



Agenda Item Summary

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Submitted By

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Reviewed By

CLP

Agenda Item Title

A Motion to Approve the Five Year Capital Improvement Plan (2018-2022) as Reviewed by the Finance Committee of the Village Board on September 11th, September 12th, and September 19th and at a Special Meeting of the Village Board on September 25th

Overview

This is the Recommended Five Year CIP. At the request of the Board, a memo is attached which identifies projects that can be deferred, totaling \$1 million. Staff continues to recommend inclusion of the projects in 2018.

Staff Recommendation

As requested by the Village Board at the September 25, 2017 discussion, staff prepared a list of possible cuts to the FY18 capital, fleet, building maintenance and equipment replacement funds budget of \$1 million. Individual trustees have also asked for delay of the acceptance of the plan until the FY18 Village Budget is adopted. Staff continues to recommend that the Plan be adopted at this time as it does not appropriate project funding, rather it identifies a five year priority for capital expenditures. The Village Board's decision to fund capital should be guided by the CIP, although the CIP itself is not the controlling document.

In addition, an updated CIP dated October 6, 2017 is being prepared to include by project, a priority classifications using the following schedule:

- A Essential and immediate need;
- B Essential but may be delayed;
- C Optional but beneficial of the Village through increased productivity, safety, etc.;
- D Optional but beneficial to the Village in social, cultural or aesthetic ways;
- F Future need (i.e. proposed in years 2 - 5)
- N/A - Project complete, no 2018 or future expenditures

Budget Impact

The first year of the plan (2018) will serve as the foundation for all capital expenditures in the FY18 budget which will be reviewed during October and November with anticipated formal budget adoption on December 4, 2017.

It is also noted that in order to improve the Village's position when bidding capital projects and when scheduling construction of capital improvements, 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. Subject to approval of the five year CIP, staff will bring forward any contracts necessary for bid.

Background

While the CIP document by itself is not a formal, legal appropriation document, formal Village Board approval of this document will allow staff to include such capital expenditure amounts budgeted in FY18 to be incorporated into the Proposed Budget which will be provided to the Village Board and public as required under the budget public hearing scheduled for November 20, 2016.

Chapter 2 of the Municipal Code establishes the foundation for the Municipal Budget and provides:

- The Village fiscal year is January 1 - December 31 annually.
- The Board of Trustees must adopt the annual budget prior to the start of the Fiscal Year and passage of the annual budget shall be in lieu of passage of the appropriation ordinance.
- On or before the Village Board of Trustees' first regular meeting in November of each year, the Village Manager shall submit to the Board of Trustees an annual Municipal budget which contains estimates of revenues together with recommended expenditures in conformity with good fiscal management practice.

Alternatives

The Board should determine if the CIP will be reduced by \$1 million prior to voting on its approval.

Previous Board Action

N/A.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

N/A.

Intergovernmental Cooperation Opportunities

N/A.

Performance Management (MAP) Alignment

N/A.