>
<td>20%</td>
</tr>
<tr>
<td>Multiple Improvements</td>
<td>The project will coordinate upgrades to existing infrastructure</td>
<td>10%</td>
</tr>
<tr>
<td>Strategic/Sustainability Alignment</td>
<td>The project’s alignment with strategic/sustainability goals as set out in a departmental Master or Strategic Plan and/or Sustainability Plan</td>
<td>15%</td>
</tr>
<tr>
<td>Risk Assessment</td>
<td>The extent to which the project will address/mitigate risk to public health and/or occupational health and safety</td>
<td>15%</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>Cost/Benefit (payback)</td>
<td>Project will generate cost savings and/or revenue enhancements that will provide a positive return on investment (ROI)</td>
<td>10%</td>
</tr>
<tr>
<td>Service Levels</td>
<td>Impact on the service levels to the public as a result of the project</td>
<td>10%</td>
</tr>
</tbody>
</table>

Total: 100%