



# City of San Marcos

## Planning and Zoning Commission

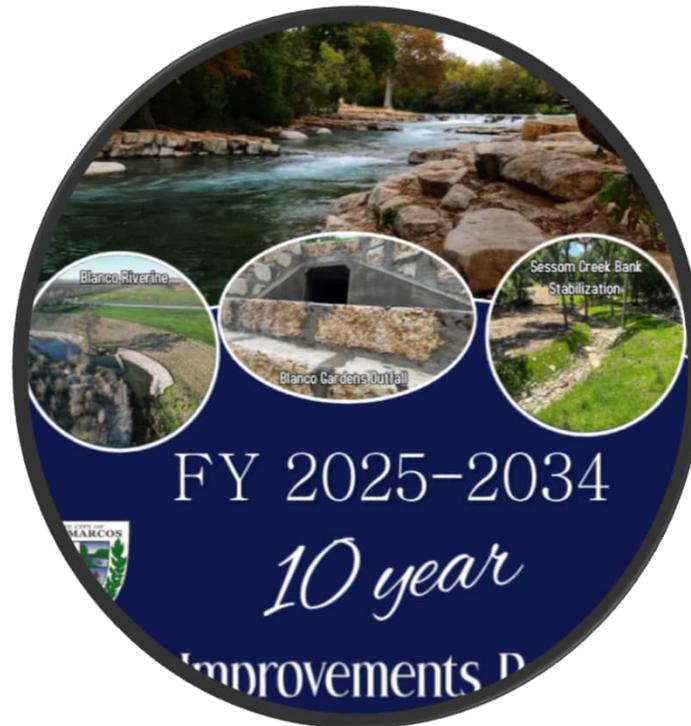
Shaun Condor, PE – Director of Engineering and CIP

April 9, 2024



# Purpose of today's meeting

- To hold a public hearing and discussion about the FY 2025 Capital Improvements Program (CIP).





# Capital Improvements Program

- Multi-year financial **planning tool** used to identify and plan for major capital projects
- Address growth, transportation, public safety, and utility infrastructure issues in conjunction with goals and priorities as determined by City Council.
- The adoption of the CIP and its **1<sup>st</sup> year of funding** coincides with the adoption of the budget and uses a ten-year projection
  - Before requesting funding, all projects in year 1 are evaluated for:
    - Project Readiness
    - Staff Work Load
    - City Ability to Fund The Project
  - **In FY25, “Ability to Fund” takes over the driver seat on a project moving forward**

# CIP Funding Challenges



- Utility Debt Models : Our debt does not drop off until 2028/2029
- Construction Cost : Dramatic increase since COVID; nearly 50% increase
- Scope Creep: Project scopes are becoming more complex and larger

Fund	FY 2025	FY 2026 +
General	\$16.0M	± \$20M
Storm	\$17.7M	± \$2M
Water/Wastewater	\$53.2M*	± \$10M
Electric	\$8.4M	±\$10M
Total	<u>\$85.0</u>	±\$42M

*\*Staff is working on alternative funding methods with Developers*



# Typical Life Cycle of a project

- Simple Project = \$200K - \$1M
  - 3 – 4 Year
- Complex Project = \$1M - \$10M
  - 5 – 7 Years
- Very Complex Project = \$10M +
  - 8-10 Years

## Important Notes:

- Last Year Is For Construction
- We program “best case scenario”
- As challenges arise, construction funding is delayed until the project is ready



Scope

Funding

Design

Construction

Complete



# Input Clarification

- **Input Seeking**
  - Is the project description clear?
  - Any high priority projects?
  - Any projects that should be considered for the 2028 bond election?
  - Recommendation in Years 2-10 are less impactful to the 10-year CIP than requests to Year 1
- **Not Seeking Input**
  - Budget Amount
  - Balancing workload
  - Staff will shift a project out to balance the workload
  - Be aware that for a project to move up; something equivalent must move out

# Next Steps



TODAY- Public Hearing & Discussion Item

Apr 23<sup>rd</sup> – P&Z Action on Recommendation to City Council

May 21<sup>st</sup> – City Council Receives P&Z Recommendation

May - Aug – City Council Budget Workshops

Sept - Budget Adoption by City Council including the FY25 CIP Projects

# Questions



- Location of CIP
  - Digital Copy & Interactive Map
    - <http://www.sanmarcostx.gov/366/10-Year-Capital-Improvements-Plan>
    - City Of San Marcos Webpage > Departments > Engineering > 10 Year Capital Improvements Program
  - Hard Copy
    - San Marcos Public Library, 625 E. Hopkins, during normal library hours: San Marcos Public Library Services
    - Engineering and Capital Improvements office located at 630 E. Hopkins, San Marcos TX 78666; Monday – Friday, 8:00 am – 5:00 pm

