

## **Capital Improvement Program Policy**

1. The City will prepare and adopt a five-year Capital Improvement Program which will detail each capital project, the estimated project cost, description and funding source. The overall goal of the Capital Improvements Plan is to order the City's fiscal expenditures while coordinating public investment with adopted plans and policies to properly manage the City's long term investments. To that end, the program is expected to:

- increase opportunities to obtain funding from outside sources, such as the state and federal government;
- assist in the planning, budgeting and coordinating the operation and capital efforts of the various City Departments;
- provide a rational basis by having supporting public capital commitments; and
- result in a more favorable bond rating by giving evidence of effective management.

2. Operating expenditures will be programmed to include the cost of implementing the approved Capital Improvement Program and providing all manpower, operating costs and capital outlay require by it.

3. All capital projects must be justified on the basis of providing a basic service, improving or rehabilitating deteriorated facilities, reducing costs, promoting jobs or benefiting a large population segment or a target area of the City. They must also be compatible with other planned projects and overall City development plans.

4. All projects are to be prioritized according to the following criteria levels:

FIRST.....

- clear and present danger to the public; or
- contractual obligation; or
- written commitment of grant funding.

SECOND....

- documented cost savings; or
- probable grant commitments; or
- other justified need.

THIRD....

- future cost avoidance; or
- planned improvements; or
- significant improvement of service.

5. Appropriations for all Capital Improvement Projects are approved on an annual basis only. All uncompleted projects must be reconsidered annually to determine if unspent funds need to be recommitted to a given project or reallocated to other planned projects.