



Agenda Item Summary

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Submitted By

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Agenda Item Title

A Presentation of the Recommended Five Year Capital Improvement Plan (CIP) 2021-2025:

- 1. Main Capital Fund: *pages 6 - 56***
- 2. Madison TIF (Expired 12/31/2019): *pages 57 - 60***
- 3. CDBG Fund (Capital Items Only): *pages 60 - 65***
- 4. Sustainability Fund (Capital Items Only): *pages 66 -72***
- 5. Building Improvement Fund: *pages 73 - 143***
- 6. Madison TIF Building Improvements (Expired 12/31/2019): *pages 144 - 147***
- 7. Fleet Fund: *pages 148 -154***
- 8. Equipment Replacement Fund: *pages 155 - 170***
- 9. Parking Fund (Capital Items Only): *pages 171 - 185***
- 10. Water and Sewer Fund (Capital Items Only): *pages 186 -221***

Overview

The five year recommended Capital Improvement Plan (CIP) was briefly presented on October 5, 2020 with the full review and presentation schedule for October 12, 2020. This first year (FY21) will be included in the FY21 recommended budget. Future years and provided to identify future capital needs in the Village. It is requested that the Village Board approve a five year CIP document no later than adoption of the FY21 Budget in December.

Anticipated Future Actions/Commitments

Staff will prepare the final document for Village Board adoption with the operating budget in December.

Report

As we enter the eighth month of the COVID-19 pandemic, the Village strives to meet the needs and costs of capital infrastructure. This is especially impacted by the economy and daily challenges about the allocation of

limited resources.

The Village must continue to make strategic capital investments while holding operating costs to a reasonable level. The first year (FY21) of the recommended five year CIP balances the use of reserves, projected revenues and expenditure limitations in order to address the most urgent capital needs and end 2021 with a positive capital fund balance.

The recommended CIP is developed in consultation with the Village Engineer, Public Works Director and multiple other operating departments. Village Manager, Deputy Village Manager, and CFO held multiple discussion review and discuss all requested projects with operating departments in order to prioritize projects with the ongoing revenue reductions that are expected to continue into 2021 as a result of the pandemic. Dedicated CIP revenues include:

Local Gasoline Tax (\$.06 gallon), Home Rule Sales Tax (1.0 %) and Cannabis Tax (3.0% recreational sales).

Departments also rated each project based on need and priority. The first year of the plan (2021) will serve as the foundation for all capital elements of the FY21 recommended Village budget which will be reviewed during October and November in advance of the final budget approval in December by the Village Board.

Engineering also uses the five-year plan as a guide to plan for upcoming design work for various projects. Specifically related to the next fiscal year's (FY21) recommended capital projects, engineering begins to prepare bid documents now for anticipated approved "annual projects" such as the annual streets resurfacing project and the annual alley repair project. This is done in order to improve the Village's position to receive favorable bids by being prepared for an early spring bid letting requiring engineering to write the bid documents this fall/early winter. Reductions in funding for these projects in 2021 will eliminate much of this work.

This is the sixth year in which staff has formally presented a full five year Capital Improvement Plan (CIP) for review by the Finance Committee of the Village Board. Appreciation is extended to Village staff for the significant work they have done in order to present information to CFO Drazner, Finance staff and myself in order that a recommended budget could be presented which accounts for the fiscal impact of COVID-19.

Through October and November special meetings will be held with the Village Board of Trustees to review the CIP and the recommended FY21 budget which will be posted to the website and presented to the Village Board on or about October 12. It is requested that the Village Board approve a five year CIP document no later than adoption of the FY21 Budget in December.