

RESOLUTION #1032

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POLSON, MONTANA, ESTABLISHING A CAPITAL IMPROVEMENT PROGRAM (CIP) CONSISTING OF A FIVE (5) YEAR PLAN AND PROVIDING POLICY FOR IMPLEMENTATION THEREOF.

WHEREAS, MCA section 7-6-616 allows for the establishment of a capital improvement fund for the replacement, improvement, and acquisition of property, facilities, or equipment that costs in excess of \$5,000 and that has a life expectancy of 5 years or more; and further provides that the fund may receive money from any source, including funds that have been allocated in any year but have not been expended or encumbered by the end of the fiscal year; and

WHEREAS, the City Commission recognizes that limited financial resources and increased demands for services require an informed blending of short and long term capital outlays; and

WHEREAS, a CIP will force the City to assess revenues, expenditures and debt trends to pinpoint conflicts and challenges to fiscal solvency on an annual basis; and

WHEREAS, a CIP promotes and provides for active community participation into long range planning, keeps the public informed and reduces funding pressures for new programs on public officials; and

WHEREAS, a CIP encourages personnel and service delivery productivity by providing concrete community objectives and a schedule of resources to accomplish them; and

WHEREAS, an active CIP enhances participation in Federal or State grants-in-aid by maintaining a current justification and schedule for capital improvement needs of the community; and

WHEREAS, a CIP will enhance the maintenance of the City infrastructure, leading to a stable economy which is highly competitive; and

WHEREAS, a well maintained City infrastructure provides a positive environment for new business and commercial growth promoting new job opportunities and a stable tax base in the City.

NOW THEREFORE BE IT RESOLVED by the Polson City Commission;

Section 1. That the following definitions shall be established for the purpose of the CIP:

A. Types of expenditures to include in the CIP:

1. Five distinct classes of capital items;

- a. Land;
- b. Buildings;
- c. Improvements Other Than Buildings;
- d. Machinery & Equipment;
- e. Infrastructure;

2. Types of acquisition, either recurring or nonrecurring;

- a. New;
- b. Improvement to existing capital asset;
- c. Replacement;

3. Cost limitations;

- a. Items costing \$5,000 or less shall be budgeted in the annual operating budget under the supplies classification, as individual items;
- b. A specific dollar amount shall be designated by the City Commission, to be transferred from the annual operating budget of the general fund to the CIP fund to accommodate capital items costing more than \$5,000;
- c. Other governmental funds may fund capital items costing more than \$5,000 from within their fund under the capital classification or can choose to establish and transfer a specific dollar amount designated by the City Commission to a CIP fund established for their particular fund;
- d. Proprietary funds will continue to fund capital items over \$5,000 under the capital classification in their respective funds;
- e. Items of similar use purchased at the same time and costing in excess of \$5,000 for the entire purchase and having a life expectancy of 5 years or more may be grouped as one capital asset costing more than \$5,000 at the discretion of the City Manager;

4. Useful life;

- a. Items included in the CIP shall have a life expectancy of five (5) years or greater

B. Project duration;

1. Short Term Project—a project that can be funded and completed in one (1) program year;

2. Long Term Project—a project that necessitates multi-year funding and can be completed within five (5) years;

Section 2. Annual adoption of the CIP and appropriation of funds by the City Commission shall occur no later than the approval of the final budget for the year that includes the first year of the CIP plan being adopted.

Section 3. The City Manager shall annually submit to the City Commission a recommended plan for consideration prior to May 30th each year. This will coincide with the annual Impact Fee Report required by Ordinance 661 Section 6.10(g).

Section 4. The City Manager shall promulgate instructions, forms, and time schedules for obtaining capital project requests from all departments, boards, and agencies of the City.

Section 5. Procedure to adopt the Capital Improvement Program—upon receipt of the City Manager’s recommended plan, the Commission shall:

1. Prioritize individual projects;
2. Prepare a tentative resolution containing designated projects and appropriations to fund the CIP;
3. Provide for at least one workshop to review and edit the CIP;
4. Adopt the CIP resolution no later than the adoption of the final budget for the City.

Passed and approved on this 5th day of September 2012.

Pat DeVries, Mayor

ATTEST: _____
Cindy Dooley, City Clerk