

RESOLUTION NO. 7553

A RESOLUTION introduced by Mayor James A. McClinton setting forth the City of Topeka's policy for the capital improvement program.

WHEREAS, a capital improvement plan (CIP) is an invaluable tool in developing a timeline for the scheduling of necessary capital improvements and their financing; and

WHEREAS, guidelines for the development and implementation of the CIP are required to avoid a haphazard project by project approach.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Topeka, Kansas, that City Council hereby adopts the following policy for developing and managing the capital improvement program for the City of Topeka.

Section 1. PURPOSE AND DESCRIPTION

The purpose of this policy is to outline the processes by which the City of Topeka (City) develops and implements its Capital Improvement Plan (CIP). The CIP is a long-range plan used in the development of annual operating and capital budgets, strategic plans, and long range financial plans. It provides the means for evaluating facility and infrastructure projects and the mechanism for reviewing projects.

The capital improvement policy will provide a guideline and methodology for the development of the City's five (5) year capital improvement plan. The first two (2) years of the CIP will consist of projects adopted as part of the Capital Improvement Budget (CIB). The first year of the CIB contains projects that will be initiated and completed during the proposed operating budget year. The second year projects are those for which plans are prepared for implementation. The projects in the following three (3) years are those planned for implementation as they move towards the CIB. Thoughtful planning is

26 essential for all departments submitting CIP requests.

27 Section 2. BENEFITS OF A CAPITAL IMPROVEMENT PROGRAM

28 The CIP provides the following organization benefits:

29 1. A platform for independent, critical evaluation of each project on its  
30 own merits and City priorities;

31 2. A relationship between the Comprehensive Plan and a document  
32 which can include the scheduling of projects contained in elements of the  
33 Comprehensive Plan;

34 3. A plan which balances public facility needs and City financial ability on  
35 both a short and long term basis; and

36 4. A communications tool to the public, other governmental units, and the  
37 business community detailing the location and timing of improvements.

38 Section 3. DEFINITION OF A CAPITAL IMPROVEMENT PROJECT

39 Capital improvement projects meeting one (1) of the following criteria shall be  
40 included in the CIP process:

41 1. Real property acquisition.

42 2. Construction of new facilities or additions to existing facilities costing a  
43 minimum of fifty thousand dollars (\$50,000.00).

44 3. Remodeling/repair of the interior/exterior of any facility exceeding  
45 twenty-five thousand dollars (\$25,000.00).

46 4. Infrastructure projects.

47 Phased projects may be submitted on a single form indicating the scheduled phase  
48 for each year. Projects submitted in previous years must be resubmitted to be considered

49 for inclusion in the CIP.

50 Section 4. TERM DEFINITIONS

51 *Addition* shall mean a modification of an existing facility, which changes the  
52 structural “footprint” of the facility.

53 *CIP Review Team* shall mean a cross-departmental team which participates in the  
54 review and recommendation of the CIP program to the City Manager. The Team will  
55 review proposed capital projects in regard to accurate costing (design, capital, and  
56 operating) and congruence with City objectives. The Team will prioritize projects by a set  
57 of deterministic criteria. The Team will also review proposed changes to the adopted  
58 capital improvement budget prior to submission to the City Manager and City Council. The  
59 Director of Budget and Finance will serve as the lead for the team. Team members include  
60 the Director of Budget and Finance, City Engineer, and Planning Director or their  
61 designees.

62 *Facility* shall mean a City fixed asset other than a road, bridge, traffic signal system,  
63 water distribution system, storm drainage system, or sewer system.

64 *Fixed Asset* shall include any property, real or personal, or any other tangible asset,  
65 which has an initial cost of two thousand five hundred dollars (\$2,500.00) or more and a  
66 useful life expectancy of three (3) years or more.

67 *Infrastructure* shall mean a road, bridge, traffic signal system, water distribution  
68 system, storm drainage system, or sewer system.

69 *Project Budget* shall mean the document attached to the Council Action Form  
70 brought before the City Council for approval to begin the project. This action is taken  
71 subsequent to the adoption of the CIP. The Project Budget outlines all estimated costs

72 and components of the project and is prepared by the engineering division of the public  
73 works department in most cases.

74 *Project Category* shall mean a method to identify projects by overall purpose.

75 1. *New Construction and Additions* shall include construction of new  
76 facilities or major expansion of existing facilities.

77 2. *Remodeling* shall include all projects that substantially change the  
78 existing structure and its uses.

79 3. *Razing* shall include only the demolition of existing structures.

80 4. *Rehabilitation and Repair* shall include routine repair and major  
81 maintenance, emergency maintenance, restoration, and replacement of fixed  
82 equipment of existing facilities. Examples: roof repair or replacement, foundation  
83 repair, sidewalk repair or replacement.

84 Section 5. CAPITAL IMPROVEMENTS REVIEW PRINCIPLES

85 1. The property tax levy for capital improvements should be maintained at a  
86 relatively consistent level from year to year. If movement either upward or downward  
87 becomes necessary, it should be done gradually.

88 2. When considering a consistent capital improvement property tax levy, the City  
89 should include the property tax requirements for debt service as well as for projects  
90 financed by direct appropriation or other means.

91 3. The City should maximize utilization of all Federal and State revenue sources  
92 for capital improvements.

93 4. The CIP is viewed as a long-term program that will continually address capital  
94 requirements far into the future. The use of long-term debt should be minimized, allowing

95 the City to put money into actual projects that benefit Topeka residents and businesses  
96 rather than into interest payments to financial institutions and bond holders. The City  
97 should issue debt only for major capital projects and not try to finance the entire capital  
98 program with debt.

99 a. Bonds should not be used to fund operating projects or costs.

100 b. Bonds should not be used to fund any project whose expected life  
101 does not exceed the term of the bonds.

102 c. To the extent practicable, bonded indebtedness should be considered  
103 only for major capital projects where the City share is a minimum of one hundred  
104 thousand dollars (\$100,000.00).

105 5. Approved capital improvement projects should have a funding plan for  
106 maintenance and operating costs identified in the project description and project budget.  
107 When feasible, priority should be given to those projects that will result in a reduction in  
108 operating costs.

109 6. The City should not acquire and hold land that is not needed for existing or  
110 near future City purposes. Land for projects that are not part of the approved five (5) year  
111 Capital Improvement Plan should not be acquired, except as part of a long-range  
112 annexation plan or other adopted plan.

113 7. Unless otherwise mandated by City ordinances, revenues derived from the  
114 sale and lease of surplus City real properties should be dedicated to the Capital  
115 Improvement Program and programmed after receipt by the City.

116 8. Enterprise funds should generate sufficient revenue to finance operations  
117 and related capital projects including debt service.

118 9. The City should fully investigate alternative financing sources for its capital  
119 projects, but should use such sources only if it can be clearly shown that they are in the  
120 best interests of the City.

121 10. The City should maximize utilization of current facilities and should give  
122 higher priority to maintaining present facilities and infrastructure over new construction  
123 where feasible.

124 11. In order to increase the long-term use of a City facility, as much flexibility as is  
125 consistent with operating efficiency should be built into all new or renovated facilities  
126 projects that the City undertakes.

127 12. Inflation factors for all projects in the capital improvement program should be  
128 considered each year and appropriate adjustments made to all project estimates.

129 13. All projects should be reviewed by the CIP Review Committee for a  
130 recommendation to the City Manager and City Council.

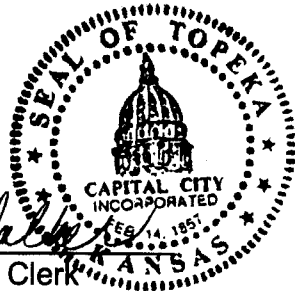
131 IT IS SO RESOLVED.

132 PASSED and APPROVED by City Council NOV 23 2004.

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ATTEST:

Iris E. Walker  
Iris E. Walker, City Clerk



CITY OF TOPEKA, KANSAS

James A. McClinton  
James A. McClinton, Mayor

