

## INTRODUCTION

Capital improvement planning is the planning, coordination and scheduling of public physical improvements for a community over a period of years. The scheduling is developed according to priorities based upon need, desire and importance of such improvements to the community within constraints of the city's ability to finance as well as implement and administer the projects. As such, the Capital Improvement Plan is legislative and management tool to facilitate the scheduling, planning and execution of series of public improvements over a five-year period. A five-year Capital Improvement Plan is required by each municipality per Iowa state law.

### ***Benefits***

Benefits from a systematic capital improvement program include:

- Attention is focused on the needs, goals and capabilities of the community, resulting in capital projects being directed towards addressing these concerns.
- Capital improvements programming can promote the optimal use of taxpayers' dollars by guiding local officials in making sound annual budget decisions.
- Coordination of capital improvements programming can reduce scheduling problems, duplication of projects, and over-emphasis of government functions, thereby promoting a more efficient and seamless governmental administration.
- Local citizens and officials are presented a comprehensive picture of capital projects for which public monies are to be expended for the next five fiscal years.
- A sound and attainable financial program can be maintained by identifying desirable projects and their cost elements, and available financial resources and their possible constraints. Developing a realistic financial program can eliminate drastic changes in the tax structure and bonded indebtedness can be avoided. By balancing the demands for limited public funds, the basis for determining appropriation tax rates are clearly and objectively established.
- Intergovernmental and regional cooperation can be enhanced by allowing public officials of all governmental units an opportunity to plan the location, timing and financing of needed improvements in the interests of the community as a whole. Through adequate planning and cooperation, capital improvements can alleviate duplication, increased costs, and can minimize public inconveniences.

### ***Definition of Capital Improvements***

For the purpose of this program, a Capital Improvement Project is defined as any major, non-recurring expenditure, or any expenditure for physical facilities in excess of \$10,000. Examples of capital improvements include:

- Construction, reconstruction, improvement or rehabilitation of public facilities and public works; and site or other improvements such as streets and alleys, sewers, drainage facilities and park and recreation facilities, etc.
- Purchase of fixed or wheeled equipment

- Demolished activity
- Relocation assistance
- Street, sewer and property improvements
- Neighborhood improvement projects
- *Routine replacement of vehicles or equipment is not considered a capital improvement project in the context of this Capital Improvement Plan (i.e. city vehicles)*

### **Definition of Fiscal Year**

The City of Ely operates on a fiscal year basis that begins on July 1 of each year and ends on June 30 of the following year. Fiscal years are identified by the ending year.

**FY 2022 (FY '22):** July 1, 2021 – June 30, 2022

**FY 2023 (FY '23):** July 1, 2022 – June 30, 2023

**FY 2024 (FY '24):** July 1, 2023 – June 30, 2024

**FY 2025 (FY '25):** July 1, 2024 – June 30, 2025

**FY 2026 (FY '26):** July 1, 2025 – June 30, 2026

### **Planning and Process and Participants**

Elected officials, citizens and city staff will participate in the development of the Capital Improvements Plan. Citizen involvement opportunities will be provided by various public meetings prior to the adoption of the program and the budget preparation and adoption process necessary to implement the current capital budget.

All city departments, commissions and boards are requested to submit proposals for capitals improvement projects for the period from the current fiscal year through the next five-year period.

All proposed projects will be described on Project Identification Forms to facilitate fair evaluation. The Project Identification Forms will summarize the following information: project description, purpose of project, estimated cost and future financial burdens or savings resulting from the project.

The proposed projects will be evaluated by the City Administrator. The review process will involve several months, centered on in-depth discussions with each department submitting proposals. The projects will be evaluated in terms of the perceived need and the increase or decrease in associated maintenance and staffing.

As an individual capital improvement project is implemented, a public meeting or public hearing (if necessary) is conducted on that specific project. A resolution relating to the financing of that project is also approved by the City Council. The Resolution (see sample in the back of this document) requires the city to make a declaration of its official intent to reimburse itself for incurred project expenditures out of the proceeds from a subsequent bond issue for that project.

**PROJECT PRIORITIZATION**

The costs of all desired capital improvement projects are likely to exceed resources available to the City over the next five years. For this reason, a scoring mechanism has been developed as a tool to assist in the prioritization of proposed capital improvement projects. This scoring mechanism will help guide the creation of the city’s Capital Improvement Plan (CIP) and will serve as a tool to assist in decision-making regarding adjusting the CIP in the future. All projects will be scored on nine equally weighted questions regarding the benefit of, need for, and costs of each project. These scores will then be totaled to form the overall prioritization score.

Following are the nine questions that will be answered for each proposed project and the point value assigned to each answer. The guiding principle for these questions is that the highest prioritization is given to projects that can be demonstrated to be necessary to maintain the following:

- The fiscal well-being of the City
- Existing levels of
  - Public safety
  - Health
  - General welfare
  - Quality of life
- Existing jobs
- Existing City assets in working order
- Current level of City services

These nine questions also place a high priority on projects that can be demonstrated to:

- Be necessary to fulfill a State or Federal mandate or to comply with State or Federal regulations
- Implement one or more goals of the Comprehensive Plan, which was developed with staff input
- Directly benefit all or a very high percentage of those living in Ely

**Future Costs**

*What impact would completion of this project have on future operating budgets taking into account operational and maintenance costs or savings that be directly attributed to the project?*

Increase the operating budget by:

- More than \$25,000.....0 Points
- Between \$10,000 - \$24,999.....2 Points
- Less than \$10,000.....4 Points

No or minimal impact to the operating budget

- No or minimal impact to the operating budget.....6 Points

Decrease the operating budget by:

- Less than \$10,000.....8 Points
- Between \$10,000 and \$24,999.....10 Points
- More than \$25,000.....12 Points

**Existing Assets/Services vs. New Assets/Services**

*How does the proposed project relate to existing City assets/services?*

- Necessary to maintain an existing City asset or service in working order or at the current levels.....12 Points
- Replacement of an obsolete asset.....8 Points
- Will enhance an existing City asset/service.....4 Points
- Is a new non-replacement asset /service.....0 Points

**Comprehensive Plan**

*Is the project contained within the Comprehensive Plan or does it assist in implementing one or more goals of the Comprehensive Plan?*

Project is listed in the Comprehensive Plan:

- Project is listed in the Comprehensive Plan.....12 Points

Project is not listed in the Comprehensive Plan:

- Assists in implementing more than one goal of the comp plan.....8 Points
- Assists in implementing one goal of the comp plan.....4 Points
- Does not assist implementing any goals in the comp plan.....0 Points

**Scope of the Projects Benefits**

*How many people can this project be demonstrated to directly benefit?*

- All of Ely.....12 Points
- 75% of the population.....10 Points
- 50% of the population.....8 Points
- 25% of the population.....6 Points
- 10% of the population.....4 Points
- 5% of the population.....2 Points
- Less than 5% of the population.....0 Points

**Mandates**

*Is completion of this project required to fulfill a State or Federal mandate/regulation?*

- Yes.....12 Points
- No.....0 Points

**Leveraged Funding Source(s)**

*How well does this project leverage outside funding sources such as federal and state funds, grants, private contributions, etc.?*

- 100% outside funding.....12 Points
- 75% to 99% outside fundi.....8 Points
- 50% to 74% outside funding.....6 Points
- 25% to 49% outside funding.....4 Points
- 1% to 24% outside funding.....2 Points
- No outside funding.....0 Points

**Public Safety, Health and General Welfare**

*How does the project impact public safety, healthy and general welfare?*

- Is necessary to maintain current levels of public safety, health and general welfare..12 points
- Is a major enhancement to public safety, health and general welfare.....8 points
- Is a minor enhancement to public safety, health and general welfare.....4 points
- No demonstrable effect on public safety, health and general welfare.....0 points

**Quality of Life**

*How does the project impact quality of life in Ely?*

- Is necessary to maintain current levels of quality of life.....12 points
- Is a major enhancement to quality of life.....8 points
- Is a minor enhancement to quality of life.....4 points
- No demonstrable effect on quality of life.....0 points

**Economic Development**

*How does the project impact economic development in Ely?*

- Can be demonstrated to preserve jobs in Ely.....12 points
- Can be demonstrated to create jobs in Ely.....8 points
- Does not directly preserve or create jobs, but does contribute to a positive economic development climate.....4 points
- No demonstrable impact on economic development.....0 points

