

Council Agenda Report

Date: May 23, 2016

Prepared and Submitted by: Sandra Tripp-Jones, City Manager 

SUBJECT: Five Year Capital Program

Recommendation that Council:

- A. Receive a presentation on the Five Year Capital Program, the Proposed FY 2017 Capital Program and
- B. Give direction to staff on the FY 2017 Capital Program.

Discussion:

On City Council received the Five Year Capital Program on April 25, 2016. It is also included in the FY 2017 Operating and Capital Budget Document (pages 106 – 120), with the FY 2017 Capital Program included in the proposed budget itself. Each year the Five-Year Capital Program will be refreshed and projected out another year. City Council is asked to approve as part of the budget adoption process, the FY 2017 program only.

A capital project is defined as a project or item or group of items with a useful life of more than one year and costing more than \$25,000. The threshold for information technology projects or items is \$5,000.

The City Capital Program Committee used criteria for ranking capital projects as follows:

- ✓ **Priority 1:** Mandatory projects or items which are required to be completed as a matter of law, legal agreement (i.e., Consent Order), policy or grant agreement.
- ✓ **Priority 2:** Imminent public safety projects or items which are urgent and cannot reasonably be postponed. These may maintain a minimum standard required by law or address an emergency situation.
- ✓ **Priority 3:** Avoided costs/preventive maintenance projects or items which are considered necessary because the costs to repair/maintain the status quo are higher than the cost to replace the project or item.
- ✓ **Priority 4:** Replacement policy projects which can be scheduled for replacement based on previous experience. Said schedule is for planning only. Items will not necessarily be replaced at the prescribed time but when the useful life is exceeded.
- ✓ **Priority 5:** Long-term goal related projects or items which are considered desirable and are part of the long-term vision and goals of the City. The exact timing of these projects can be determined once funds are available.
- ✓ **Priority 6:** Efficiency and effectiveness projects or items which are considered desirable and would cause City employee to work more efficiently saving time and money. The exact timing of these projects can be determined once funds are available.
- ✓ **Priority 7:** Quality of life projects or items which are considered desirable and would result in a greater quality of life. The exact timing of these projects can be determined once funds are available.

FY 2017 Proposed Costs Summary:

Grants/Debt	General Fund	Sewer	Marina	MUC	Other	Total
\$0	\$476,456	\$205,000	\$0	\$158,100	\$0	\$839,556

Five Year Capital Program Costs Summary:

Grants/Debt	General Fund	Sewer	Marina	MUC	Other	Total
\$19,685,000	\$5,564,956	\$901,500	\$ 57,000	\$1,373,100	\$ 65,000	\$27,646,556

Staff will present the Five Year Capital Program, with an emphasis on the FY 2017 projects and items.

Fiscal Impact:

See above.