

FY 2017 – 2021 Recommended Capital Improvement Plan

October 4, 2016

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Overview

Municipal Code requires the following:

- **January 1 - December 31 fiscal year**
- **Budget adoption prior to the start of the Fiscal Year**
- **Submission of budget proposal by Village Manager on/before first regular meeting in November. Submission must contain estimates of revenues and recommended expenditures that conform with good fiscal management practice.**
- **Recommended budget must show specific fund for each anticipated expenditure**

Budget Overview

- **General Fund** is the Village's primary operating fund - accounts for all financial resources of general government, except those required/approved to be accounted for in another fund
- **Enterprise Funds** are used to account for business-like activities – assumes costs of functions/systems borne by the users, not property tax supported:
 - Water and Sewer: Accounts for water purchases and maintenance and operations of the underground infrastructure
 - Parking: Accounts for the administration/operation of public parking garages, lots and meter system
 - Environmental Services: Accounts for refuse collection /recycling internal support and contractual services

Budget Overview

- **Internal Service Funds** account for/allocate costs for functions such as liability insurance and employee health care program costs
- **Grant Funds** are used to ensure compliance reporting to granting agency
- **Special Revenue Funds** account for activity segregated from general operations or not accounted for elsewhere
- **Capital Funds** account for improvements to the public way, maintenance of Village-owned property and equipment intended to be depreciated

Capital Improvement Plan (CIP)

The Capital Improvement Plan (CIP) is a process by which the Village summarizes its multi-year plan for major capital expenditures. It provides an ongoing framework for identifying capital requirements and future financial impacts, the scheduling of projects over an extended period of time, and strategizing for the most efficient completion of projects.

Capital Improvement Plan (CIP)

Village Board approval of the CIP does not appropriate funds – it is a plan.

The first year of the plan (2017) will serve as the foundation for all capital elements of the FY17 recommended Village budget which will be reviewed during October by the Finance Committee of the Village Board.

Oak Park will celebrate its 115th Anniversary in 2017 and the adoption of a five year capital plan in advance of the annual budget will allow for staff to begin engineer design work and develop bid documents over the winter and be prepared for an early spring bid letting.

This has improved the Village's position when bidding capital projects and when scheduling construction of capital improvements.

Capital Improvement Plan (CIP)

A CIP project is categorized into one of the following capital funds for budgeting:

- **Building Improvements**
- **Fleet Replacement**
- **Equipment Replacement**
- **Capital (All Other)**

Each of the above CIP categories has a separate budget/Fund associated with it to track the costs once the proposed project is included in the annual budget. However, if the CIP project or purchase can be classified as a TIF eligible expense or related to one of the Village's Enterprise Funds (Water or Parking), such expenditure is budgeted within that specific TIF or Enterprise Fund rather than one of the Capital Funds noted above.

Capital Expenditures

In 2015, Capital Expenditures totaled \$33 million or 21% of the total Village budget

Capital Revenues

Capital Expenditures are funding as follows:

- **Home Rule Sales Tax - \$2.6 million estimated for FY17**
- **Local Gasoline Tax - \$800,00 estimated for FY17**
- **Grants - \$896,080 estimated for FY17**
- **Miscellaneous Revenues – \$252,750 estimated for FY17**
- **Bond Proceeds – based upon projects**
- **TIF - if a project is a TIF eligible expense**
- **Enterprise Fund Revenues (parking fees or water fees) if the project is for that Enterprise Fund**

CIP Review

- **The Finance Committee of the Village Board reviewed the CIP over two meetings - August 29 and September 12, 2016. It is the consensus of the Finance Committee that additional discussion is needed related to the Fiber Optic Project (p. 152).**
- **The CIP document was provided to the Village Board as a part of the September 19, 2016 Village Board meeting.**

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