

TO: City of Bend Budget Committee
FROM: Infrastructure Advisory Committee
DATE: March 28, 2011

**RE: Infrastructure Advisory Committee (IAC) Recommendation
2011-2016 Capital Improvement Plan (CIP)**

The IAC discussed the CIP budget at two meetings (March 14, 2011 and March 28, 2011). The recommendations were made with a consensus of the committee.

The Committee requested and received a presentation by the Finance Director related to the CIP financial strategy in an effort to determine the City's ability to fund the proposed projects. The Committee determined that it was out of their purview to make funding recommendations, and wanted the Council to know that the following recommendations are being made with an awareness of their financial requirements.

GENERAL RECOMMENDATIONS

- The IAC recommends adoption of the proposed 5-Year CIP based on their technical merits.
- The IAC would like the CIP to include definitions upfront on the difference between programs, projects, and studies, etc...

FUND SPECIFIC RECOMMENDATIONS

Stormwater Fund

- The IAC recommends adoption of each of the proposed projects based on their technical merits.
- The IAC recommends that the City postpone the Greenwood Underpass for one year so it will be funded without bonding or fee increases.
- Neither the IAC or Council have reviewed the Draft Stormwater Master Plan, and therefore the Committee does not yet have a context for future Stormwater CIP requirements.
- The IAC has concerns about the ability to pay for future projects in the context of unknown future State and Federal requirements.

Water Fund

- The IAC recommends adoption of each of the proposed projects based on their technical merits.
- IAC recommends that the Water Fund maintain a reserve fund for water line replacement and/or other water infrastructure replacement costs.

- Ensure that Juniper Ridge pays the Fund back for the upfront capital funding investments required to sell the land.
- Based on the financial strategy presented, the IAC is supportive of continuing the Fiscal Policy that allows a balance between pay as you go and bonding for water infrastructure projects.
- The IAC recognizes that approving this Fund's capital budget assumes the City will have to issue bonds and raise rates to complete the projects.

Water Reclamation Fund

- The IAC recommends adoption of each of the proposed projects based on their technical merits.
- The IAC recommends that the Water Reclamation Fund maintain a reserve fund for sewer line replacement and/or other sewer infrastructure replacement costs.
- The IAC recommends a comparative analysis of the Yeoman Interceptor Improvements vs. the Parallel Plant Interceptor to determine the most cost effective timing of the projects.
- Based on the financial strategy presented, the IAC is supportive of continuing the Fiscal Policy that allows a balance between pay as you go and bonding for sewer infrastructure projects.
- The IAC discussed the following ramifications of not moving forward with these projects:
 - DEQ / EPA required improvements
 - Potential for limited economic development in the future

Airport Fund

- The IAC recommends adoption of each of the proposed projects based on their technical merits.
- The IAC recommends that projects proceed if and when federal funding is awarded to the City.

Transportation Construction Fund

- The IAC recommends adoption of each of the proposed projects based on their technical merits.
- Recommend moving programs out of the CIP budget and into the Transportation Planning Program budget until which time they are construction projects. Ex) Programs within Congestion and Safety Projects; Neighborhood TSAC Projects.