

City of La Verne

Capital Improvement Program

INTRODUCTION

Capital improvement programming is a guide toward the efficient and effective provision of public facilities. The result of this continuing programming process is the Capital Improvement Program (CIP), a document published annually that proposes the development, modernization or replacement of physical public facilities (or projects) over a multi-year period. The CIP shows the arrangement of projects in a sequential order based upon a schedule of priorities and assigns an estimated cost and anticipated method of financing for each project.

Programming capital facilities over time can promote better use of the city's limited financial resources and assist in the coordination of public and private development. In addition, the programming process is valuable as a means of coordinating among the city's various departments to avoid duplication of effort and to take advantage of joint planning and development of facilities where possible. The process also affords other agencies and utility providers the opportunity to review the city's program, thereby enabling them to better schedule work that might be affected by the city's proposed improvements. By looking beyond year to year budgeting, and projecting what, where, when, and how capital investments are made, capital programming enables the city council to maintain an effective level of service to the present and future population.

The first year of the Capital Improvement Program is called the Capital Budget, and is appropriated in the same manner as the annual operating budget of the City. Funds for projects are appropriated on an annual basis; projects scheduled for subsequent years are approved for planning purposes only and do not receive expenditure authority until they are part of the capital budget.

The Capital Improvement Program is a multi-year plan for capital expenditures needed to replace and expand the public infrastructure. The program is updated annually to reflect the community's latest priorities, updated cost estimates, and latest estimates for outside funding.

What is a Capital Project?

A capital improvement project is a major, non-routine expenditure for new construction, major equipment purchases, or improvement to existing buildings, facilities, land or infrastructure. Among items properly classified as capital improvements are:

- ❑ Construction and renovation of City buildings;

- ❑ Construction and renovation of police and jail facilities;
- ❑ Construction and renovation of fire stations, and the acquisition of fire fighting apparatus;
- ❑ Construction of sanitary sewer and water line replacements;
- ❑ Improvements to and the extension of the City's streets and storm sewers;
- ❑ Improvements to and expansion of the City's park system.

A capital project is a project requiring a minimum expenditure by the City of at least \$25,000, which has a useful life span of ten years or more, and which meets one or more of the following criteria:

- ❑ Provides for the acquisition or construction of any physical facility for the community, to include consultant or professional services related to acquisition or construction;
- ❑ Provides for the acquisition of equipment for any physical facility when first constructed or acquired;
- ❑ Provides for the ongoing acquisition of major capital equipment or systems, i.e., computer technology, radio systems;
- ❑ Provides for the acquisition of land or an interest in land;
- ❑ Provides for the acquisition of public utilities;
- ❑ Funds expenditures, including additions to existing facilities, which increase the square footage or value of a facility; or
- ❑ Funds expenditures for major maintenance or replacement projects on existing facilities.

OVERVIEW/PROCESS

The economic vitality and quality of life in the community is enhanced through CIP projects. Capital improvements require a major initial investment, a significant and continuing financial commitment and, eventually, replacement. The purpose of the Capital Improvement Program is to provide a comprehensive schedule of planning, design, construction, maintenance and repair of City facilities and infrastructure. Priorities are established using the following criteria:

1. Safety Issue – Does it resolve a safety concern?
2. Legal Requirement – Does it fulfill a legal mandate?
3. Revenue Generator – Does it generate new revenue?
4. Operational Efficiency – Does it increase productivity?
5. Cost Avoidance – Does it reduce potential costs?
6. General Community Value – Does it satisfy a political need, community desire, or general/specific plan objective?

The public works department develops the annual capital budget by soliciting departments for new projects, developing a budget activity schedule, and implementing the overall capital

budgeting process. A listing of proposed capital projects, along with a department's requested funding, is then submitted to the Capital Project Committee (CPC) for review and ranking and subsequently to the City Council for approval and adoption.

The Capital Program Committee (CPC), consisting of all department heads, has been established to assist the City Manager in the development and management of the CIP. The CPC is responsible for evaluating and prioritizing projects within the CIP. The CPC also provides management oversight in the development and maintenance of the annual capital program that includes anticipated funding from federal, state, and local sources.

Establishment of Evaluation Criteria

Project evaluation criteria have been established and are used by the CPC to rank new and expanded projects. Mandated, committed and maintenance projects are not ranked, but are automatically funded as number one priorities (committed projects are defined as ongoing projects that already have received funding in a prior year, but which require additional funding for completion. Projects included in the five-year plan that have not received any prior year funding are not considered committed projects). Consistent with the policy of restricting new projects to the 5th year, projects in the first four years already have been evaluated under these same criteria. If there have been no significant changes, the projects in the first four years will receive the same ranking.

Separation of Maintenance and Replacement Projects

It is the city's goal to ensure that maintenance and repair projects are funded before new projects are undertaken, which is why they are considered a higher priority than new or expanded projects. Individual maintenance, repair, and replacement projects are presented as distinct CIP projects.

Five-Year Projection of Revenues

To implement a more realistic plan of projects to be completed in the next five-year period, individual departments forecast available revenues over the next five years. Although revenue estimates may vary in either direction, the general revenue parameters are used by the CPC to prioritize and stage the projects over the five-year period.

ORGANIZATION OF THE CAPITAL IMPROVEMENT PROGRAM

The City of La Verne Capital Improvement Program is comprised of five primary sections. The first section, Capital Improvement Programming, describes capital improvement programming, its relationship to planning and the budgeting process, and how the City of La Verne CIP is developed.

The second component of the CIP is the “CIP Summary” for the coming fiscal year. This section summarizes all planned projects recommended to receive funding authorization, provides an overview of each of the various funds, and identifies funding sources.

The third section of the CIP is the “Five Year CIP Summary.” It is similar to the CIP Summary described above, but identifies projects for the following five year period. It summarizes all planned projects anticipated over the next five years, provides an overview of each of the various funds, and identifies funding sources anticipated throughout the period.

The fourth section is a summary of each fund’s activity over the next five years. It provides a more specific picture of how each fund’s projects are prioritized as well as how future revenues are estimated.

The remaining sections are the individual project sheets submitted by departments. These project sheets provide greater details for each project including descriptions, funding requirements and sources, and construction timeframes.

The following summarizes the annual process for development of the CIP:

September – November	Projects reviewed and developed by City staff
December	Draft CIP document consolidated and reviewed by the City Manager
January/February	Draft CIP projects review by Capital Programming Committee
March/April	A draft CIP document is forwarded to the Planning Commission to determine consistency with General Plan
May	The CIP plan is presented to the City Council for approval
June	The CIP is adopted for the next fiscal year as part of the City's budget

**City of La Verne
Five Year Capital Improvement Program
Project Fund Summary**

CIP Project Number	Five Year CIP Summary	Fund 206	Fund 215	Fund 216	Fund 222	Fund 231	Fund 234	Fund 235	Fund 243	Fund 244	Fund 250	Fund 252	Fund 405	Fund 406	Fund 407	Fund 410	Fund 412	Fund 507	Fund 531	Fund 624	TOTAL
		Gas Tax	CDBG	CFD 90-1	TDA	Asset Forfeiture	Prop C	Measure R	AB 2766 Source Air Pollution	Public Safety Eq	Fire Eq. Replacem't	Large Building CFD	General Capital Improvem't	ROW Managem't	I/S Tech.	Underground Utilities District	Park Developm't	Water Cap. Improve.	Sewer Cap. Improve.	Equipment	
	Estimated Fund Balance June 30, 2015	1,663,878	65,000	258,243	39,373	35,000	764,482	193,986	406,011	639,606	948,575	3,367	714,798	2,756,229	42,993	1,681,561	1,146,381	5,132,605	5,215,187	267,991	23,475,491
	Estimated Revenue 2015/16-2019/20	3,969,000	150,000	375,000	65,500	125,000	895,000	1,760,000	620,000	72,000	90,000	355,000	3,280,000	675,000	20,500	1,203,500	777,000	5,324,500	1,785,075	2,314,000	24,001,725
	Est. Funding Avail. thru June 30, 2020	5,632,878	215,000	633,243	104,873	160,000	1,659,482	1,953,986	1,026,011	711,606	1,038,575	358,367	3,994,798	3,431,229	63,493	2,885,061	1,923,381	10,457,105	7,000,262	2,581,991	47,477,216
	Scheduled Projects 2015/16-2019/20																				
13.01	Pavement Management	2,500,000						1,750,000													4,250,000
13.24	Vehicle Replacement Program 2015/2020																			1,830,678	1,830,678
14.03	Station 2 Remodel									250,000											250,000
14.09	General Plan Update												400,000								400,000
14.15	Reservoir Rehab																	375,000			375,000
14.16	Well Rehab																	800,000			800,000
14.17	Various Waterline Replacements																	625,000			625,000
14.19	Sewer Line Replacement																		375,000		375,000
15.01	Traffic Signal - White/Bonita Left Turn	225,000					0														225,000
15.02	Traffic Signal - Wheeler/Puddingstone	275,000																			275,000
15.03	PD Secured Parking Area Canopies					40,000							40,000								80,000
15.04	Traffic Signal - Bonita/B	300,000					0														300,000
15.07	Open Space Master Plan																60,000				60,000
15.08	Aquatics Center Pool Replastering																100,000				100,000
15.09	Relocatable Generator - Various Locations																	145,000			145,000
15.10	Install Quick Disconnect Systems - Various Sites																	175,000			175,000
16.01	Traffic Signal - White/Durward	200,000																			200,000
16.02	City Yard - Material Bin Canopies												75,000								75,000
16.03	Median - Fruit St. (Amherst to 210)												350,000								350,000
16.05	Old Town Street Light Replacement												30,000								30,000
16.06	A/S 400 System Upgrade														30,000			40,000			70,000
16.07	Maniero Square Improvements																50,000				50,000
16.08	Community Center HVAC Replacement												30,000				30,000				60,000
16.10	Cartwright Well - Re-drill																	750,000			750,000
16.11	City Yard Shade Structures												60,000								60,000
16.12	City Yard Shop Upgrade CNG Safety												150,000								150,000
16.12	CNG Rapid Fill Upgrade								150,000												150,000
17.01	Puddingstone Bridge	600,000																			600,000
17.02	Median - Wheeler Ave. (Tabor to 210)												250,000								250,000
17.03	Median - Foothill, Baseline to 210												125,000								125,000
17.05	Live Oak Park Picnic Shelter																50,000				50,000
17.06	Oak Mesa Park Picnic Shelter																50,000				50,000
17.07	Plateau Plant and Summit Waterline Replacement																	400,000			400,000
18.01	Bicycle Master Plan (METRO Call for Projects)				35,000		301,000						1,115,000								1,451,000
18.02	Gold Line Station						1,000,000														1,000,000
18.03	City Hall - Generator												125,000								125,000
18.04	Monument Signs												30,000								30,000
18.05	Rule 20A Project - White Ave.															2,250,000					2,250,000
18.06	Master Plan Improvements																	1,500,000			1,500,000
18.07	BUSD Synthetic Field Replacement																300,000				300,000
18.07	Williams Avenue Park																320,000				320,000
19.02	Exterior Light Energy Efficiency Retrofit												175,000								175,000
19.03	Fire Station 2 Re-roof												105,000								105,000
19.04	Kuns Park Restroom re-roof																35,000				35,000

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19.05	Las Flores Park Inclusive Playground		125,000														125,000				250,000	
19.06	Las Flores Park South Restroom																110,000					110,000
19.07	Las Flores Park Shelters																100,000					100,000
19.08	Lowell Brandt Playground Replacement																75,000					75,000
19.09	Painting of City Facilities												125,000									125,000
19.14	E Street Waterline Replacement																	750,000				750,000
19.15	D Street Parkway Improvements												200,000									200,000
																						0
																						0
																						0
																						0
																						0
																						0
	Total 5 Year Resource Requirement	4,100,000	125,000	0	35,000	40,000	1,301,000	1,750,000	150,000	250,000	0	0	3,385,000	0	30,000	2,250,000	1,405,000	5,560,000	375,000	1,830,678	22,586,678	
	Funding Balance/(Shortfall)	1,532,878	90,000	633,243	69,873	120,000	358,482	203,986	876,011	461,606	1,038,575	358,367	609,798	3,431,229	33,493	635,061	518,381	4,897,105	6,625,262	751,313	24,890,538	
	Prioritization Criteria																					
1	Safety Issue - Does it resolve a safety concern?																					
2	Legal Requirement - Does it fulfill a legal mandate?																					
3	Revenue Generator - Does it generate new revenues?																					
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