

How are Roads and Buildings Financed?

How are Roads and Buildings Financed?

The Capital Budget

2011 Approved Capital Budget

Total debt, debt service cost over time (data in CAFR)

The annual Capital Improvement Budget (CIB) pays for improvements such as purchase and/or construction of high-cost, long-lasting assets such as roads, buildings, parks and trails. The Capital Improvement Program (CIP) is a six-year plan that guides the Municipality's capital improvement plans into the future. Each year it is updated and serves as the starting point for developing the current year's CIB.

How Capital Projects Are Selected

Municipal departments prepare a "Needs List" that consists of projects proposed by departments, the Mayor, community councils, municipal boards and commissions, and Assembly members. Projects are scored against criteria such as the project's impact on safety, economic benefits, level of public support, if it is mandated, project's readiness and technical feasibility. Projects are then prioritized based on a project's total score.

To gather community input, each spring OMB sends out a survey to community councils to solicit their comments on CIP projects as well as ideas for new projects in their area. This feedback is integrated into the prioritization process along with the other criteria. [Click here](#) to see the results of this year's surveys.

How We Pay for Projects

The primary source of local funding to pay for capital projects is General Obligation Bonds, which must be approved by voters. Bonds are similar to a loan in that they are repaid over time with interest. Property taxes pay back the bonds and, in most cases, the cost of operating and maintaining the asset financed by the bond. Annual payments on bond debt are budgeted in the General Government operating budget. Federal and State grants, local improvement district assessments, service area mill levies, and other miscellaneous revenue also are used to pay for capital improvements.