



Multi-Year Capital Planning and Prioritization of Capital Improvement Projects Fiscal Policies

Office of Organizational Performance &
Accountability

Finance Committee

February 14, 2018

RiversideCA.gov

BACKGROUND

1. Fiscal policies establish the framework for managing the City's financial resources and safeguarding the City's assets in compliance with relevant regulatory mandates, industry standards and best practices.
2. October 11, 2017 - the Finance Committee received an update on the status of the City's fiscal policies that were in development at that time.
3. Two fiscal policies discussed in October have been finalized and are being presented today.



2

RiversideCA.gov

DISCUSSION

Multi-Year Capital Planning Fiscal Policy

1. The Government Finance Officers Association (GFOA) recommends that governments adopt a policy that includes the following guidelines:
 - a) Adopt a multi-year Capital Plan spanning at least five years in conjunction with the biennial budget and five-year financial planning processes; and
 - b) The asset or improvement should have a monetary value (cost) of at least \$20,000 and a useful life of at least 10 years.



3

RiversideCA.gov

DISCUSSION

Multi-Year Capital Planning Fiscal Policy

2. The Capital Plan should incorporate the following elements as relevant and appropriate:
 - a) Assessment of the physical condition of existing capital assets;
 - b) Economic development projections, strategic plans, comprehensive plans, facility master plans, and changes in government regulations;
 - c) Prioritization of capital needs based on established policy; and
 - d) Financial strategies and sources of funding for acquisition or improvements, and subsequent ongoing operation and maintenance costs.



4

RiversideCA.gov

DISCUSSION

Prioritization of Capital Improvement Projects Fiscal Policy

1. The Government Finance Officers Association (GFOA) recommends that governments establish an objective process for prioritizing capital improvement projects;
2. Prioritization of capital improvement projects is intended to give decision-makers a basis for choosing the most compelling projects for funding and implementation;



5

RiversideCA.gov

DISCUSSION

Prioritization of Capital Improvement Projects Fiscal Policy

3. Prioritizing capital improvement projects should be consistent with the General Plan, and in conjunction with the biennial budget process or otherwise as capital funding becomes available; and



6

RiversideCA.gov

DISCUSSION

Prioritization of Capital Improvement Projects Fiscal Policy

3. Based on the following factors:

- a) Risk to Health, Safety and Environment;
- b) Regulatory or Mandated Requirements;
- c) Asset Condition, Annual Recurring Costs & Longevity;
- d) Community Investment & Economic Prosperity;
- e) Level and Quality of Service;
- f) Sustainability and Conservation;
- g) Funding Availability;
- h) Project Readiness; and
- i) Multiple Category Benefit & Bundling Opportunities



7

RiversideCA.gov

RECOMMENDATIONS

That the Finance Committee review, provide input on and recommend to the City Council approval of the proposed:

1. Multi-Year Capital Planning Fiscal Policy; and
2. Prioritization of Capital Improvement Projects Fiscal Policy.



8

RiversideCA.gov