Capital Improvement Plan

May 16, 2016

Purpose

Develop a 5-year plan to preserve and enhance existing capital assets

- ✓ Maintain Infrastructure, address current problems and improve the quality of life….in that order.
- ✓ Projects types:
  - Acquisition of property
  - Purchase of new equipment (not covered by depreciation previously set aside and funded by the Asset Replacement Fund)
  - Major rehabilitation or replacement of existing facilities or new construction
  - Consulting fees for special one-time projects with a cost in excess of $25K

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Priorities

- ✓ Scoring (30 points) – 2 points available in each of the following criteria:

1) Consistency – with Comp Plan and goals (no, yes and no, yes)
2) Coordination – with another project (yes or no)
3) Maximum Benefit – slight, moderate, maximum
4) Health and Safety – no impact, important, urgent
5) Legally Required – no threat, perceived threat, real threat
6) Preservation of Existing Assets – n/a, helpful, critical
7) Availability of Partner Financing – none, chance of 50% grant, 50% grant

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Priorities

- ✓ Scoring (cont'd)
  8) Opportunity Cost – inflation: less than, equal to, greater than
  9) Feasibility – obstacles: big, small, none
  10) Extent of Benefit – neighborhood, large % of community, entire community
  11) Operating Budget Impact – increase costs, no impact, decrease costs
  12) Conservation – benefit: none, small, big
  13) Environmental Impact – negative, neutral, positive
  14) Neighborhood Impact – negative, neutral, positive
  15) Economic Development Impact – discourage, neutral, encourage

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Priorities

Prioritization Categories

"Must Do"

- ✓ Meets legal mandate or moves Borough closer into compliance
- ✓ Eliminates or reduces hazards

"Should Do"

- ✓ Advances strategic goals
- ✓ Improves efficiency or productivity
- ✓ Maintains a standard of service
- ✓ Supports economic development

"Could Do"

- ✓ Improves service
- ✓ Facilitates new services
- ✓ Improves quality of life or aesthetic values
- ✓ Offers convenience

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Questions for Consideration

Planning – Needs Assessment

- ✓ Are the project proposals reasonable, practical, needed and necessary?
- ✓ Is the Prioritization System helpful and appropriate?

Financing - Fiscal Capacity Analysis

- ✓ How much can we afford?
- ✓ Pay as you go, or Pay as you use?

"There's always a gap" – Needs and Resources

- ✓ How concerned are you about the gap between the needs and available resources (i.e. "deferral risk")?

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Advice

- Planning Perspective
  - Consider allocating available funds based upon the Scoring and Prioritization system (i.e. “rational and logical”).
- Funding Perspective
  - Consider establishing a funding target for annual General Fund operating contributions to Capital Projects (e.g. $250, 500 or 750K).
  - Consider adhering to our Balanced Budgeting principle for the General Fund to increase the likelihood of positive net performance.
  - In context of the above two, revisit the policy which transfers year-end positive net General Fund performance to the Capital Fund.

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Review Schedule

- May 16th
  - Purpose, Priorities and Review Schedule
- June 6th
  - Streets and Storm Water
- June 20th
  - Regional & Other Projects and Information Technology
- July 11th
  - Public Hearing
  - Enterprise Funds
- July 18th
  - Final Wrap-Up
  - Adoption