



CAPITAL IMPROVEMENTS





CAPITAL IMPROVEMENTS ELEMENT

TABLE OF CONTENTS

Introduction _____	CIE DIA - 1
Revenue Sources _____	CIE DIA - 2
Financing Mechanisms _____	CIE DIA - 3
Level of Service Standards _____	CIE DIA - 3
Capital Improvements Program _____	CIE DIA - 3
Guidelines for Prioritizing Capital Improvements Projects _____	CIE DIA - 4
Capital Improvements Spending Categories _____	CIE DIA - 4
Capital Improvements Plan _____	CIE DIA - 6
Review, Monitoring, and Evaluation _____	CIE DIA - 7
Fiscal Assessment _____	CIE DIA - 8
Recommendations _____	CIE DIA - 11

LIST OF TABLES

TABLE CIE-A General Sources of Revenue _____	CIE DIA - 2
TABLE CIE-B Capital Improvements Criteria _____	CIE DIA - 3
TABLE CIE-C General Fund Revenues and Expenditures _____	CIE DIA - 8
TABLE CIE-D FY 17/18 General Fund Revenue _____	CIE DIA - 9
TABLE CIE-E FY 17/18 General Fund Expenditures _____	CIE DIA - 10



CAPITAL IMPROVEMENTS ELEMENT

INTRODUCTION

The Capital Improvements Element establishes standards and principles that guide the allocation of City resources to provide high quality public infrastructure and facilities to meet the health, safety, and welfare needs of all residents.

The capital planning process and the Capital Improvement Program provide procedures for identifying, evaluating, and implementing current and future capital projects. The capital planning process provides an orderly and routine method of proposing, planning, and financing capital improvements, and also makes capital expenditures more responsive to community needs by informing and involving the public in programming and approval.

The City of Delray Beach updates its Capital Improvements Program annually, with the annual budget, to effectively guide the City in planning and implementing capital improvements. Capital improvements are the construction of new facilities or repairs to existing facilities, such as roadways, parks, water and sewer systems, and City buildings. As Delray Beach continues to flourish and redevelop, many programmed improvements focus on maintaining the established levels of service for existing facilities through renewal or replacement, and the correction of deficiencies in existing systems. These improvements are often part of on-going programs, funded annually, such as street resurfacing. In some cases, replacement of existing systems is provided through new facilities. These improvements are identified in master plans (water, sewer, stormwater, etc.) that are designed to improve, expand, or more efficiently provide the established level of service and meet the quality-of-life desires of the community.

In 1989, the City had significant challenges with infrastructure and capital projects. Water lines previously installed were undersized and deteriorating due to age. Some areas of the city had low water pressure. Sewer transmission lines had high levels of salt

content, and the city was experiencing saltwater intrusion. Storm water flooding was significant in several areas. Streets and sidewalks were in a poor state of repair or non-existent in several areas. The City's major roadways were also deteriorating, having a negative impact on the City's image and was discouraging visits to and investment in the downtown area.

That same year, the City took action and approved the "Decade of Excellence Bond" to make critical improvements to City infrastructure to usher in a new chapter in the City. Those projects were the catalyst to a revitalized Downtown, which has maintained its desirability as a destination to this day. The City also established annual renewal and replacement funding to improve and maintain the infrastructure that was in place or being installed during this period. Instead of focusing on dollars from new development, the City focused more on improving values of existing real estate. By improving infrastructure and beautifying areas of the city, private investment in the city followed and a demand was created for vacant buildings, improving the overall image and reputation of the city. The private investment in Delray Beach has continued over the last three decades, but work is still necessary to address infrastructure needs and continue to address the quality-of-life expected by residents and visitors.

In 2017, the City approved a revenue bond based on projected revenue from the one cent sales tax passed across Palm Beach County for schools and municipal governments. The City will use the funds for a range of municipal needs, including a new fire station to replace the 50-year old station on Linton Boulevard, sidewalk, roadway and infrastructure improvements, and the final phase of the Beach Master Plan. City schools will also benefit from the School District's use of the sales tax funding, including fixing deferred maintenance in all schools, kitchen expansion at Village Academy, and expansion of Plumosa to a K through 8 program.



CAPITAL IMPROVEMENTS ELEMENT

REVENUE SOURCES

The City receives revenue from the following major sources each fiscal year starting October 1, and ending September 30, which are described in detail in the approved budget. In addition, the City administers the revenues from the Delray Beach Community Redevelopment Agency (CRA), which provides funds for projects within the CRA boundary.

Table CIE-A General Sources of Revenue	
Ad Valorem Property Taxes	\$6.9611 per \$1,000 of assessed valuation
Sales/Use Taxes	County gas tax levy on motor and special fuel
Utility Taxes	Taxes imposed on electricity and metered or bottled gas.
Other Taxes	Communication Service Tax Act, comprised of the Local Option Tax and State Tax
Licenses & Permits	This category includes fees collected for providing services such as beach cabanas or valet parking.
Intergovernmental Revenue	City's distribution by the State of Florida for State sales and gas taxes, the Half-Cent State Sales Tax, and mobile home license taxes. Also included in this category are County, State, and Federal grants for the Children's Services Council, Community Policing Officer Grant Program, and the Parks and Recreation after school programs.
Charges for Services	Revenues derived from a variety of governmental services to include public safety services (Fire/Emergency Medical Services) to Highland Beach and Gulf Stream, parking fees, parks and recreation fees, and development applications.
Fines & Forfeitures	Fines for traffic violations, non-compliance with building regulations and codes, and late payment of property taxes.
Miscellaneous	Interest earnings, collections from vending machines, license fees for the Riverboat, contributions from other entities for expenses, transfers from other funds of the City, and funding from the Drug Enforcement Agency and Community Action Foundation.
Other Revenues	
Connection Fees	Water/Sewer
Enterprise Funds	Stormwater Utility Fund Water and Sewer Fund Sanitation Fund Municipal Marina Fund Delray Beach Municipal Golf Course Fund Lakeview Golf Course Fund
Special Revenue Funds	
Law Enforcement Trust Fund	Forfeitures of confiscated property by Police Department
Community Development Fund	Federal, state and local (County) grants to improve targeted areas of the city
Beautification Fund	1.2% utility tax for landscape installation and maintenance of beautification on median strips and other landscaped areas
Community Development Block Grant	Funds from a federal entitlement program to support low- and moderate-income residents
Recreation Impact Fee Fund	Impact fees from new residential unit construction
Beach Restoration Fund	Fund to provide project costs until reimbursement is received. There is an interlocal agreement with Palm Beach County that provides for funding of the local share of project costs. This agreement extends through the year 2023.
Special Projects Fund	In lieu of parking fees, parking license fees, and public arts program fees.
Building Permit and Inspection Fund	Fees collected from building permits and inspections



CAPITAL IMPROVEMENTS ELEMENT

FINANCING MECHANISMS

The financing methods in use by the City include:

- ✿ "Pay-as-you-go" from operating and non-operating revenues
- ✿ Short-term and long-term borrowing from banks using operating revenues
- ✿ Short-term capital leasing
- ✿ Developer contributions
- ✿ Donations
- ✿ Interim-term borrowing from banks using operating revenues
- ✿ Grants, both participating and non-participating
- ✿ Long-term borrowing from municipal bond sales paid for by operating revenues:
- ✿ Two outstanding general obligation bonds
 - Two outstanding special revenue bonds
 - Four outstanding water and sewer revenue bonds

LEVEL OF SERVICE STANDARDS

Level of service (LOS) standards are established to ensure that adequate facility capacity will be maintained for the current population and also provided to address the increased demand generated by future development (as required by F.S. Section 163.3202(2)(g)). The City has adopted level

of service standards for transportation, potable water, sanitary sewer, drainage (stormwater management), and solid waste (garbage and recycling). The adopted level of service standards are listed in **Table CIE-2 "Level of Service Standards"** within the Capital Improvements Element Goals, Objectives, and Policies. These LOS standards are established to guide the City in prioritizing capital improvements. The LOS standards are regularly evaluated, and specific projects are identified to address existing or projected deficiencies or projected future needs.

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvements program includes methods of collecting public input, criteria to determine public purpose of potential improvements, guidelines to help prioritize identified improvements, and the Capital Improvement Plan, which is the adopted list of projects over \$25,000 in cost that are planned for the next five years. The program considers the priorities and goals of the City Commission along with projects identified in adopted neighborhood and redevelopment plans, as well as input from the advisory boards and the residents (some of which are submitted during the Annual Infrastructure Hearing process).

Table CIE-B Capital Improvements Criteria	
Criteria Description	Criteria Measurements
Supports Objectives of the City Commission	<ul style="list-style-type: none"> ✿ Supports formally adopted plans or actions by the Commission. ✿ Supports long-term goals established by the Commission.
Maintains What The City Has	<ul style="list-style-type: none"> ✿ Public Safety ✿ Replacing or repairing our existing assets ✿ Maintaining current level of service ✿ Reducing maintenance costs
Project Enhancements and Improvements	<ul style="list-style-type: none"> ✿ Enhance and/or improve current services ✿ Create new revenues ✿ Streamlining operations through technology
Leverages City Resources	<ul style="list-style-type: none"> ✿ Apply for grants and low cost loans ✿ Engage in joint projects with our partners ✿ Encouraging projects which spur smart economic growth
New Construction/Projects	<ul style="list-style-type: none"> ✿ Complete neighborhood improvements
Source: City of Delray Beach	



CAPITAL IMPROVEMENTS ELEMENT

GUIDELINES FOR PRIORITIZING CAPITAL IMPROVEMENTS PROJECTS

The projects included in the Capital Improvements Plan are considered using initial vetting based upon:

- (1) The correction of a health hazard,
- (2) The correction of a deficiency,
- (3) The replacement of an existing facility,
- (4) And/or projected need to accommodate new or expanded development.

In addition to correcting deficiencies and maintaining level of service standards, the City considers the *Guidelines for Prioritizing Capital Improvement Projects* (Guidelines). The City Guidelines establish a hierarchy: **Critical Items**, **Mandatory Items**, and **Desirable Items**. The hierarchy expressed in the Guidelines is followed in the development of both the annual Capital Improvements Budget and the Five-Year Capital Improvement Plan.

Critical Items

Critical items are those that must be satisfied in the current fiscal year (or year one of the Capital Improvements Plan). The projects are necessary for the continued operations of the City and to maintain the regular delivery of services to the community. These items may force changes in project priority, displacing or delaying scheduled capital projects.

The most important of these items are correcting service interruptions. Service interruptions include any failure in the physical systems of the City that prevent the delivery of a service. For example, major potable water system breaks or the failure of the emergency communication system that would prevent service delivery to a portion or all of the community. These interruptions are usually unforeseen, but will take precedence over any other programmed project.

Other critical (short-term, immediate) needs could include projects related the following issues:

- Storm damage
- Facility damage (leaks, roof collapse, etc.)
- Facility contamination

- Emergency equipment breakdown or damage
- Unforeseen, one-time circumstances
- Severe neighborhood flooding
- Structural integrity of public facilities

Mandatory Items

Mandatory items are short term needs that should be satisfied within one year. Similar to critical needs, they are necessary for the continued operation of the City and the regular delivery of services to the community. Unlike critical needs, these items will not necessarily displace other planned projects, and can be planned ahead. Examples of such needs are:

- Upgrading infrastructure to meet the adopted LOS standard
- Corrections of deficiencies in internal (operations) infrastructure
- Correction of deficiencies in external infrastructure
- Legal/contractual requirements and commitments, bond covenants and commitments to capital projects after bonds are sold, annexation agreements, and grant requirements
- Maintenance of infrastructure

Desirable Items

Desirable items are the long-term needs identified by the community to maintain and improve quality of life. These needs should be satisfied in a time frame that exceeds one year and can be planned for the most efficient use of available funds. Examples of such needs include:

- Extension of infrastructure to areas where none exists
- Improvements to the efficiency of service provision or to productivity
- Provision of new services and facilities
- Upgrading outdated technology

CAPITAL IMPROVEMENT SPENDING CATEGORIES

A city growing through reinvestment and redevelopment, such as Delray Beach, has different priorities for infrastructure projects compared to a community with large vacant areas with virtually no infrastructure. Major infrastructure systems, such as water, sewer and roads, are already in place. Capacity for



CAPITAL IMPROVEMENTS ELEMENT

major systems such as water and wastewater treatment, street networks, and stormwater conveyance are largely available to serve the existing population. These facilities need to be monitored for future upgrades or capacity deficiencies to serve the projected population.

The City continues to work with new developments and redevelopments to ensure upgrades are programmed for impacted facilities to maintain established LOS. The City's primary focus has shifted from accommodating new development to preparing for future sustainability and resilience of all existing and future systems and addressing impacts of redevelopment. The City is also addressing deficiencies and infrastructure needs in specific neighborhoods to assure that all parts of the city receive the same level of service and achieve the highest quality-of-life desired by the community.

The Capital Improvement Plan is prepared annually in coordination with the annual budget and contains updated and/or new projects for the next five years, with projects programmed for year one and planned for years two through five. This process reflects continued investment to provide for the health, safety and quality-of-life of Delray Beach residents and visitors. To assist in balancing and prioritizing needs across the city, projects are identified by one of the following "spending categories:"

Facilities

- a. Government Facilities. Government facilities with primarily government employee occupancy.
- b. Stormwater Management. Improves drainage conditions and reduces flooding.
- c. Parks. Buildings, grounds and/or recreational facilities within a park.
- d. Mobility. Widening or reconfiguring roads; interchanges, overpasses and intersection improvements; road resurfacing; sidewalks and bike paths repair and installation; and, landscaping, tree planting, lighting, and streetscape improvements.

Technology

- a. Government Services / Facilities – Hardware or software that improves the level of service of government services and facilities.
- b. Mobility – Hardware or software improving transportation systems or mobility within the city.
- c. Economic Development – Infrastructure investment advancing the city's businesses or attracting new businesses, consistent with the city's economic development goals.

Economic Development

- a. Private Development Support – Provision of grants and loans for public infrastructure and project development.
- b. Targeted Economic Development – Stimulates private investment through investment in public infrastructure, public transportation, or other public facilities.

Public Safety / Quality of Life

- a. Public Safety –Relating to public safety, including facilities.
- b. Quality of Life –Promote or improve the environment for the citizens of Delray Beach (e.g. water treatment plants).

Sustainability / Resiliency

- a. Addresses sustainability initiatives, such as green buildings, and resiliency needs, such as infrastructure needed to address the effects of climate change.

Project Phases

A typical capital project is planned and executed in the following phases:

- a) *Project Development* – Identify project requirements and define a project's work scope including preliminary design studies, permitting requirements, data collection, public involvement, legal and technical documentation, cost estimates, environmental impacts, and assessment of alternatives.
- b) *Engineering/Design* – Design a project in accordance with the scope of work set forth in the project development



CAPITAL IMPROVEMENTS ELEMENT

phase. This includes legal and technical documentation, constructability review, data collection, advertising, assessment of alternatives related to project design, construction management services, and bid reviews.

- c) *Land* – This may include the purchase of land, easements, and/or right-of-way. This also includes surveys, appraisals, environmental audit, permitting, legal costs, maps, charts, aerial photography, and other costs such as wetlands restoration.
- d) *Construction* – All construction related tasks required to place a project in service. This includes project construction contracts, professional and technical assistance, advertising, legal and technical documentation, inspections, testing, and permitting.
- e) *Contract Administration* – This includes in-house project management, supervision and administration of capital projects. Administration includes project design, technical reviews, construction management, construction inspection, technical specifications, surveying and mapping, cost of preparing reports and maintaining the capital projects log/management information system, eminent domain, contract management, monitoring, and processing the related financial transactions.

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan (CIP) is a listing of the projects with capital expenditures over \$25,000 that the City plans to initiate over the next five fiscal years. The Capital Improvement Budget (CIB) is the first year of that plan, to which the City Commission commits funding as part of the adopted annual budget.

Table CIE -1 ~ Capital Improvements Plan is the Five-Year Capital Improvements Schedule of Projects > \$25,000 and is adopted by ordinance annually in the Goals, Objectives and Policies of the Element. This table lists the projects that the City has identified throughout

the various elements to support its adopted LOS for the next five years.

The Capital Improvements Plan is the implementation mechanism for the Capital Improvements Element. The schedule includes the timing, location, projected costs, and revenue sources for funding the projects. The Capital Improvements Plan is updated each year, and the CIE is amended to reflect completed projects and new improvements at this time. The data for the schedule is based upon the inventory and assessments of facilities.

The Fiscal Year (FY) 2018 – 2023 Capital Improvements Plan contains projects for the FY 2018/19 Capital Improvements Budget from various City departments and agencies. The entire CIP budget totals \$211.84 million for the next five years. The attached current adopted CIP (FY 2017-18 through FY 2021-22) and proposed CIP (FY2018-19 – FY2022-23) are organized by funds, and then line items. Line items can be individual project (i.e. Osceola Park Improvements), or annual allocations for repair and replacement such as “Vehicle Replacement”. Expenditures on current projects which are not completed in the current fiscal year will “carry over” into the next fiscal year. The CIP outlines the project costs, the funding sources, and the estimated future operating costs/savings associated with each capital improvement. The CIP is designed to ensure that capital improvements will be made when and where they are needed. The current adopted plan includes the following major projects:

- a) Osceola Park Improvements \$13,000,000
- b) Roadway Construction: \$5,000,000
- c) City Seawall Renovation: \$3,500,000
- d) Reclaimed Water Expansion: \$8,025,000
- e) Stormwater Improvements: \$8,166,395



CAPITAL IMPROVEMENTS ELEMENT

REVIEW, MONITORING, & EVALUATION

Monitoring and evaluation of the Capital Improvements Element is necessary to ensure effectiveness and to update progress on projects and needs. The Capital Improvements Plan is reviewed annually to program projects that provide or upgrade facilities so that service is available concurrent with the impacts of growth and development and maintain adopted levels of service (Chapter 163 (Part II), F.S.).

The monitoring and evaluating progress on the projects contained in the Capital Improvements Plan is accomplished by multiple departments in conjunction with the Finance Department. The resulting recommendations are formally reviewed by the Planning and Zoning Board (also referred to as the Local Planning Agency) on an annual basis prior to action by the City Commission. The steps of the annual review shall be as follows:

1. All appropriate departments shall report the status of approved capital projects, projects that are scheduled for the next fiscal year, and any changes that are desired in the schedule of capital improvements. The departments shall also provide an update of their individual capital improvement programs.
2. Departments also prepare and submit a request for any new projects, and prioritize all Capital Improvements Plan projects and requests.
3. Projects and changes which can be accommodated through the normal budget review and adoption process are identified. Those projects which require a change to the schedule of improvements are also identified.
4. The projects are then reviewed for prioritization, reasonableness related to costs, operating budget and level of service impact.

5. As a part of the annual budget preparation process, the Planning and Zoning Board (Local Planning Agency) reviews the Capital Improvement Plan and Capital Improvement Budget at a public meeting and issues its findings as to consistency of individual projects with the Comprehensive Plan by providing a recommendation to the City Commission. All projects included in the Capital Budget must be found consistent with the Comprehensive Plan.

The annual review process addresses:

- public hazards
- existing capacity deficits
- locational needs based upon projected growth patterns
- new development or redevelopment service demands
- Current and future concurrency status

In addition to City staff review, the City hosts an Annual Infrastructure Hearing to solicit input from the public regarding needed improvements. This process assists in raising awareness of neighborhood needs or new deficiencies. The Plan stipulates the hearing be held in winter months to maximize public participation in the process. The Planning and Zoning Board (acting as the Local Planning Agency) hosts the opening of the comment period in a public hearing. Ultimately, the board reviews the comments collected and officially forwards the requests to the City Commission for consideration as part of the annual budgeting process.



CAPITAL IMPROVEMENTS ELEMENT

FISCAL ASSESSMENT

A current review of the General Fund and Enterprise Funds finds that capital improvement implementation needs could be accomplished without additional bonds, and the attendant impacts upon operating costs can be met with conservative increases in revenue. A five-year Forecast of General Fund Revenues and Expenses is provided in Table CIE - C.

The table outlines the City's forecast of general fund revenues and expenses for FY 2020 through FY 2022. The forecast shows the potential for challenging future budget preparation as growth in expenditures are expected to outpace growth in revenues. These projections are based on a series of conservative assumptions and do not reflect actions the City will take during this period to close the projected gaps.

Table CIE-C
5-Year Forecast of General Fund Revenues and Expenses

CATEGORY/DEPARTMENT	2017 Actual	2018 Revised	2019 Budget	2020 Projeccion	2021 Projection	2022 Projection
REVENUES						
Taxes	71,264,434	75,717,366	79,799,477	81,794,464	83,839,326	85,935,309
Franchises, Licenses and Permits	14,479,778	12,629,304	13,134,049	13,462,400	13,798,960	14,143,934
Intergovernmental	7,610,863	7,722,564	7,929,881	8,128,128	8,331,331	8,539,615
Charges for Services	11,909,744	12,306,886	13,682,332	14,024,390	14,375,000	14,734,375
Fines and Forfeitures	1,203,779	1,290,039	1,302,000	1,334,550	1,367,914	1,402,112
Miscellaneous	10,099,787	12,177,145	9,892,696	10,140,013	10,393,514	10,653,352
Transfers In	3,591,728	4,063,060	4,172,374	4,276,683	4,383,600	4,493,190
Total Revenues	120,160,113	125,906,364	129,912,809	133,160,629	136,489,645	139,901,886
EXPENSES						
General Government	11,377,712	14,231,322	14,732,881	15,101,203	15,478,733	15,865,701
Police Department	32,441,781	32,536,553	35,248,621	38,186,258	39,140,914	40,119,437
Fire Department	27,428,806	29,583,733	30,950,528	33,528,001	34,366,201	35,225,356
Community Improvement	2,338,760	2,938,863	3,177,516	3,256,954	3,338,378	3,421,837
Building Inspection	2,066,979	2,278,739	2,905,424	2,978,060	3,052,511	3,128,824
Public Works	6,548,164	11,017,747	11,879,161	12,176,140	12,480,544	12,792,557
Parks & Recreation	11,636,500	13,032,976	11,170,466	12,354,728	12,663,596	12,980,186
Grants	11,884,048	13,803,011	15,009,674	15,537,166	16,085,685	16,656,071
Debt Service	1,469,648	2,024,323	1,913,128	1,960,956	2,009,980	2,060,230
Miscellaneous	171,996	242,260	46,260	47,417	48,602	49,817
Contingency	0	1,338,860	368,000	750,000	750,000	750,000
Capital	0	0	0	0	0	0
Transfers Out	9,661,642	9,161,338	5,659,591	5,801,081	5,946,108	6,094,760
Total Expenses	117,026,035	132,189,725	133,061,250	141,677,962	145,361,252	149,144,777
REVENUES OVER/(UNDER) EXPENSES	3,134,078	(6,283,361)	(3,148,441)	(8,517,333)	(8,871,607)	(9,242,891)



CAPITAL IMPROVEMENTS ELEMENT

General Fund Revenues

Revenues come from a variety of sources, but are ultimately paid by the citizens. A large part of revenues are received in the form of local, state and federal taxes; charges for services or user fees; and fines and forfeitures. The largest source of revenue is derived from taxes. These taxes include a \$6.7611 property tax levy per \$1,000 of assessed value. Other taxes include utility taxes, such as those appearing on your monthly electric bills, the City's portion of the County gas tax on motor fuel and the Communications Services Tax.

Where the Money Comes From

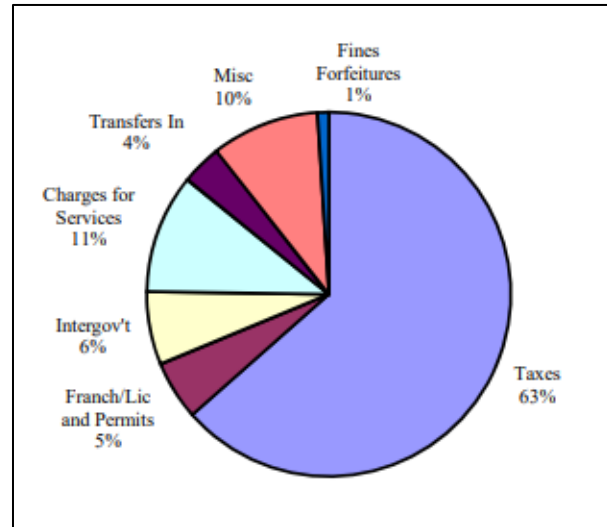


Table CIE-D 2017 – 2018 General Fund Revenues				
Revenues	2017 Actual	2018 Revised	2019 Budget	% Change FY 18 to 19
Cash Balances Brought Forward:				
Prior Year Surplus	\$ -	\$ 6,274,361	\$ 3,148,441	NA
Revenues:				
Taxes	71,264,434	75,717,366	79,799,477	5.39%
Franchises, Licenses and Permits	14,479,788	12,629,304	13,134,049	4.00%
Intergovernmental	7,610,863	7,722,564	7,929,881	2.68%
Charges for Services	11,909,744	12,306,886	13,682,332	11.18%
Fines and Forfeitures	1,203,779	1,299,039	1,302,000	0.23%
Miscellaneous	10,099,787	12,177,145	9,892,696	-18.76%
Total Revenues	116,568,395	121,852,304	125,740,435	3.19%
Other Financing Sources:				
Operating transfers in	3,591,728	4,063,060	4,172,374	2.69%
Total Other Sources	3,591,728	4,063,060	4,172,374	2.69%
Total Revenue & Other Sources	\$ 120,160,123	\$ 132,189,725	\$ 133,061,250	0.66%
Source: City of Delray Beach Annual Budget				



CAPITAL IMPROVEMENTS ELEMENT

General Fund Expenditures

A large part of the services provided on a day-to-day basis are funded through the General Fund. This fund includes police and fire protection, code enforcement, street maintenance and maintenance of the City's grounds, parks and facilities, as well as the less visible services such as the executive management of the City, financial accounting, legal counsel, and development services, such as permitting, plan review, and long range planning.

To fund unforeseen critical needs and provide cash flow prior to the receipt of ad valorem tax distribution, the City will continue its policy to maintain a general fund reserve of at least 25% of the recurring annual operating budget, excluding major one-time costs such as those related to bonding, should be maintained.

Where the Money Goes

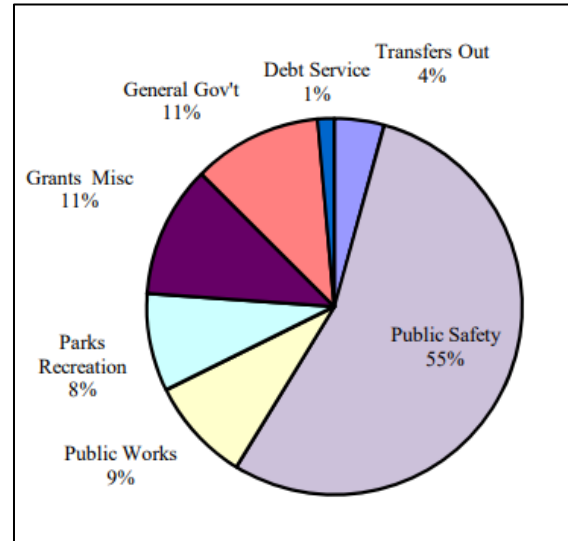


Table CIE-E
2017 – 2018 General Fund Expenditures

Expenditures	2017 Actual	2018 Revised	2019 Budget	% Change FY 18 to 19
Expenditures:				
General Government	\$ 11,377,712	\$ 14,231,322	\$ 14,732,881	3.52%
Public Safety	64,276,326	67,337,888	72,282,089	7.34%
Public Works	6,548,164	11,017,747	11,879,161	7.82%
Parks & Recreation	11,636,500	13,032,976	11,170,466	-14.29%
Grants	11,884,048	13,803,011	15,009,674	8.74%
Debt Service	1,469,648	2,024,323	1,913,128	-5.49%
Miscellaneous	171,996	242,260	46,260	-80.90%
Land Acquisition and costs	-	-	-	NA
Contingency	-	1,338,860	368,000	NA
Total Expenditures	107,364,393	123,028,387	127,401,659	3.55%
Bond Refinancing	-	-	-	NA
Other Financing Uses:				
Operating transfers out	9,661,642	9,161,338	5,659,591	-38.22%
Total Other Uses	9,661,642	9,161,338	5,659,591	-38.22%
Total Expenditures & Other Uses	\$ 117,026,035	\$ 132,189,725	\$ 133,061,250	0.66%

Source: City of Delray Beach Annual Budget



CAPITAL IMPROVEMENTS ELEMENT

RECOMMENDATIONS

Delray Beach generally follows a “pay-as-you-go” philosophy accomplishing as much as can be funded by the general fund or special funds. For certain projects, the City utilizes bonding or increasing rates and taxes when the time frame required to fully implement the projects using pay-as-you-go may not be acceptable to the community. Community desires, timing, and overall project cost efficiency may dictate financing for specific needs.

Capital improvement needs are specifically identified in Master Plans for several public facilities, including water supply, water distribution, wastewater transmission, and the stormwater (drainage) system. Other desired improvements are identified in Neighborhood and Redevelopment Plans. The programming and scheduling of these capital improvements follow the guidelines in this element.

A new focus on sustainability by the City will add a policy consideration to the prioritization of projects in the Capital Improvements Element. Improvements that offer increased energy efficiency or advance sustainability goals provide an important aspect to planned improvements.

Projected Capital Needs by Element

The Always Delray Update includes three new elements (Healthy Community, Historic Preservation, and Economic Prosperity) and updates the existing 10 elements. Each element identifies needs and recommendations for the future. Capital projects will be programmed using the process outlined in this element. A summary of capital needs, by theme and element, are presented below. The summary identifies the general type of programs and projects that are identified and highlights new priorities identified in each element as part of the Always Delray update. The Capital Improvements Plan is updated annually and is provided in a Table within the adopted Goals, Objectives and Policies.

Live

Mobility Element

Transportation capital improvements are funded by the General Capital Improvements

Fund with potential funding from the TPO (Transportation Planning Organization).

Community survey respondents overwhelmingly support investments in mobility improvements. The City currently allocates funds annually for items such as street resurfacing, street reconstruction, traffic calming, bicycle lanes, and sidewalks. The City is developing a master plan for all components of the street system, including roadways, sidewalks, street lights, drainage, utilities, reclaimed water, landscaping, signs, and markings. These components are currently being added to the GIS system to improve project planning.

Multi-modal improvements contribute to a high quality of life and will be necessary to accommodate future growth. A Mobility Plan supported by a Mobility Fee is a priority and is a new strategy to plan and fund capital projects related to transportation.

Mobility Element Recommendations:

- 🌈 Develop a Mobility Plan supported by a Mobility Fee to fund multi-modal improvements.
- 🌈 Plan for the design, construction, and funding of the Tri-Rail Coastal Link Station

Housing Element

Capital improvement projects in the area of housing are funded by the Neighborhood Services Fund. Major funding expenses support:

- 🌈 Workforce Housing
- 🌈 Residential Mitigation Program
- 🌈 Housing Rehabilitation
- 🌈 Neighborhood Housing

Respondents to the Community Survey expressed strong support for a diverse mix of housing types.

Healthy Community Element

The Healthy Community Element is new to the Comprehensive Plan. The most crucial project in realizing the Goals, Objectives, and Policies is collecting the relevant data needed to obtain



CAPITAL IMPROVEMENTS ELEMENT

a full picture of the current state of both physical and mental health for city residents.

Historic Preservation Element

Historic properties are a vital part of the Delray Beach community fabric because of the aesthetic and cultural benefits they provide to residents and visitors – and the economic benefits that fuel both the tourist industry and increased property values.

Historic Preservation Element Recommendations:

- 🌈 Continue to partner with Federal, County, and local partners to offer tax incentives for the rehabilitation of historic properties.

Work

Economic Prosperity Element

Economic Prosperity is a new Element to the Plan. The focus on growing the city's economy is crucial to increasing the tax base, which ultimately helps fund needed improvements; and, likewise investing in strategic improvements can help grow the economy.

Strategic Partnerships Element

The Economic Development Administration (EDA), the US Department Housing and Urban Development (HUD), and the Florida Department of Transportation (FDOT) are just a few examples of agencies who offer competitive grants that can provide funding for large projects. Some funding from these agencies is allocated to local and regional organizations (such as the Metropolitan Planning Organization) that then fund projects in municipalities on a competitive basis.

Play

Conservation, Sustainability, & Resilience Element

Planned ongoing improvements in Conservation, Sustainability, and Resilience:

- 🌈 Maintain/Replace/Enhance existing facilities
- 🌈 Continue the Beach Erosion Control Program
- 🌈 Provide for Projected New Conservation Facilities

- 🌈 Preservation Program for the Florida Inland Navigation District (FIND) parcels

New concerns regarding the impacts of sea level rise and climate change require a vulnerability assessment that "identifies one or more areas that experience coastal flooding due to extreme high tide and storm surge, and that are vulnerable to the related impacts of rising sea levels for the purpose of prioritizing funding for infrastructure needs and adaptation planning" [F.S. 163.3164(1)].

Conservation, Sustainability, & Resilience Element Recommendations:

- 🌈 Develop a Community Vulnerability Assessment to guide investment in capital improvements that respond to climate change.

Open Space, Parks, & Recreation Element

Capital expenditures to open space and recreation facilities are funded by the General Capital Improvements Fund, the City Marina Fund, and the Municipal Golf Course Fund.

- 🌈 Maintain/replace existing parks and facilities
- 🌈 Develop new parks and facilities
- 🌈 Redesign the park at Old School Square
- 🌈 Create a unique community park at the Family Recreation and Fitness Center Playground.

Open Space, Parks, and Recreation Element Recommendations:

- 🌈 Develop a unique recreation opportunity for the western communities at the Family Recreation and Fitness Center Playground.

Coastal Management Element

The City of Delray Beach is dependent upon sound management of the coastal areas for its role as an economic development driver in the tourist industry, as well as its actual survival due to the potential impacts of natural erosion exacerbated by sea level rise, due to climate change.

- 🌈 Maintain existing beachfront conditions



CAPITAL IMPROVEMENTS ELEMENT

- Continue the City's award-winning Beach Nourishment Program
- Develop a Seawall Maintenance and Repair Program

Coastal Management Element Recommendations:

- Improvements needed based upon the Seawall Evaluation and Vulnerability Study will require a Capital Improvements strategy in the next 3 to 5 years.

Grow

Neighborhoods, Districts, and Corridors Element

The City will continue to provide an appropriate mix of land uses to meet the needs of current and future residents and businesses. The City of Delray Beach will continue to provide development incentives to attract reinvestment to areas targeted for revitalization in Neighborhood or Redevelopment plans or similar initiatives, such as the Congress Avenue corridor. The City will continue to provide LOS analysis to ensure that adequate infrastructure is in place to meet the demand of new development and growth. The City will maintain the land use protections for Industrial parcels throughout the city to protect and grow those industries.

Public Facilities Element

Capital improvements to public facilities are funded by the Water/Sewer Fund, the Water/Sewer Renewal and Replacement Fund, the Storm Water Fund, the General Capital Improvements Fund, and the Garage Fund. Capital improvements are generally made in the following areas:

- Maintain/replace existing facilities, equipment and infrastructure
- Renewal and replacement programs for infrastructure components, including streets, stormwater management, water, sewer, and buildings and facilities mainframe, software and other computer equipment
- Golf course improvements
- Vehicle replacements
- Inflow and Infiltration Reduction Program

- Provide for projected new facilities, equipment and infrastructure
- Water main extensions
- Sewer main extensions
- Stormwater facilities pursuant to the Stormwater Master Plan
- Stormwater facilities compliant with the National Pollutant Discharge Elimination System (NPDES) permit
- Reclaimed water system

Public Facilities Element Recommendations:

- Continue to invest in reclaimed water systems.
- Prioritize projects that result in improved energy efficiency and help reach sustainability goals.

Education Element

The City is completely within the Palm Beach County School District. Delray Beach is not directly responsible for capital improvements to educational facilities, as development falls under the jurisdiction of the School District. The School District of Palm Beach County Five-Year Capital Improvement Schedule is adopted as a supplement to the City's Capital Improvement Plan. The District has planned capital investments in the following facilities in the FY 2018-2022 Capital Plan:

- Delray Full Service Center remodel
- Fields for Village Academy
- Demolition of old Plumosa Elementary School

Education Element Recommendations:

- Continue to adopt the Palm Beach County School Board's Capital Improvements Schedule by reference to the City's plan.

