

CAPITAL IMPROVEMENT EXPENDITURE PROGRAM

BASIS FOR THE PROPOSED BUDGET

SUMMARY

The 2003-04 Proposed Budget for the Capital Improvement Expenditure Program relates to current year funding as follows:

	General Fund	Special Funds	Total	Other Funds *
2002-03 Adopted Budget	\$ 5,485,230	\$ 255,115,326	\$ 260,600,556	\$ 233,257,225
2003-04 Proposed Budget	\$ 12,900,000	\$ 303,303,510	\$ 316,203,510	\$ 257,384,000
Change from 2002-03 Budget	\$ 7,414,770	\$ 48,188,184	\$ 55,602,954	\$ 24,126,775
% Change	135%	19%	21%	10%

* Other funds consist of GO Bonds, MICLA financing and Sanitation Equipment Charge Revenue Fund. The amounts from these funds are provided for informational purposes only.

The Proposed Capital Improvement Expenditure Program (CIEP) provides for the utilization of special funds which are restricted to the construction or improvement of permanent facilities and General Fund financing of necessary capital improvements for which special fund financing is unavailable. The CIEP reflects the first year of the Five Year Capital Program and the Wastewater System Five Year Capital Program for Fiscal Years 2003-04 through 2007-08. These documents will contain additional descriptive information and a complete listing of the projects proposed for funding over the next five years. The projects proposed for funding in the CIEP were selected on a priority basis using criteria such as: 1) recognition of safety or environmental needs; 2) commitment to or coordination with the activities of other agencies; 3) additional service requirements for growing areas; 4) participation with citizens in the funding of assessment act projects; 5) completion or continuation of previously authorized work; 6) protection of previous investment in public works; 7) provision of efficient facilities to support ongoing operations; and, 8) maximization of grant funds.

The CIEP has been separated into three sections for purposes of presentation. Following the summary information is the **Municipal Facilities** category, which includes the construction or improvement of City-owned structures and facilities such as parks, libraries, fire and police stations, yards and shops. Funds for these projects are provided from the General Fund and various special funds. Not included in the Summary Total are projects funded from General Obligation Bonds (GO Bonds), the Sanitation Equipment Charge Revenue Fund or lease financing through the Municipal Improvement Corporation of Los Angeles (MICLA), which are handled outside the budget.

Following the Municipal Facilities Category is the **Physical Plant** category, which includes a variety of street related projects primarily funded by gas tax funds. Additional funds are provided by the Proposition C Anti-Gridlock Transit Improvement Fund, Local Transportation Fund, Stormwater Pollution Abatement Fund and the Street Lighting Maintenance Assessment Fund. These funds will provide for the following types of projects: flood control and pollution abatement, street widening and reconstruction, street lighting, traffic control and bikeways.

Following the Physical Plant Category is the Wastewater System Improvement Program (WSIP), which includes the **Wastewater Facilities** projects funded from the Sewer Construction and Maintenance Fund. The WSIP has been developed as a separate program to reflect the conversion to an enterprise operation to support revenue bonds.

The proposed sources of funds for the Capital Improvement Expenditure Program and the change from the 2002-03 Budget are as follows:

Fund	2002-03 Budget	Change	2003-04 Proposed Budget
General Fund	\$ 5,485,230	\$ 7,414,770	\$ 12,900,000
Proposition C Anti-Gridlock Transit Improvement Fund [1]	3,123,961	757,346	3,881,307
Special Gas Tax Street Improvement Fund	9,031,206	3,295,836	12,327,042
Stormwater Pollution Abatement Fund [2]	3,109,000	2,859,815	5,968,815
Local Transportation Fund	1,991,346	--	1,991,346
Special Parking Revenue Fund	1,504,195	(969,195)	535,000
Street Lighting Maintenance Assessment Fund	5,000,000	1,500,000	6,500,000
Sewer Construction and Maintenance Fund	230,004,000	38,196,000	268,200,000
Industrial/Commercial Revolving Fund – UDAG	--	3,000,000	3,000,000
Park and Recreational Sites and Facilities Fund	<u>1,351,618</u>	<u>(451,618)</u>	<u>900,000</u>
Total General Fund and Special Funds	<u>\$ 260,600,556</u>	<u>\$ 55,602,954</u>	<u>\$ 316,203,510</u>
MICLA – Municipal Facilities [3]	\$ 44,000,000	\$ (1,685,000)	\$ 42,315,000
GO Bonds – Municipal Facilities [3]	176,000,000	29,619,000	205,619,000
Sanitation Equipment Charge (SEC) Revenue Fund – Municipal Facilities [3]	1,700,000	7,750,000	9,450,000
Capital Finance Administration Fund – Municipal Facilities [4]	<u>11,557,225</u>	<u>(11,557,225)</u>	<u>--</u>
Total Other Funds	<u>\$ 233,257,225</u>	<u>\$ 24,126,775</u>	<u>\$ 257,384,000</u>

The following table sets forth the proposed CIEP for 2003-04 by project category, comparing the 2002-03 program to the 2003-04 program:

2003-04 CAPITAL IMPROVEMENT EXPENDITURE PROGRAM

Municipal Facilities Projects	2002-03 Budget	Change	2003-04 Proposed Budget
Buildings & Facilities	\$ 4,850,000	\$ 3,500,000	\$ 8,350,000
Cultural Affairs	50,000	--	50,000
Off-Street Parking	1,504,195	(969,195)	535,000
Recreation and Parks	<u>1,351,618</u>	<u>7,048,382</u>	<u>8,400,000</u>
Total - Municipal Facilities	<u>\$ 7,755,813</u>	<u>\$ 9,579,187</u>	<u>\$ 17,335,000</u>

Physical Plant Projects [5]	2002-03 Budget	Change	2003-04 Proposed Budget
Street Widening and Reconstruction	\$ 5,535,525	\$ 3,586,324	\$ 9,121,849
Street Lighting	7,731,000	1,455,500	9,186,500
Traffic Control	1,060,230	(230)	1,060,000
Miscellaneous	1,323,642	(73,642)	1,250,000
Storm Drains	1,240,000	958,000	2,198,000
Stormwater Pollution Abatement	1,869,000	1,901,815	3,770,815
Bridges & Grade Separations	125,000	--	125,000
Contingencies - Gas Tax Construction [6]	1,500,000	--	1,500,000
Contingencies - Design Fees	465,000	--	465,000
Contingencies - Local Transportation [7]	1,991,346	--	1,991,346
Total - Physical Plant	\$ 22,840,743	\$ 7,827,767	\$ 30,668,510
Wastewater Facilities Projects	\$ 230,004,000	\$ 38,196,000	\$ 268,200,000
TOTAL CAPITAL IMPROVEMENT EXPENDITURE PROGRAM	\$ 260,600,556	\$ 55,602,954	\$ 316,203,510

- [1] The City Administrative Officer may approve changes in the planned utilization of funds between the Special Gas Tax Street Improvement Fund and the Proposition C Fund for Street Projects, and may approve transfers of Contingencies - Gas Tax Construction funds to the Street Projects listed for Proposition C funding.
- [2] The Director of the Bureau of Sanitation may approve modifications to the planned utilization of funds within the Capital Improvement Expenditure Program for the Stormwater Pollution Abatement Fund. The Mayor and the Council must approve any modification exceeding \$250,000.
- [3] MICLA, GO Bonds and SEC Revenue Fund amounts are provided for informational purposes only.
- [4] The Capital Finance Administration (CFA) Fund amount is provided for informational purposes only. The appropriation was provided through the CFA Fund Blue Book.
- [5] The City Administrative Officer may approve transfers within the same fund of \$25,000 or 25 percent of project amounts (whichever is greater), not to exceed \$100,000, to or between eligible capital improvement projects or accounts approved by the Mayor and City Council.
- [6] The City Administrative Officer may approve transfers of any amount from the contingencies - Gas Tax Construction Account to any project listed in the Special Gas Tax Street Improvement Fund or any project previously approved by the Mayor and City Council in the Special Gas Tax Street Improvement Fund.
- [7] Subject to receipt of actual funds from the Los Angeles County Metropolitan Transportation Authority.

