

CITY OF STOUGHTON CIP POLICY

PURPOSE

The CIP (Capital Improvement Plan) is to be used as a guide for future capital improvements and will incorporate the following elements:

1. A CIP is for large non-reoccurring expenditures.
 - a. *Large*: \$15,000 or more for a single item or group of similar items.
 - b. *Non-reoccurring*: Not budgeted every year.
2. The CIP will cover the next six years.
3. CIP projects will be coordinated between departments of the City.
4. Because a CIP is referenced when putting together the City's Debt Plan, a high degree of confidence in the accuracy of the CIP is required (i.e., the first year's items should remain pretty much unchanged from the most recent CIP approval, the second year could have minor changes with an expectation of total amounts not varying more than 15% from the prior approval, third year changes in total should not vary more than 25% from the prior approval, and the fourth through sixth years allowed a little more flexibility.)
5. The CIP is a tool to help eliminate property tax "spikes," and an effort is made to "level out" debt service resulting from the implementation of Capital Budget items.

CALENDAR

April – May: Department Heads prepare CIP updates and review with Oversight Committees

By the end of June: CIP Team meets and reviews the prepared updates

July – August: CIP Team passes on their recommendations to the Finance Committee. (CC to the Oversight Committees and Department Heads) (Department Heads include subsequent year CIP items in their initial Budget requests.)

September: Finance Committee reviews CIP

Early October: COW on CIP

End of October: Council approves final CIP.

RESPONSIBILITIES

Finance Director: Overall coordination of the CIP process is vested with the Finance Director. Each year the Finance Director will identify funding sources for CIP items, i.e., Debt, Levy, or Fund Balance, and include these in the Departmental Summary Report.

The Finance Director will also update an estimate of what percentage of the annual budget is represented by debt service for each of the next three years.

Department Heads: Will prepare a CIP Summary detailing any requested changes to the previously approved CIP. This summary will accompany the CIP as it moves through the Update approval process.

Oversight Committees: Will meet to review departmental updates assigned to them.

ADOPTED BY THE COMMON COUNCIL: January 24, 2006

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