

CITY OF PLACERVILLE



Image by Craig Koski

ADOPTED CAPITAL IMPROVEMENT PROGRAM BUDGET 2015/2016

CAPITAL IMPROVEMENT PROGRAM POLICY

Each year the City faces the challenge of meeting infrastructure and equipment needs with limited financial resources. The Capital Improvement Program Budget is designed to address the large financial investment that is required to maintain and expand public facilities and infrastructure. Ongoing service delivery can be assured only if adequate consideration is given to capital needs including capital asset replacement. If the City were to fail to maintain its capital assets, facilities and infrastructure will deteriorate until costly, constant maintenance is required, service levels are threatened, and community growth stagnates or even declines.

- In contrast to the Operating Budget, the Capital Improvement Program is a multi-year planning document. With respect to capital projects, it sets our goals for the next few years within what we believe to be realistic revenue projections.
- Capital assets are defined as a new or rehabilitated physical asset that is nonrecurring, has a useful life of five years or more, and is expensive to purchase. Capital projects are undertaken to acquire a capital asset. Examples of capital projects include construction of public facilities, major street improvements, and the acquisition of large pieces of equipment.
- Each project, shown within this document, indicates the potential funding sources based upon a number of restrictions that are common to local government revenue sources. As an example, we can build roads with gas tax funds and development impact funds, but not with park development funds.
- The funding strategy for the capital improvement program is to use all available restricted funds before general capital improvement funds. This maintains the City's flexibility to fund priority projects without regard to the source of revenues.
- Because of limited resources, the City's strategy during the last several years has been to contribute any carry-over from the prior year's operating budget to the General Capital Improvements Fund. This is the only true source of unrestricted capital improvement funds within the City. With the backlog of street and building maintenance projects, the City's goal is to someday allocate a percentage of sales tax revenues to be used only for capital improvements. This will assure long-term financial health of the City.

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2015/2016 CAPITAL IMPROVEMENT PROGRAM PROJECTS

Elm Court Waterline Replacement (CIP #41601)

DESCRIPTION:

This project replaces approximately 500 linear feet of water main that currently shares a trench with an active and existing sewer main pipe line. The existing water main is physically located below the sewer pipe which causes concern in its current state as the sewer pipe is compromised from root intrusion.

COST SUMMARY:

Construction	\$50,000
Contingency	5,000
Inspection/Testing	<u>5,000</u>
Total Estimate	<u>\$60,000</u>

POTENTIAL FUNDING SOURCES:

Measure H Fund	\$60,000
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IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

This improvement will reduce risk to public health and safety by providing adequate separation from active water and sewer lines residing in the same trench. Additionally, the improvements associated with this project will reduce future operating costs and future construction in the event the sewer pipe fails and an emergency repair is needed.

ALTERNATIVES:

Defer the project.

Conrad Street Sewer Line Replacement (CIP #41602)

DESCRIPTION:

This project replaces approximately 800 linear feet of sewer main located on Conrad Street. The existing sewer line resides almost directly below the road surface (4" of cover) and has been crushed in places due to weight of vehicles from daily traffic. In its current condition, this pipe is not maintainable and only option is replacement.

COST SUMMARY:

Construction	\$ 90,000
Contingency	15,000
Inspection/Testing	<u>15,000</u>
Total Estimate	<u>\$120,000</u>

POTENTIAL FUNDING SOURCES:

Measure H Fund	\$120,000
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IMPACT ON ANNUAL MAINTENANCE AND OPERATION COSTS:

This improvement will reduce risk to public health and safety by replacing the existing crushed pipe and could potentially spill as sewage accumulates within the line. Additionally, the improvements associated with this project will reduce future operating costs for attempted maintenance and future construction in the event an emergency repair is needed.

ALTERNATIVES:

Defer the project.

City of Placerville
Adopted Capital Improvement Program Budget Summary
Fiscal Year 2015/2016

Project	Measure H Fund
Elm Court Waterline Replacement	\$ 60,000
Conrad Street Sewer Line Replacement	120,000
Total	\$ 180,000