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...
essential for all departments submitting CIP requests.

Section 2. BENEFITS OF A CAPITAL IMPROVEMENT PROGRAM

The CIP provides the following organization benefits:

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

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

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

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

Section 3. DEFINITION OF A CAPITAL IMPROVEMENT PROJECT

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

1. Real property acquisition.

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

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

4. Infrastructure projects.

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

**Section 4.** TERM DEFINITIONS

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

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

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

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

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

*Project Budget* shall mean the document attached to the Council Action Form brought before the City Council for approval to begin the project. This action is taken subsequent to the adoption of the CIP. The Project Budget outlines all estimated costs.
and components of the project and is prepared by the engineering division of the public
works department in most cases.

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

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

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

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

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

**Section 5. CAPITAL IMPROVEMENTS REVIEW PRINCIPLES**

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

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

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

4. The CIP is viewed as a long-term program that will continually address capital
requirements far into the future. The use of long-term debt should be minimized, allowing
the City to put money into actual projects that benefit Topeka residents and businesses rather than into interest payments to financial institutions and bond holders. The City should issue debt only for major capital projects and not try to finance the entire capital program with debt.

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

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

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

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

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

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

8. Enterprise funds should generate sufficient revenue to finance operations and related capital projects including debt service.
9. The City should fully investigate alternative financing sources for its capital projects, but should use such sources only if it can be clearly shown that they are in the best interests of the City.

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

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

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

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

IT IS SO RESOLVED.

PASSED and APPROVED by City Council ________ NOV 23 2004 ________

CITY OF TOPEKA, KANSAS

ATTEST:

James A. McClinton, Mayor

Iris E. Walker, City Clerk

APPROVED AS TO FORM AND LEGALITY
DATE 11/10/04 BY DOR