



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

Office of Organizational Performance &
Accountability

City Council
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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.
4. The Finance Committee met on February 14, 2018, and unanimously recommended the two fiscal policies for the City Council.

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DISCUSSION

Multi-Year Capital Planning Fiscal Policy

1. The Government Finance Officers Association (GFOA) recommends that state and local governments adopt comprehensive, fiscally sustainable, multi-year capital plans;
2. This policy requires the City to adopt a multi-year Capital Plan spanning at least five years in conjunction with the biennial budget and five-year financial planning processes;
3. To qualify as a capital project, the asset or improvement should have a monetary value (cost) of at least \$20,000 and a useful life of at least 10 years;



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DISCUSSION

Multi-Year Capital Planning Fiscal Policy

4. 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/maintenance costs.



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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;



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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;



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DISCUSSION

Prioritization of Capital Improvement Projects Fiscal Policy

4. Projects should be prioritized using the following factors:
- a) Risk to Health, Safety a 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.



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RECOMMENDATIONS

That the City Council receive, review and approve the proposed:

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



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