

CITY OF LONG GROVE
CAPITAL IMPROVEMENT PLAN
2019-2024
(Approved December 12th2017)

INTRODUCTION

A Capital Improvement Plan (CIP) is a tool to be used by the City Council, Staff and the General Public. It is a road map to identify future projects and identifying what year the project will take place as well as ear-marking funds for the project. The CIP will identify all such projects which are not on an “on-going” basis. In other words these identified projects are those identified by Staff or Council as those which are desirous to be completed and are not a maintenance item in the city budget on a year-by-year basis. Since it is not possible to fund each and every project every year, a Capital Improvement Plan (CIP) is used to “plan” for the expenses over a period of time. The idea of a CIP is to constantly update the document with new dollar figures as they become available and to identify new projects as they arise.

The CIP becomes the Council and Staff’s tool for scheduling, planning and financing large projects, be it construction or equipment. It is a document that links the various identified projects contained in the comprehensive plan, the future land use plan with city’s budget. However, the CIP must not be cast in stone. Various changes and priorities will take place as more is revealed on each project. These revisions as the process moves forward will be contained in “updated” versions of the plan. The CIP will provide a process to identify the project and funds, as well as the year the project is desired to be accomplished. The final decision to fund the project in any given budget year will be addressed in each year’s formal budget process.

FORMAT

Projects will be identified with a narrative on the project and will identify possible funding sources. The narrative will address the type of project by category. The six main categories utilized by this report are:

1. Electric Utility Projects
2. Recreation and Park Projects
3. Street and Sidewalk Construction Projects
4. Facilities and Equipment
5. Water Utility Projects
6. Wastewater and Sanitary Sewer Projects

FUNDS AVAILABILITY

The intent is to keep annual capital expenditures at a maximum of \$500,000 per budget year. In some instances the reader will see dollars allocated in one year and spent in a subsequent year. This type of funding instrument is utilized to soften the cost of various large projects or to allow for the project to be spread over several years to gain the most exposure in addressing more projects in a given time period.

FUND TYPES

There are various types of funding that will be utilized by Long Grove. This section will identify the source of these different fund types. In each project listing, if required, additional information will be given on the fund type(s).

1. General Fund. These funds are received through the City's ability to levy taxes or are funds which come to the City and are included as part of the city's on-going operation. These funds are usually from local sources and may include the expenditure of balances from previous years. The General Fund is primarily used for the daily operations of City government
2. Road Use Tax (RUT). These funds are derived from the State of Iowa through an allocation of the taxes paid at time of fuel purchases. There are restrictions to the use of these funds by Iowa Code. Generally these funds are for the maintenance of and/or construction of streets and roads. They may be used for the purchase of equipment for the maintenance of the roads or snow removal.
3. General Obligation (G.O.) bonds. This is a funding type that is paid through taxation on property. The amount levied each year depends on the amount of principal and interest due. These bonds can be "essential corporate purpose" and not need a vote of the residents. These bonds are identified in section 384.24(3) of the Code of Iowa, or the bonds can be "general corporate purpose" and require the vote of the residents. The vote will need to carry by 60%. Examples of this bond type can be found in Chapter 384.24(4) of the Code of Iowa. General Obligation Bonds can not exceed 5% of the total valuation of a city.
4. Revenue bonds. These are similar to G.O. Bonds, but are paid through the revenues generated by a particular utility (propriety/enterprise fund). These bonds are typically tied to a certain project within a utility and have a funding stream capable of generating income to service the debt.

5. Local Option Sales Tax (LOST). These funds are generated by the additional percent added to the sales tax. This tax is added at the point of sale. The tax must be voted into existence, and may have a sunset. The measure as voted on will be the governing factor as to what these funds may be used for. Most LOST funds will have the limitation of “any lawful purpose”. If the city is able to expend funds for the project, the LOST funds may be applied.
6. Loans. Loans from the State or Federal government are another source of funding for projects. Repayment of the borrowed money may factor against the city’s bonded indebtedness, or may become an obligation of an enterprise fund. One should compare loans to other sources of indebtedness to determine the best and most logical approach to a project, while gauging the impact of the interest charged.
7. Grant. Grants are offered by many sources. State and Federal Government grants are two of the most utilized by local government. Private institution (foundation) grants have grown over the years. Grants are often tied to certain performance guidelines or other strings. The impact should be measured to determine if the performance measures or conditions of the grant do not outweigh the grant award.

GOAL SETTING

Based upon the 2017 Citizen Survey Results, the Council has identified and prioritized goals for the City of Long Grove. From the survey and through a goal setting work session, the Council has identified three major project goals and prioritized in the following order:

1. Water Treatment
2. 1st Street Down-Town Revitalization
3. Lagoon WWTP Phase 2 Completion (on-going long term completion)

Additionally, the Council feels it is necessary to plan for future operating needs and intends to appropriate annual reserves into the following categories, with no order priority:

- Civic League Drainage
- Parks
- Vehicle
- Other Equipment
- Office Equipment
- Street Construction
- Infrastructure
- Meters
- Street Lights (Decorative)
- Infrastructure
- Water Tower

Finally, the attached CIP FY 19-24 spreadsheet also includes current reserves allocations for the FY2018 and includes the necessary reserve funds to cover Long Term Sewer Revenue Debt. The CIP for FY 19-24 also reflects FY 18 employee vacation, sick leave, and comp time reserve bank requirements. The Long Term Sewer Debt and vacation, sick, and comp time are subject to change.

ELECTRIC UTILITY PROJECTS

- 1st St Revitalization
 - o Continue with underground Conversion on First Street
 - o Street Light Upgrade on First (Decorative)

RECREATION AND PARK PROJECTS

STREET AND SIDEWALK CONSTRUCTION PROJECT

- 1st St Revitalization
 - o Sidewalk Install on City Property
- Civic Center area Drainage Plan

FACILITIES AND EQUIPMENT

- Dump Truck Repair

WATER UTILITY PROJECTS

- Water Tower Maintenance
- 1st St Revitalization (infrastructure repairs or improvements)
- New Water Treatment Plant Planning
 - o Engineering System Design Mapping
 - o Flow Study
 - o Rate and Cost Analysis

WASTEWATER AND SANITARY SEWER PROJECTS

- Overflow Lagoon Regrading
- 1st St Revitalization (infrastructure repairs or improvements)
- Rip Rap Overflow Banks
- Future Storage Pad for Pressed Sludge

*Please note: Any cost estimates list on the CIP spreadsheet are rough estimates only. The City plans to utilize resources in the FY19 to obtain more accurate estimates of various project costs.