

December 13, 2010

Report to the Bellingham City Council
from the

CAPITAL FACILITIES TASK FORCE

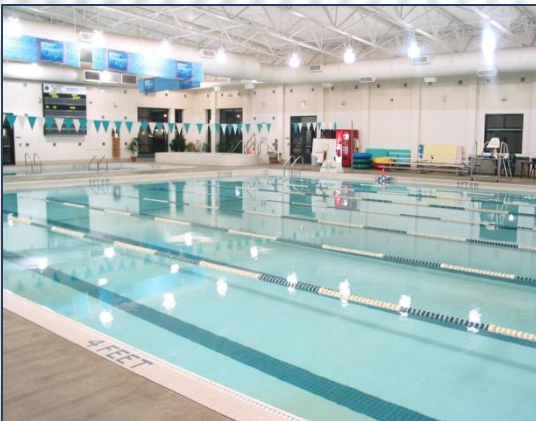
TODAY'S PRESENTATION COVERS ...

- Introduction
- Charge to the task force
- Guiding Principles and Directives
- Priority capital projects
- Debt capacity modeling



CFTF A DIVERSE GROUP

- Mark Asmundson, Bruce Clawson, Karen Funston, Eric Hirst, Andy Law, Scott Miles, Edie Norton, Barbara Ryan, John Stewart, Greg Sundberg; plus Terry Bornemann, Stan Snapp and Michael Lilliquist
- Thanks to John Carter, CoB Dept. Heads (esp. Ted Carlson), Linda Anderson, and Janice Keller



CHARGE TO TASK FORCE

- What facilities do we need most?
- How will we pay for them?
 - Accounting for major recession



GUIDING PRINCIPLES

1. Make fully-informed decisions
2. Be prudent
3. Pursue alternatives
4. Protect basic assets and services
5. Where and how we build matters



1. MAKE FULLY-INFORMED DECISIONS

1. Analytical tools to measure financial options
2. Inventory existing assets
3. Identify drivers of capital
 - e.g., replace existing assets, change type/quality of services, infrastructure for new developments
4. Evaluate full costs for existing and proposed capital projects
 - e.g., O&M, technology, environment,



2. BE PRUDENT

1. Fix it first: focus on existing infrastructure
2. Maintain reserve funds
3. Know when to say no
4. Focus on progressive funding mechanisms
5. Partner with other local govts. and others



3. PURSUE ALTERNATIVES TO CAPITAL

1. Educate public to delay/reduce capital costs
2. Upgrade/improve facilities rather than build new
3. Use best technologies to manage (lower) resource demand
 - e.g., seasonal pricing for water



4. PROTECT BASIC ASSETS AND SERVICES

1. Public health and safety top priority
2. Provide safe and efficient work environment for city employees
3. Provide services/facilities that meet legal mandates
4. Establish realistic levels of service



5. WHERE AND HOW WE BUILD MATTERS

1. Locate facilities near urban centers
2. Co-locate facilities and share assets to cut need for multiple buildings
3. Create facilities capable of flexible uses
4. Locate facilities to encourage alternative transportation uses
5. Encourage intentional design and green buildings



DEBT CAPACITY MODELING

- Existing revenue streams are insufficient
- Prioritization is essential
- Deeper analysis required
- City should develop long-term funding plan



PRIORITY CAPITAL PROJECTS

- Prioritization necessary to meet responsibilities
- Developed w/ Guiding Principles
- Facilitated process of nominating, discussion, ranking & review
- General Fund & Enterprise Fund priorities
- All items in list should be considered high priority
- Item not on the list have not been “rejected”
- Complete in next 20 years



GENERAL FUND PRIORITY PROJECTS

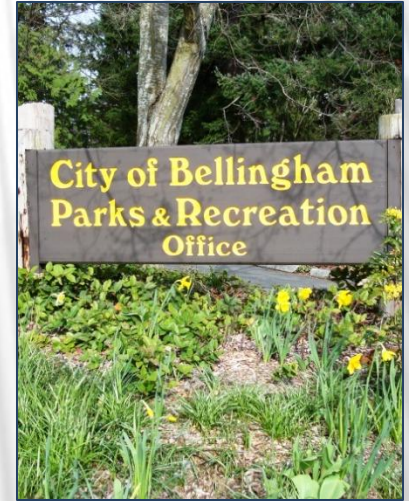
- 1. Maintain/repair existing city streets**
- 2. Restore/protect Lake Whatcom Reservoir watershed**
- 3. Develop library system plan**
- 4. Implement Phase 1 of Waterfront Master Plan**
- 5. Focus on use/maintenance of existing city buildings**
- 6. Implement master plan for city-wide information management**
- 7. Improve safety and multi-modal options on existing streets**

ENTERPRISE FUND PRIORITY PROJECTS

- 1. Maintain and replace water and sewer mains and stormwater infrastructure.**
- 2. Upgrade wastewater treatment plant**
- 3. Address stormwater treatment and collection facilities citywide**
- 4. Install meters for all water customers**

CONCLUDING REMARKS

- Task force worked during worst recession in 7 decades
 - Funding for projects likely scarce for several years
 - Major projects need voter-approved sources
- Highest priority is more homework, analysis of
 - Drivers of capital costs
 - Existing assets, costs, alternative uses
- Highest capital priority is preserving existing assets
- Pursue new initiatives very cautiously



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More information at www.cob.org