



Text File

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Committee: Committee on Finance and Law

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Ordinance amending Ordinance 2 of 2012, entitled, "The Neighborhood First Capital Budget Reform Act" amending the Pittsburgh City Code, Title Two, Fiscal, to bring the City of Pittsburgh into compliance with the recommendations of the amended Act, 47 Financial Recovery Plan relating to the Capital Budget, pursuant to Ordinance No. 29 of 2010 enacted by City Council on June 8, 2010, adopting the Amended Act 47 Financial Recovery Plan for the City of Pittsburgh" dated May 21, 2009 is hereby amended by deleting Chapter 218, Capital Budget in its entirety and replacing it with new language.

**Be it resolved by the Council of the City of Pittsburgh as follows:**

**Section 1.**

**The Pittsburgh Code, Title Two, Fiscal, Article I, Administration, Chapter 218: Capital Budget and Capital Improvement Plan, is hereby amended to read as follows:**

The Pittsburgh City Code is hereby amended by creating Title Two: Fiscal, Article II: Chapter 218: Capital Budget, which shall read:

**CHAPTER 218 – Capital Budget**

**218.1 Purpose**

**To ensure the transparent, fair, and equitable distribution of capital funds throughout the City of Pittsburgh.** To establish a six year capital improvement plan that includes eligible capital projects, with sufficient detail for each project and listed in order of priority for funding, subject to annual review and amendment.

**218.2 Definitions**

**The following definitions shall apply to all parts of this Chapter:**

- a) Capital Budget.** The annual budget of the City of Pittsburgh, as required by Article 5, Section 502 of the Home Rule Charter, comprised exclusively of capital expenditures.
- b) Capital Expenditure.** City monies expended, or proposed to be expended, in the Capital Budget on a Capital Project.
- c) Capital Project.** Any project funded by public monies, or proposed to be funded by public monies, to build, restore, retain, or purchase any equipment, property, facilities, programs or other items, including

buildings, park facilities, infrastructure, information technology systems, or other equipment, that is funded on a necessarily non-repeating, or non-indefinite, basis and that is to be used as a public asset, or for the public benefit. Any and all funds used for a Capital Project shall be used in accordance with the rules and regulations of the fund source. Capital projects shall have a minimum value of fifty thousand dollars (\$50,000).

- d) **Capital Improvement Plan (CIP).** A six year plan for investing in capital projects throughout the City of Pittsburgh.

### 218.3 First Capital Improvement Plan

The first six year plan developed under this process shall be for the fiscal years 2013-2018.

### 218.4 Capital Program Timeline and Approval

Each year the Capital Program shall be developed and released for public consideration in accordance with the following process:

- a) **Setting Priorities.** Each April, the Mayor shall provide an annual statement of CIP priorities to the Council and to departments funded by the CIP. The statement of priorities shall indicate substantive outcomes that the city is seeking to achieve through projects funded through the CIP and operational goals.
- b) **Project Rankings.** Capital Projects shall be prioritized in the following order:
1. Projects that will resolve an imminent threat to public or employee safety or health should receive first priority
  2. Achieve compliance with federal or state statutory mandates
  3. Comply with the City's Comprehensive Plan
  4. Allow for cooperative purchasing with other governments
  5. Impact of the project on the operating budget
  6. Improved efficiency or effectiveness of service delivery
  7. Ability to improve quality of life in all city neighborhoods
  8. Support of the public
- e) **Capital Improvement Plan.** The proposed six year capital outlay plan, which shall be comprised of the immediately succeeding year's Capital Expenditures, the revised current year's Capital Program, as well as the proposed Capital Expenditures for the following five (5) years. The Capital Program shall be organized under the following schedule:
- i. **Project Proposals.** In the first week of May, Office of Management and Budget shall issue a formal request to each city department and City Council for capital project proposals. The request shall be made in a form consistent with a standardized format set by the Office of

~~Management and Budget. Each capital project proposal shall include at least the following and shall be submitted to the Office of Management and Budget by the first week of June.~~

- ~~a. An estimate of the aggregate size, in dollar figures, of the proposed Capital Budget for each fiscal year described in the Capital Program.~~
- ~~b. A description of the geographic location of each proposed Capital Expenditure, including neighborhood census tract, and census block group. If the Capital Expenditure is for a general city-wide project, the Capital Program shall list anticipated locations, but note that the list may not be exhaustive.~~
- ~~c. A description of the Capital Project related to each Capital Expenditure.~~
- ~~d. An estimated timeline for completion of the Capital Project related to each Capital Expenditure.~~
- ~~e. An estimated total budget for the Capital Project related to each Capital Expenditure.~~
- ~~f. All funding sources for the Capital Project related to each Capital Expenditure, including funding allocated from other year's Capital Budgets or proposed to be allocated from the Capital Program.~~
- ~~g. Any potential impact the Capital Project related to each Capital Expenditure may have on the City's operating budget.~~
- ~~h. The estimated useful life of the Capital Project related to each Capital Expenditure.~~
- ~~i. For Capital Expenditures related to the general maintenance of infrastructure, the total projected funds required to improve or rehabilitate the infrastructure type city-wide to an acceptable state of function of repair.~~
- ~~j. An indication of the departmental or agency priority for each Capital Project related to a Capital Expenditure. based on section 218.4b~~
- ~~k. Any public safety or public health considerations or impacts for the Capital Project related to each Capital Expenditure.~~
- ~~l. A report that details the distribution of funds in the Capital Program between CDBG eligible census tracts and activities and non-CDBG eligible census tracts and activities.~~
- ~~m. A report that details the distribution of funds in the Capital Program between Council Districts.~~

**d) Capital Program Facilitation Committee, the CPFC.** A committee shall advise the Mayor and City Council on the selection and prioritization of the capital projects; to ensure that the Capital Budget is carried out and that all pre-encumbered capital funds are expended. The membership of the CPFC shall consist of the following 9 members:

- i. CIP Manager, Chair of the Committee;
- ii. Director of Finance, or his/her representative;
- iii. Director of Operations, or his/her representative;
- iv. Director of City Planning, or his/her representative;
- v. Director of Public Safety, or his/her representative;
- vi. Two (2) Members of City Council, appointed by the President of City Council;
- vii. The Budget Director of City Council, or his/her representative;

viii. ~~The City Controller, or his/her representative;~~

- e) **CPFC Limitations:** ~~The powers of the CPFC shall in no way supersede, override, or otherwise interfere with the budgetary authority vested in the Mayor or the City Council of the City of Pittsburgh.~~
- f) **Employee Service Term.** ~~Each City Department Director, Executive Director, Chief, Council member or CIP Manager shall serve on the CPFC for the duration of their tenure as head of major administrative unit, Bureau chief, term of elective office or Chairmanship.~~
- g) **CIP Manager.** ~~The Mayor shall designate a citywide CIP Manager to oversee implementation of the Capital Improvement Plan and Capital Budget and to work in the Office of Management and Budget, with the Controller, with the Council and the individual departments. In addition, the CIP Manager shall be the Chair of the Capital Project Facilitation Committee.~~
- h) **Meetings:** ~~The CPFC shall meet no less than four (4) times annually, at regular intervals. All meetings, business, and written communication of the CPFC shall be subject to the Sunshine Act of the State of Pennsylvania. All meetings of the CPFC shall be cablecast and open to the public. All documents produced by the CPFC shall be made publicly available on the City's website within ten (10) days of their final publication. The City Clerk, or his/her designee, shall keep the minutes and the records of this Committee.~~
- i) **CPFC Report.** ~~The CIP Manager shall provide a complete listing of the capital project proposals for the CPFC members to review, analyze and score each project on the basis of the priorities set forth in the statement of CIP priorities and available funds. Each capital project proposal shall be reviewed by the full committee and be ranked according to the Project Rankings in 218.4(b) and subsequently, any other criteria as determined by the Committee. The CPFC shall also evaluate the six year CIP to ensure that the plan is consistent with the city's capital needs. A full report that details the findings and rankings of the Committee shall be produced and provided to the Mayor by no later than the first week of August each year.~~
- j) **Proposed CIP & Capital Budget:** ~~The Office of Management and Budget will make a recommendation to the Mayor on the level of funding through all sources for the capital budget in the coming fiscal year and projected availability of funding for the next six fiscal years. On the basis of the projected availability of funding and the CPFC Report, the Mayor will propose a CIP and Capital Budget to City Council by the first week of October each year, and simultaneously post it online for public review.~~
- k) **First Meeting:** ~~In the year of the passage of this ordinance, the CPFC shall hold its first meeting not more than Sixty (60) days after the date of final passage of this ordinance.~~

### **218.5 Public Participation in the Budget Process**

Each year the Mayor shall release to the public the full CPFC Report and Capital Budget upon the submission

to City Council and allow for public participation in the process in accordance with the following terms:

a) **Public Meetings.** The Mayor and the CPFC shall hold at least two (2) public meetings to obtain the advice of public officials and citizens in preparation of the annual budget. These meetings shall be held in disparate locations throughout the City, at times that are conducive to participation by low- and moderate-income people (at or after 6:00 p.m.); during the months of September and October. Additionally, the CPFC shall solicit written public comments concerning capital needs and priorities for inclusion in the annual budget, during the months of September and October of each year.

i. The Mayor and members of City Council shall make every effort to personally attend all public budget hearings and meetings.

b) **Community Development Block Grant (CBDG).** The City's federally mandated public hearings or public meetings shall be held separately from either the Mayor's or City Council's public budget hearings. This section shall be interpreted to mean that the Mayor's and City Council's public budget meetings shall be an addition to the City's federally mandated Community Development Block Grant public hearing or public meetings, not held in concurrence with them.

c) **Publication:** All public meetings and solicitation of public comments required herein shall be publicized in all available media, including press releases, television announcements, fliers, letters and electronic communication to community-based organizations, posting to the City's website, and such other methods as shall be designed to reach the widest possible audience of City residents.

i. All documents produced by the CPFC shall be made publicly available on the City's website within ten (10) days of their final publication.

### **218.6 Capital Project Authorization**

At the completion of the Public Participation Process and in accordance with the authority granted under Article 5 of the Home Rule Charter, City Council shall consider, modify and approve the Capital Improvement Plan and the annual Capital Budget each year.

### **218.7 Capital Project Execution**

The CIP Manager shall monitor the purchasing all materials, supplies, and equipment and the entering into contracts for the furnishing of services associated with all capital projects which have been appropriated by City Council. Such contracts shall be subject to the procurement and contracting processes established in the City Code.

a) **Purchasing:** The Purchasing Department shall publicly invite sealed proposals or bids for the furnishing of such materials, supplies, equipment, and services and shall award the contract for the furnishing of such materials, supplies, equipment, or services to the lowest responsible bidder.

- b) **Single Source Supply:** ~~The Purchasing Department shall determine whether it may be inefficient or inadvisable to solicit bids because of a single source of supply, or because the services required are of a professional nature. The Purchasing Department may approve the purchase of, or contracting for, such materials, supplies, equipment, or services without soliciting bids, upon the approval of the Department of Law and the City Controller.~~
  
- e) **Cooperative Purchasing:** ~~When appropriate, materials, supplies, equipment, or services may be purchased through existing State, Allegheny County, or City of Pittsburgh purchasing contracts, which are in complete accordance with all applicable state and local laws and regulations. The Purchasing Department is authorized to purchase or contract for, such materials, supplies, equipment, or services without soliciting bids.~~

### **218.8 Capital Project Accounting**

All financial components of the Capital Plan and Capital Budget shall be recognized and managed in the city's Oracle's J.D. Edwards Enterprise Resource Planning (JDE ERP) system.

- a) **Establishment of Capital Project in JDE ERP:** ~~After capital projects have been appropriated by City Council, and specific funding sources identified and available, capital projects shall be established in JDE ERP. Projects, or a project phase, shall only be activated in JDE ERP if the appropriate funding is available.~~
  
- b) **Project Accounting:** ~~The CIP Manager shall ensure that all capital projects are appropriately accounted for in JDE ERP. As contracts for materials, supplies, equipment, or services are entered capital project funds shall be encumbered in the JDE ERP. All encumbered funds and actual capital project expenditures shall be tracked in the City's JDE ERP. The following two (2) general ledger funds shall exist in the JDE ERP to monitor capital projects~~
  - i. ~~PAYGO & Tax Exempt Bonds: Projects that are funded solely through City funding of pay as-you-go or tax exempt bonds will be accounted for in a General Capital Fund, and appropriations are to be reconciled to the bank balance.~~
  - ii. ~~State & Federal Funds: Capital projects eligible for federal or state reimbursement will be accounted for in a separate JDE ERP account and appropriations will be reconciled to the outstanding receivables and the bank balance. JDE ERP shall be used to track anticipated reimbursements and invoice the designated funding entity for amounts currently due and payable. Once reimbursements are received, the funds shall be restored to the appropriate fund and become available for additional approved capital projects.~~

### **218.9 Capital Project and Budget Reporting**

Each department head/bureau chief shall report on the status of departmental capital expenditures, total and anticipated spending for each funding source, and information detailing significant variances between planned and current project milestones to the CIP Manager no later than thirty (30) days before the end of each month.

**a) Quarterly Status Report:** The CIP Manager shall produce a quarterly report in writing on the status of the CIP and Capital Budget which shall detail the following:

- i. An overall report of the Capital Program;
- ii. The total amount of spending anticipated for each of the funding sources;
- iii. A detailed explanation of any variances between planned and actual expenditures;
- iv. The status of each project with descriptions of actual and projected expenditures compared to the budgeted expenditures;
- v. Project milestones for each project and any variance between the planned schedule(s) and the actual schedule(s).

**b) Annual Accounting Close & Report:** At the close of the fiscal year, the City Controller shall produce an accounting close and report of the Capital Budget activity in JDE ERP. The report shall contain the following information:

- i. A complete list of all unexpended Capital Expenditures from previous capital budgets of at least three (3) years old or older with detailed information on account code numbers, grant numbers, account balances and project descriptions.
- ii. Project accounts identified to be closed out and for what reason the identification has been made.
- iii. A complete reconciliation of all unexpended Capital Expenditures against current bank balances. If reconciliation results in a positive balance, funds shall be transferred to the capital budget reserve fund for reallocation in the succeeding year's capital budget.
- iv. A listing of all unencumbered or unexpended funds at the end of the closed fiscal period for any approved capital project funds. The corresponding projects shall be included in the Capital Program in the succeeding year. No project shall be closed without prior approval of City Council.

**e) Report Distribution:** The Accounting Close and Report shall be delivered to City Council, the Mayor, and the Controller on or before the last Tuesday of the fifth month of each fiscal year. The CPFC shall communicate to each member of City Council any Capital Project accounts related to a Capital Project in the Councilmember's district that have been identified to be closed out on or before the last Tuesday of the fifth month of each fiscal year.

## **CHAPTER 218 - Capital Budget and Capital Improvement Plan**

### **218.1 Purpose**

**To ensure the transparent, fair, and equitable distribution of capital funds throughout the City of Pittsburgh.** To establish a six year capital improvement plan that includes eligible capital projects, special revenue projects, and intergovernmental projects, with sufficient detail for each project and listed in order of priority for funding, subject to annual review and amendment.

### **218.2 Definitions**

**The following definitions shall apply to all parts of this Chapter:**

- a) **Capital Budget.** The annual budget of the City of Pittsburgh, as required by Article 5, Section 502 of the Home Rule Charter, comprised of Capital Projects, Special Revenue Projects, and Intergovernmental Projects
- b) **Capital Expenditure.** City monies expended, or proposed to be expended, in the Capital Budget on a Capital Project, a Special Revenue Project, or an Intergovernmental Project.
- c) **Capital Project.** Any project funded by public monies to design, build, restore, retain, or purchase any City-owned asset that is expected to provide a long-term public benefit or propose physical improvements in an element of the City's infrastructure. Capital Projects shall have a minimum value of fifty thousand dollars (\$50,000) and a minimum useful life of five years. Capital Projects financed through debt should have a minimum useful life no shorter than the length of debt service. Capital Projects that have a shorter minimum useful life should be funded with PAYGO funds.
  - a. **Minimum Useful Life:** The minimum duration for which a Capital Project is suitable for the function originally designated. Minimum useful life shall be determined from the City's prior history with similar Capital Projects or industry standards.
- d) **Special Revenue Project.** A project funded by public monies granted to the City by an outside funding source, including grants and the Community Development Block Grant ("CDBG") Program. Special Revenue Projects must adhere to the rules and regulations regarding the use of funds promulgated by the funding source.
- e) **Intergovernmental Project.** A project that supports the mission of the City and an authority or another government entity through the allocation of City funding or special revenues. Intergovernmental Projects must be consistent with this Chapter, the rules and regulations of the funding source, and the policies of the authority or other government entity with whom the project is undertaken



- f) **Capital Improvement Plan (CIP).** A six-year plan for investing in projects throughout the City of Pittsburgh comprised of the immediately succeeding year's capital expenditures, the revised current year's capital expenditures, and the proposed capital expenditures for the following five (5) years.

### 218.3 Establishment of the Capital Program Facilitation Committee

- a) **CIP Manager.** The Mayor shall designate a citywide CIP Manager to oversee implementation of the Capital Improvement Plan and Capital Budget and to work in the Office of Management and Budget, with the Controller, with the Council and the individual departments.
- b) **Capital Program Facilitation Committee, the CPFC.** A committee shall be established, which shall advise the Mayor and City Council on the selection and prioritization of the Capital Projects, Special Revenue Projects, and Intergovernmental Projects, to ensure that the Capital Budget is carried out and that all encumbered funds are expended. The membership of the CPFC shall consist of the following 10 members, serving congruently with the duration of their employment, appointment, or elected term:
- i. CIP Manager, Chair of the Committee;
  - ii. Director of the Office of Management and Budget ("OMB"), or his/her representative;
  - iii. Director of Public Works, or his/her representative;
  - iv. Director of Parks, or his/her representative;
  - v. Director of the Bureau of Transportation and Engineering, or his/her representative;
  - vi. Director of City Planning, or his/her representative;
  - vii. Two (2) Members of City Council, to include the Chair of the Finance and Law Committee and one member appointed by the President of City Council;
  - viii. The Budget Director of City Council, or his/her representative;
  - ix. The City Controller, or his/her representative;
- c) **CPFC Limitations:** The powers of the CPFC shall in no way supersede, override, or otherwise interfere with the budgetary authority vested in the Mayor or the City Council of the City of Pittsburgh.
- d) **Meetings:** The CPFC shall meet no less than four (4) times annually, at regular intervals and open to the public. One of these meetings shall be cablecast. All meetings, business, and written communication of the CPFC shall be subject to the Sunshine Act of the Commonwealth of Pennsylvania. All documents produced by the CPFC shall be made publicly available on the City's website within ten (10) days of their final publication. The City Clerk, or his/her designee, shall keep the minutes and the records of this Committee.
- e) **Publication:** All public meetings and solicitation of public comments required herein shall be publicized through such methods as shall be designed to reach the widest possible audience of City residents.
- i. All documents produced by the CPFC shall be made publicly available on the City's

website within ten (10) days of their final publication.

#### **218.4 Capital Program Facilitation Committee Process**

Each year the Capital Program Facilitation Committee will submit recommendations for funding in accordance with the following process:

- a) **Setting Priorities.** Each April, the Mayor shall provide an annual statement of CIP priorities to the Council and to departments funded by the CIP. The statement of priorities shall indicate substantive outcomes that the city is seeking to achieve through projects funded through the CIP and operational goals.
- b) **Regulations:** OMB shall approve and publish regulations (the “Regulations”) that outline the requirements for Capital, Special Revenue, and Intergovernmental Project proposals submitted by Departments and Authorities by the last week of April.
- c) **Project Proposals: City Departments** In the first week of May, OMB shall issue a formal request to each City Department and City Authorities for all Capital Project, Special Revenue Project, and Intergovernmental Project proposals. The request shall be made in a form consistent with a standardized format set by OMB. Each Capital Project, Special Revenue Project, and Intergovernmental Project proposal shall meet the requirements set forth by the approved Regulations, and shall be submitted to OMB by the last week of June. Departments and the public may access the Regulations filed with the City Clerk’s office.
- d) **Project Proposals: City Council.** In the first week of May, Office of Management and Budget (“OMB”) shall issue a formal request to City Council for all Capital Project, Special Revenue Project, and Intergovernmental Project proposals. Council shall submit its Capital Project, Special Revenue Project, or Intergovernmental Project proposals to the appropriate department, and that department shall submit the proposals along with its own project proposals to OMB by the last week of June.
- e) **Public Meetings.** The Mayor and the CPFC shall hold at least two (2) public meetings to obtain the advice of public officials and citizens in preparation of the project proposals and annual budget. These meetings shall be held in different locations throughout the City, at times that are conducive to participation by low- and moderate-income people (at or after 6:00 p.m.), during the month of June. The Mayor and members of Council shall make every effort to attend the meetings. These meetings shall be considered distinct from those mandated as part of the CDBG program. Additionally, the CPFC shall solicit written public comments concerning capital needs and priorities for inclusion in the annual budget.
- f) **CPFC Report.** The CIP Manager shall provide a complete listing of the Capital Project, Special Revenue Project, and Intergovernmental Project proposals for the CPFC members to review, analyze and score each project on the basis of the priorities set forth in the statement of CIP priorities and

available funds. A full report that details the findings and rankings of the Committee shall be produced and provided to the Mayor by no later than the first week of August each year.

- i. **Rankings.** The CPFC members shall prioritize projects in the following order:
1. Projects that will resolve an imminent threat to public or employee safety or health should receive first priority
  2. Achieve compliance with federal or state statutory mandates
  3. Leverage additional non-city funds
  4. Impact of the project on the operating budget and potential operational savings
  5. Improved efficiency or effectiveness of service delivery
  6. Ability to improve quality of life in all city neighborhoods
  7. Demonstrated support of the public
  8. Compliance with the Comprehensive Plan

### **218.5 Project Authorization**

- a) **Proposed CIP & Capital Budget:** Following the publication of the CPFC's report to the Mayor, the Office of Management and Budget will make a recommendation to the Mayor on the level of funding through all sources for the capital budget in the coming fiscal year and projected availability of funding for the next six fiscal years. On the basis of the projected availability of funding and the CPFC Report, the Mayor will propose a CIP and Capital Budget to City Council by the second Monday of the eleventh month each year and simultaneously post it online for public review.
- b) **Intergovernmental Cooperation Authority Budget Process.** So long as the Pittsburgh Intergovernmental Cooperation Authority (ICA), pursuant to State Act 11 of 2004, is in existence, then the Mayor shall concurrently submit the Capital Budget and Capital Improvement Plan to the ICA and City Council one hundred days before the end of the calendar year. The proposed Capital Budget and Capital Improvement Plan shall continue to be presented on the second Monday of the eleventh month of each fiscal year, pursuant to Chapter 505 of the Home Rule Charter.
- c) **Review by the CPFC.** CPFC shall also evaluate the six-year CIP in November to ensure that the plan is consistent with the city's capital needs.
- d) **Approval of the Capital Budget** In accordance with the authority granted under Article 5 of the Home Rule Charter, City Council shall consider, modify, and approve the Capital Improvement Plan and the annual Capital Budget each year.

### **218.6 Project Execution**

The CIP Manager shall monitor the purchasing of all materials, supplies, and equipment and the entering into contracts for the furnishing of services associated with all projects funded in the Capital Budget which have

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been appropriated by City Council. Such contracts shall be subject to the procurement and contracting processes established in the City Code.

- a) **Purchasing:** The Purchasing Department shall publicly invite sealed proposals or bids for the furnishing of such materials, supplies, equipment, and services and shall award the contract for the furnishing of such materials, supplies, equipment, or services to the lowest responsible bidder.
- b) **Single Source Supply:** The Purchasing Department shall determine whether it may be inefficient or inadvisable to solicit bids because of a single source of supply or professional service provider. The Purchasing Department may approve the purchase of, or contracting for, such materials, supplies, equipment, or services without soliciting bids, upon the approval of the Department of Law and the City Controller.
- c) **Cooperative Purchasing:** When appropriate, materials, supplies, equipment, or services may be purchased through existing State, Allegheny County, or City of Pittsburgh purchasing contracts that are in complete accordance with all applicable state and local laws and regulations. In such case, the Purchasing Department is authorized to purchase or contract for, such materials, supplies, equipment, or services without soliciting bids.

### **218.7 Project Accounting**

All financial components of the Capital Improvement Plan and Capital Budget shall be recognized and managed in the City's Enterprise Resource Planning (ERP) system.

- a) **Establishment of Projects in the ERP system:** After projects have been appropriated by City Council, and specific funding sources identified and available, Capital Projects, Special Revenue Projects, and Intergovernmental Projects shall be established in the ERP system. Projects, or a project phase, shall only be activated in the ERP system if the appropriate funding is available.
- b) **Project Accounting:** The CIP Manager shall ensure that all Capital Projects, Special Revenue Projects, and Intergovernmental Projects are appropriately accounted for in the ERP system. As contracts for materials, supplies, equipment, or services are entered project funds shall be encumbered in the ERP system. All encumbered funds and actual project expenditures shall be tracked in the City's ERP system. The following two (2) general ledger funds shall exist in the ERP system to monitor Capital Projects, Special Revenue Projects, and Intergovernmental Projects:
  - i. PAYGO & General Obligation Bonds: Projects that are funded solely through City funding of pay-as-you-go or General Obligation bonds will be accounted for in a General Capital Fund, and appropriations are to be reconciled to the bank balance.
  - ii. State & Federal Funds: Capital Projects eligible for federal or state reimbursement (Projects on the Transportation Improvement Program) will be accounted for in a separate ERP fund and

appropriations will be reconciled to the outstanding receivables and the bank balance. The ERP system shall be used to track anticipated reimbursements and invoice the designated funding entity for amounts currently due and payable. Once reimbursements are received, the funds shall be restored to the appropriate fund and become available for additional approved or future Capital Projects that are eligible for federal or state reimbursement. Funds from this account may only be re-appropriated for non-Transportation Improvement Projects in the case of emergency.

### **218.8 Project and Budget Reporting**

Each Department head/Bureau Chief shall report on the status of departmental expenditures, total and anticipated spending for each funding source, and information detailing significant variances between planned and current project milestones to the CIP Manager no later than fifteen (15) days after the end of each quarter.

**a) Quarterly Status Report:** The CIP Manager shall produce a quarterly report in writing on the status of the CIP and Capital Budget which shall detail the following:

- i. An overall report of the Capital Program;
- ii. The total amount of spending anticipated for each of the funding sources;
- iii. A detailed explanation of any variances between planned and actual expenditures;
- iv. The status of each project with descriptions of actual and projected expenditures compared to the budgeted expenditures;
- v. Project milestones for each project and any variance between the planned schedule(s) and the actual schedule(s).

**b) Annual Accounting Close & Report:** At the close of the fiscal year, the City Controller shall produce an “Accounting Close and Report” of the Capital Budget activity in the ERP system. The report shall contain the following information:

- i. A complete list of all unexpended Capital Expenditures from previous capital budgets of at least three (3) years old or older with detailed information on account code numbers, grant numbers, account balances and project descriptions.
- ii. Project accounts identified to be closed out and for what reason the identification has been made.
- iii. A complete reconciliation of all unexpended Capital Expenditures against current bank balances. If reconciliation results in a positive balance, funds shall be transferred to the capital budget reserve fund for reallocation in the succeeding year's capital budget.
- iv. A listing of all unencumbered or unexpended funds at the end of the closed fiscal period for any approved capital project funds. The corresponding projects shall be included in the Capital Program in the succeeding year. No project shall be closed without prior approval of City Council.

**c) Report Distribution:** The Accounting Close and Report shall be delivered to City Council, the Mayor, and the Controller on or before the last Tuesday of the fifth month of each fiscal year. The CPFC shall

communicate to each member of City Council any Project accounts related to a project in the Councilmember's district that have been identified to be closed out on or before the last Tuesday of the fifth month of each fiscal year.

- d) Close and Re-appropriation: All Capital projects from previous capital budgets of at least three (3) years old or older not identified to be closed out that have not commenced and have remained inactive must be re-appropriated by resolution. Re-appropriation will remain in place for an additional three (3) years.**

### **218.9 Capital Improvement Plan**

Improvements to existing assets in the annual Capital Budget and the Capital Improvement Plan should be developed using the current capital asset inventory and based on the project cost estimates and the priorities set forth in the Comprehensive Infrastructure Investment Plan to preserve those assets. The CPFC should prioritize the preservation and extension of the life of existing City-owned assets over the expansion of the City's asset portfolio. The capital asset inventory and the Comprehensive Infrastructure Investment Plan shall be developed and maintained in the Office of Management and Budget with input from various departments and shall consist of the following requirements:

- a) Condition assessments:** The Comprehensive Infrastructure Investment Plan shall incorporate the results of documented condition assessments that address City-owned capital assets on a regular schedule.
- b) Timeframe:** The Comprehensive Infrastructure Investment Plan shall be produced regularly and shall schedule infrastructure investment for a period of no less than 40 years. Estimated costs will take into consideration inflation.
- c) Capital Assets:** The Comprehensive Infrastructure Investment Plan shall address, at a minimum, the City's streets, bridges, buildings, and recreation assets.
- d) Reporting:** Each Plan shall document what progress has been made since the publication of the previous plan and shall describe the impacts of such progress, or any lack of progress, on the current plan.