

# **TOWN OF PARADISE VALLEY**

**Budget Goals/CIP Process/  
Double Tree Project**



# Budget

- Purpose – Review economic conditions and establish FY18/19 Budget Goals
- Purpose – Review the CIP Process and answer questions.
- Purpose – Review how Doubletree project went through CIP Process and next step.



# Budget

- What type of year is coming?
  - Expansion
  - Retraction
  - Status Quo
- What does the Mayor & Council want to accomplish?



# Economic Outlook

- Elliot D. Pollack & Co
  - Full employment
  - Consumer Confidence = Highest since Jan 2000
  - National and International Politics Less Stable
    - Tax Cuts – General boost, but PV could hurt w/ reduction in deductible mortgage interest from \$1M to \$750K
  - Likely higher interest rates
    - OK for PV since not borrowing, but may hit housing



# Economic Outlook

- Elliot D. Pollack & Co (cont.)
  - Inflation on Const. Material (Hurricanes/Demand)
  - Otherwise CPI in check
  - Population Growth mild = 1.7%, 3.5% in past booms
  - Housing not great outlook
    - Less population
    - Higher student debt
    - Millenial culture



# Economic Outlook

- JLBC
  - Jobs and wages increasing
  - State Retail Sales Tax = Up 4.8% YTD
  - State Sales Restaurants and Bars = Up 5.1% YTD
  - State Sales Contracting = Up 11.4% YTD
  - Income Tax Collections = Up 6.1% YTD
  - HURF = Up 2.6% YTD



# Economic Outlook

- STR Report - Hospitality
  - Occupancy -4.9% (Running 12 mo)
    - Supply of Rooms = Up 19.2% (ANdAZ, MTS, Hermosa)
  - ADR \$217.79 = up 4.2%
  - RevPAR \$141.02 = down 0.9%
  - Revenue \$102M = up 18.1%



# Economic Outlook

- Staff Extrapolations
  - 3 legged revenue stool
    - Hospitality – Up Solidly – But in long term projections
    - Construction – Up Substantially – but weakness on horizon. MRRA change could boost.
    - State Shared Revenue – Up Solidly. Above Anticipated
      - Watch for State tax cuts that affect sharing





# Economic Outlook

- Staff Extrapolations
  - Budget for low/moderate revenue growth
  - Keep Construction & HURF Revenue in 1x expenditures (CIP/Tatum/Lincoln/Pavement)
  - Time is right for pension paydown
    - Reserves still at 122% after \$5 M paydown
    - Interest rates/returns rising for PSPRS



# Budget Goals

- 10 Year Financial Plan
  - Pension Paydown - \$5M + Required
  - Flat Fire Fee, Despite Increase in Cost
  - Mill and Overlay Lincoln
  - Continue Funding Vehicle Replacement Fund
  - Continue Funding Facility Repair Fund



# Budget Goal

- Possible Goals (based upon Council Initiatives)
  - Long Term Plan (10 Year) for Alarm Monitoring
    - False Alarm Management
  - Possible Cell Service Assistance
  - Possible Neighborhood Mediation Program
  - Evaluate CIP Priorities
  - Possible Legal Assistance for Hillside Goals
  - Evaluate Traffic and Intersection Conditions



# Budget Goal

- Possible Goals (Staff Recommendations)
  - Address staffing relative to service demand
  - Address facility needs for service and staffing
  - Determine Flood Control Decisions Around Ritz
  - Grow Ongoing CIP Funding from \$4M +
  - Start Planning for Sewer CIP



# Budget Goals

- Question – Does Council have any other financial or policy goals it wants to advance or accomplish during the FY19 Budget?



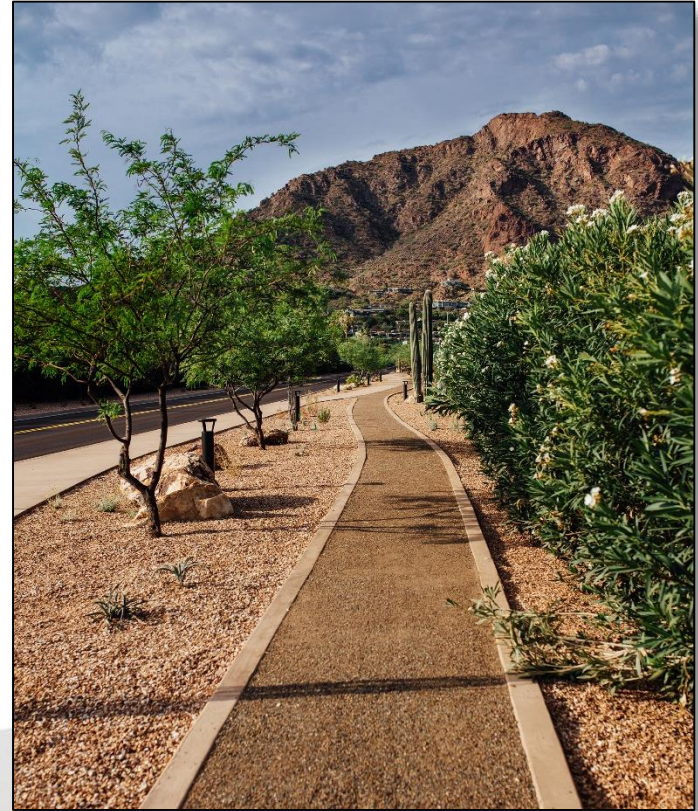
# CIP Process

- Mayor & Council Initiatives
  - Evaluate CIP Priorities
    - Done April 27, 2017 for FY18 Budget
    - Reviewed and modified list of projects into priority yrs
- Concern at December 7, 2017 Council Meeting
  - Review Process for Selecting CIP Projects
  - Review Process After Selecting CIP Projects
    - Specific Questions about Doubletree



# WHAT IS A CIP?

- Multi-year plan identifying and prioritizing capital needs
- Includes projects greater than \$100,000 and a useful life of at least two years
- Typically a 5 year planning period
- Presented and adopted as a separate section of the budget





# WHAT IS A CIP?

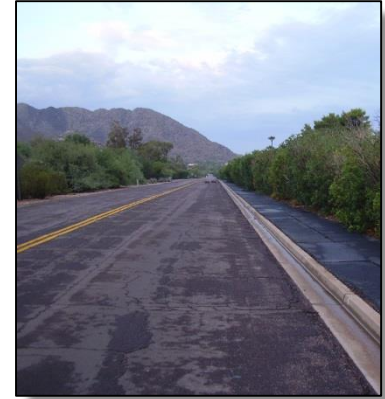
## Exclusions

- Vehicle Replacement
- Operations and Maintenance
  - Street resurfacing
  - Small facility improvements
- Furniture, Fixtures, and Equipment
  - Computers, desks, chairs, etc.





# WHAT IS A CIP?



# PROJECT IDENTIFICATION

## 1. Input from Citizens, Council and Staff

- Berneil Ditch, 32<sup>nd</sup> Street Sidewalks, Denton Lane cul-de-sac

## 2. Implementation of General Plan

- Replacement of asphalt sidewalks

## 3. Identified in Strategic / Master Plans

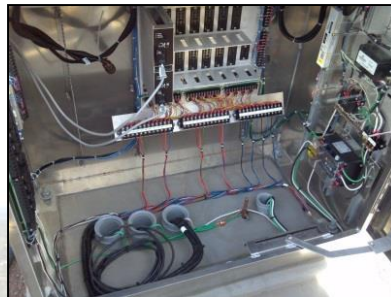
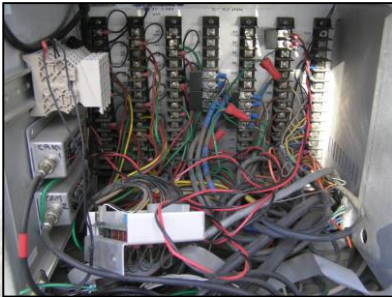
- VSC Study, Bike/Ped Study

## 4. Stem from other projects

- Roadway improvements to 52<sup>nd</sup> Street north of Mockingbird

## 5. Operational improvements

- Traffic Signal Upgrades



# PROJECT SCOPING

## Determine:

- Extent of project
- Cost estimates
  - Current dollars
  - Updated annually
- Possible outside funding sources

Capital Improvement Plan		2018 thru 2022	Department	Sidewalks																																			
Town of Paradise Valley, Arizona			Contact	Jeremy Knapp																																			
Project #	2017-05	Type	Improvement																																				
Project Name	Lincoln Drive Sidewalks	Useful Life																																					
Priority Score	2	Account #	30-40-979																																				
			Category	Sidewalks																																			
			Total Project Cost: \$835,000																																				
<b>Description</b>																																							
Location: Various locations along Lincoln Drive from western town limits to eastern town limits.																																							
Installation of 6' wide colored concrete sidewalks to complete a sidewalk connection to Scottsdale and Phoenix city limits.																																							
This project will install 6' wide meandering colored concrete sidewalks which will complete a safe pedestrian connection along Lincoln Drive between the town's western boundary with the City of Phoenix and the eastern boundary with the City of Scottsdale linking housing to public transportation, places of worship, parks, medical offices and other services. Currently there are significant gaps in the existing sidewalk network along this corridor, requiring pedestrians to either walk on the shoulder or cross a major arterial to stay on the sidewalk. The town has requested and received approval for both ADOT funds for design assistance and CMAQ funds for construction assistance. The cost includes design, land acquisition, utility relocation and construction.																																							
<b>Justification</b>																																							
General Plan Implementation Measures: 4.5-1.6 / 4.5-1.7																																							
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Produced Using the Plan-It Capital Planning Software



# PROJECT SCORING AND RANKING

## ☐ Town's Critical Objectives (40%)

1. Increase in public health
2. Increase in public safety
3. Identified in General Plan
4. Consistent with vision statement
5. Consistent with annual work plan
6. Specific request of the Town Council

## ☐ Community / Citizen Benefits, Environmental and Aesthetics (20%)

1. Stabilize or improve neighborhoods
2. Improve quality of life for residents
3. Improves community appearance
4. Improves recreational / cultural opportunities
5. Improve environmental protection effort
6. Assists in elimination of slum and blight conditions

## ☐ Costs (30%)

1. Cost sharing / grant / outside funding
2. Source of higher revenue
3. Maintain, replace or expand an existing asset
4. Lower operating cost
5. Lower future capital cost
6. Implication of deferring the project

## ☐ Distributional Effects (10%)

1. Town wide improvement
2. Benefits large portion of Town
3. Investment made by the Town in the last five years
4. Investment made by the Town to meet legal obligation
5. Project that has the support of another community of agency
6. Inter-jurisdictional benefit will be achieved





# PROJECT SCORING AND RANKING

- All identified projects are scored and ranked
- Current CIP has 43 projects totaling \$55 Million
- All scored and ranked projects are assigned to categories
- Balance budget and prioritize annually
- Prioritize projects based on score and available funding



# PROJECT SCORING AND RANKING

Town of Paradise Valley Capital Improvement Plan Project Priority																											
	Call WE	Weight	Public Safety Communications Tower Equipment	Lincoln Drive Roundabout	Pedestrian / Bicycle Improvements	32nd Street Sidewalks (Standard to Lincoln)	FCD LBN Chantry Improvements A1.1	FCD LBN Kargendson Improvements A1.1	FCD LBN PV Wash A1.3	Sewer System Assessment	Indian Bend (Limits to Moultonburg / Lane) - RTD Related	CAD Enterprise Upgrade	Traffic Signal Upgrade - 12th & Main Sts	Lincoln Dr. (Limits to Moultonburg / Lane) - RTD Related	Reconstruction System Upgrade	SRP 44th Street & Main Conversion	SRP 44th Street & Main Conversion	SRP 44th Street & Lincoln Drive Conversion	SRP 44th Street & Lincoln Drive Conversion	SRP 38th Place & Balfour Road Conversion	Moultonburg Lane Modernization - RTD Related	Tatum Boulevard Redesign Walks	North Tatum Streetwalks (Shoulders to Mountain View)	Police and Fire Dept Backup Power	Police Department Remodel	Highlands Drive Cul De Sac	
Town's Critical Objectives (6)			100	344	304	376	324	388	388	336	234	320	216	210	276	296	296	296	296	296	194	268	268	232	240	246	
Increase in public health			20	3	3	10	3	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0
Increase in public safety			20	10	10	7	10	10	10	10	2	10	10	10	10	6	10	10	10	10	10	10	10	10	10	10	10
Identified in General Plan			20	10	10	10	10	10	10	10	10	10	10	10	10	6	10	10	10	10	10	10	10	10	10	10	10
Consistent with vision statement			15	10	10	10	10	10	10	10	10	10	10	10	10	8	10	10	10	10	10	10	10	10	10	10	10
Consistent with Council goals			15	10	10	10	10	10	10	10	10	10	10	10	10	8	10	10	10	10	10	10	10	10	10	10	10
Specific request of the Town Council			10	10	10	10	10	10	10	10	10	10	10	10	10	8	10	10	10	10	10	10	10	10	10	10	10
Costs (8)			100	204	180	63	84	174	174	90	129	90	180	129	109.5	57	57	57	57	57	129	54.5	36	117	111	90	
Cost sharing / grant / outside funding			20	10	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	0	0
Source of higher revenue			20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintain, replace or expand an existing asset			20	10	10	7	4	10	10	10	10	10	10	10	10	6	10	10	10	10	10	10	10	10	10	10	10
Lower operating cost			15	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lower future capital cost			15	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Implication of deferring the project			10	10	10	3	0	6	6	6	10	10	10	10	10	9	6	6	6	6	6	10	10	10	10	10	10
Community/Citizen Benefits, Environmental and Aesthetics (8)			100	60	180	142	165	103	103	62	151	60	96	152	79	131	131	131	131	131	140	137	128	96	94	116	
Stabilize or improve neighborhoods			20	3	10	9	10	10	10	10	2	9	10	4	9	2	10	10	10	10	10	9	7	10	10	10	10
Improve quality of life for residents			20	8	10	10	10	10	10	10	4	9	10	8	9	4	10	10	10	10	10	9	7	10	10	10	10
Improves community appearance			20	4	10	7	10	6	6	6	2	10	0	2	10	4	10	10	10	10	10	10	10	10	10	10	10
Improves recreational/cultural opportunities			20	0	10	10	10	10	10	10	0	0	0	0	0	6	4	0	0	0	0	4	8	7	0	0	0
Improve environmental protection effort			15	0	0	0	0	7	7	7	1	10	3	0	0	3	5	2	2	2	2	3	3	8	0	2	0
Assists in minimization of dust and light conditions			5	0	0	2	8	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distributional Effects (8)			100	100	55	35	35	42	42	84	46	60	90	50	57	100	30	30	30	30	48	48	52	16	26	16	
Town wide improvement			20	10	6	6	3	3	3	3	6	4	10	10	10	6	3	3	3	3	3	4	4	6	4	4	1
Benefits large portion of Town			20	10	7	8	5	3	3	3	6	4	10	10	10	5	8	5	5	5	5	4	8	7	10	3	1
Investment made by the Town in the last five years			20	10	5	7	5	10	10	10	10	10	5	10	10	5	6	3	3	3	3	5	10	5	10	4	2
Investment made by the Town to meet legal obligation			20	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Project that has the support of another community or agency			10	10	10	3	0	10	10	10	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inter-jurisdictional benefit will be achieved			10	10	10	3	0	10	10	10	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total			100	79.8	67.6	63.8	60.9	60.7	60.7	62.2	66.6	64.2	64.1	62.2	61.4	62.2	61.4	61.4	61.4	61.4	60.9	60.9	60.9	60.9	60.9	60.9	60.9
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	

SRP Undergrounding Projects

Facility Improvement Projects

Technology Projects

Street Projects

Sidewalk Projects

Stormwater Projects

Wastewater Projects

Traffic Signal Projects

CIP Projects in Rank Order

Total Score

100

90

80

70

60

50

40

30

20

10

0

Public Safety Communications Tower Equipment

Lincoln Drive Roundabout

Pedestrian / Bicycle Improvements

32nd Street Sidewalks (Standard to Lincoln)

FCD LBN Chantry Improvements A1.1

FCD LBN Kargendson Improvements A1.1

FCD LBN PV Wash A1.3

Sewer System Assessment

Indian Bend (Limits to Moultonburg / Lane) - RTD Related

CAD Enterprise Upgrade

Traffic Signal Upgrade - 12th & Main Sts

Lincoln Dr. (Limits to Moultonburg / Lane) - RTD Related

Reconstruction System Upgrade

SRP 44th Street & Main Conversion

SRP 44th Street & Main Conversion

SRP 44th Street & Lincoln Drive Conversion

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SRP 38th Place & Balfour Road Conversion

Moultonburg Lane Modernization - RTD Related

Tatum Boulevard Redesign Walks

North Tatum Streetwalks (Shoulders to Mountain View)

Police and Fire Dept Backup Power

Police Department Remodel

Highlands Drive Cul De Sac

Series

70.8

67.6

63.8

60.9

60.7

60.7

60.7

62.2

66.6

64.2

64.1

62.2

61.4

61.4

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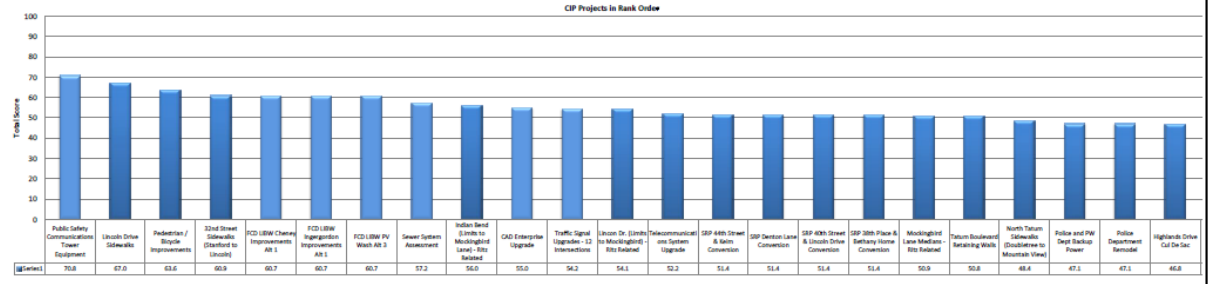
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# PLAN ADOPTION

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- **Adopted as part of the Overall Budget**
  - **Add/delay/remove per Council's Direction**
- **Brought before Council during the budget process**
  - **Temporary Budget Approval in May includes CIP**
  - **Final Budget Approval in June includes CIP**
- **Once budget is approved, staff begins to implement the CIP, selecting designer/contractor, designing, constructing, etc.**



# PLAN IMPLEMENTATION

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- **Staff Responsibility**
- **Projects are prioritized annually based on:**
  - **Procurement requirements**
  - **Seasonality**
  - **Readiness of project**
  - **Relationship to other projects**
  - **Utility coordination**





# DOUBLETREE PROCUREMENT

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## History

- First identified in FY12/13 CIP, scheduled for FY17/18
- Scoring of project against criteria
  - Scored High in general plan, vision statement, stabilize or improve neighborhoods, improves quality of life for residences and improves community appearance
- Doubletree Project Would Have Been Before Council for a CIP Vote in FY14, FY15, FY16, FY17, and FY18
- Design Budget Reviewed April 2017, Final Vote June 2017

Staff Next Step is Procurement



# DOUBLETREE PROCUREMENT

## Generally Two Types of Procurements for CIP Projects



### Professional Services

- Engineers
- Architects
- Landscape Architects
- Surveyors



### Construction Services

- Design - Bid - Build aka Low Bid
- Design Build
- CMAR
- JOC



# DOUBLETREE PROCUREMENT

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- When hiring professional services, per State Statute, no such thing as “low bid”
- Title 34 requires professional services to be selected based on their qualifications only, then negotiate scope and fee
- Engineering On-Call List for 2017/18
  - Selected 5 firms on the list
- How did we pick the 5 firms?



# DOUBLETREE PROCUREMENT

## Professional Services Selection Process (3-4 months)

Write Request  
for  
Qualifications

- Requires input from Town Manager, Project Manager, Town Attorney

Publish in  
Newspaper and  
on Website

- State Statute requires newspaper publication

Hold  
Presubmittal  
Meeting

- Clarify any questions from firms wishing to propose

Form Selection  
Committee

- At minimum 3, usually 5 members

Individually  
Score and Rank  
Submittals

- Received 23 submittals

Committee  
Selects Firms



# DOUBLETREE PROCUREMENT

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## Why Kimley-Horn?

- Have specific experience on similar roadway projects
- Have more in house specialties, better control over quality and timing of work versus a firm that has to sub out some work
- Current workload
- Current staffing levels



# DOUBLETREE PROCUREMENT

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## Questions on CIP Process Generally and Doubletree Process Specifically?

