

City of New Berlin General Financial Policy	TITLE: Capital Improvement Policy
AUTHORIZATION DATE: 3/11/08	LAST UPDATE: 10/13/15
POLICY SOURCE: Finance Committee	SCOPE: City wide
Reviewed by City Attorney n/a	Board/Commission Approval: Finance Committee 07/15/15, 11/8/18 Common Council 10/13/15, 1/8/19

General

The City has a significant investment in capital assets, including equipment, land, buildings, and infrastructure. The purpose of this policy is to set guidelines for preparing the capital budget to fund these assets.

Policy

1. The City will make all capital improvements in accordance with an adopted Capital Improvement program.
2. The City will develop a five (5) year plan for Capital Improvements and update it annually.
3. The City will enact an annual capital improvement budget based on the multi-year capital improvement plan. Future capital expenditures necessitated by changes in population or changes in real estate development will be calculated and included in capital improvement budget projections.
4. The objective of the Capital improvement program is to consider only those items with a life expectancy greater than five (5) years and a cost greater than \$50,000.
5. The City will coordinate development of the Capital Improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts. The debt service budget will be audited to account for a new debt issued to fund Capital projects.
6. The City will use intergovernmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and city priorities, and whose operating and maintenance costs have been included in operating budget forecasts.
7. The City will maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.
8. The City will project its equipment replacement and maintenance need for the next five (5) years and will update this projection each year. From this projection, a maintenance and replacement schedule will be developed and followed.
9. The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Common Council for approval.
10. The City will utilize the least costly financing method for all new projects.

This policy was reviewed and approved by the Finance Committee and Common Council and signed by Mayor David Ament on the 15th day of Jan, 2019, as evidenced by his signature hereon. Three signed originals of this policy have been generated. One original is maintained in the City Clerk's office, the second original is maintained in the Finance Department, and the third original is maintained in the Mayor's Office. This policy may only be modified by the Finance Committee with Common Council approval.



David A. Ament, Mayor