

# Philip Capital Improvements Plan

## 2016-2020

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### **A CAPITAL IMPROVEMENTS PLAN (CIP) IS:**

- **A multi-year (5 year) policy guide used to identify needed capital projects and to coordinate the financing and timing of public improvements.**
- **A useful tool to help prioritize major expenditures.**
- **A dynamic plan that can be changed with circumstances.**
- **An instrument that is unique to each community's particular situation.**

### **A CIP CAN:**

- **Involve and inform citizens and officials.**
- **Prevent "crisis management" and shape development.**
- **Promote economic development and intergovernmental cooperation.**
- **Secure financing through bonds or taxation/assessment districts as well as with grants and loans.**
- **Streamline the annual budget process.**

In other words, A Capital Improvement Plan (CIP) is a long-range (5-year) budgeting tool that allows communities to analyze when city infrastructure should be constructed, repaired, or replaced. To maintain the quality of public services such as water and sewer systems, facilities must be replaced or upgraded periodically. Also, additional buildings or equipment is oftentimes needed to meet the demands of new development. Both new and existing needs must be completed within the limited capital resources of the community. The CIP process allows communities to recognize their potential, and limitations, by setting priorities to meet community needs.

Without a CIP, a city council is limited to reviewing short-term problems, often on a crisis basis. With a CIP, the council is able to look toward the future, anticipate when capital projects must be completed, and make the necessary budget provisions. For example, the city may put money into a sinking-fund in preparation for the project and spread the cost of the project over several years. The CIP also includes a prioritized list of potential projects, including an implementation schedule and financing recommendations.

There are several advantages of a formalized CIP process:

1. Enables city council to anticipate future capital needs.
2. Allows more citizen input in the budgeting process.
3. The council will be able to make informed budget decisions.
4. Provides council members objective basis for their budget decisions.
5. Allows for the stabilization of local tax rates.
6. Smooths out peaks and valleys in year to year budgets.
7. Requires serious evaluation of the financial feasibility of projects.
8. Provides for proactive, versus reactive, budgeting.

## **ADVANTAGES OF CAPITAL PLANNING**

A systematic, organized approach to planning capital facilities provides a number of real and practical advantages:

**Using taxpayers' dollars wisely.** Advance planning and scheduling of community facilities may avoid costly mistakes. The effort put into deliberate assessment of the need for repair, replacement or expansion of existing public works, as well as careful evaluation of the **need** and **timing** of new facilities can provide many savings. Project timing may be improved to better use available personnel, expensive equipment and construction labor by scheduling related major activities over a longer period. Coordination of construction of several projects may effect savings in construction costs (a newly paved street may not have to be torn up to replace utility lines). Overbuilding or under-building usually can be avoided. Needed land can be purchased at lower cost well in advance of construction.

**Focusing on community needs and capabilities.** Public works projects should reflect the community's needs, objectives, expected growth and financial capability. Assuming each community has limitations for funding capital facilities, planning ahead will help assure that high priority projects will be built first.

**Obtaining community support.** Citizens tend to be more receptive toward projects which are part of a community-wide analysis. A high priority project which is part of an overall plan is less suspect as being someone's "pet project". Where the public participates in the planning of community facilities the citizens are better informed about the community needs and the priorities. A capital facilities program reduces the pressure on elected officials to fund projects which may be of low priority. One of the primary benefits of a community capital improvements program is that because the citizens participated, they are more willing to support bond issues, rate increases, and other funding methods.

**Encouraging economic development.** Typically, a firm considering expansion or relocation is attracted to a community which has well planned and well managed facilities in place. Also, a capital facilities program allows private investors to understand a community's tax loads and service costs, and reflects the fact that the community has done some advance planning to minimize the costs of capital facilities.

**More efficient administration.** Coordination of capital facilities construction, both within a jurisdiction and among city, county and special districts, can reduce scheduling problems, conflicts and overlapping of projects. Also, work can be scheduled more effectively when it is known in advance what, where and when projects are to be undertaken.

A capital improvements program allows a community to anticipate lead times necessary to conduct bond elections and bond sales, prepare design work and let contract bids.

**Maintaining a stable financial program.** Abrupt changes in the tax structure and bonded indebtedness may be avoided when construction projects are spaced over a number of years. Major expenditures can be anticipated, resulting in the maintenance of a sound financial standing through a more balance program of bonded indebtedness. Where there is ample time for planning, the most economical methods of financing each project can be selected in advance. Keeping planned projects within the financial capacity of the community helps to **preserve its credit and bond rating** and makes the area more attractive to business and industry.

**Federal and state grant and loan programs.** A capital improvements program places the community in a better position to take advantage of federal and state grant programs, because plans can be made far enough in advance to utilize matching funds, both anticipated and unanticipated. Most federal and state grant/loan programs either require prior facilities planning, or favor, in ranking applications, applicants which have conducted such planning.

## **PROCESS**

The major phases in developing a capital facilities program are outlined below. Local officials must decide how elaborate their approach should be and who will conduct the various steps for their community.

The steps include:

1. Identifying the needs for facilities, the timing, costs and means of financing for each project;
2. Preparing a financial analysis of the jurisdiction's capacity to pay for new facilities;
3. Setting priorities among the proposals;
4. Seeking review and comment by the public on the recommended projects and priorities;
5. Preparing a final capital facilities program showing projects, priorities, schedule of completion and methods of funding each project;
6. Adopting the capital facilities program by the governing body and adopting first year's projects as a capital budget as part annual budget; and
7. Reviewing the capital facilities program annually.

## **CAPITAL IMPROVEMENTS PROGRAM PROCEDURES**

- ❖ Appoint subcommittees or utilize the entire council and define responsibilities
- ❖ Inform citizens
- ❖ Set rules/policies
- ❖ Define capital improvement
- ❖ Determine length of plan (5 years is recommended)

- ❖ Develop a priority system
- ❖ Prepare inventory list
- ❖ Include age, condition, replacement dates
- ❖ Include improvements underway and current status
- ❖ Prepare a project request list in priority order
- ❖ Include in-depth information on each (justification, future operation and maintenance costs, relationship to other projects)
- ❖ Review projects and develop project summary lists
- ❖ The financial picture
- ❖ Revenue trends/projections
- ❖ Expenditure trends/projections
- ❖ Alternative financing mechanisms
- ❖ Final report, adoption, and implementation

## **ENTERPRISE FUNDS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Activities such as water and sewage treatment systems should be accounted for and reported upon by utilizing the enterprise fund concept. It is the opinion of the State Auditor that, in the interest of public policy and uniformity of reporting for Colorado local governments, all activities which are similar to a business which normally should be self-sustaining, or which generate funds from charges for services or sale of goods, should be accounted for as an enterprise fund regardless of the size of any subsidy from other revenue sources. The subsidy may take the form of a transfer from other revenue funds or it may be direct tax levy by the fund itself.

The enterprise fund concept provides accounting and reporting which shows whether the utility activity is operated at a profit or loss similar to private businesses. The enterprise fund should include the related fixed assets of the system. Further, the accounting for enterprise funds should recognize and record depreciation as an element of cost in determining income.

## INVENTORY

A facilities inventory is a list of all capital facilities owned and operated by a jurisdiction. A facilities inventory should attempt to identify existing facilities, determine original costs and replacement values, consider property condition and estimate dates on which improvements or replacement is necessary. A jurisdiction may wish to gather more information such as: methods used to finance the facilities, the remaining debt and annual debt service and annual operating and maintenance costs.

	Quantity < or > 1	Purchase Price	Manufactured Year	Year Purchased	Condition
<u>ADMINISTRATION</u>					
Blazer - Chevy Blazer (Airport Courtesy Car)		\$ 15,259.00	2000	2000	Fair/Good
Dell Computer (Matt)		\$ 1,620.21	2007	2007	Very Poor - Will be disposed of
HP NV440UT Computer & 22" LCD (Brittany)		\$ 1,322.00	2009	2009	Slow - Transferring to Matt
Dell Optiplex 9010 Computer (Monna)		\$ 1,456.30	2012	2012	Good
Sensus meter reading software		\$ 5,110.00	2013	2013	Good
Kyocera Taskalfa Copier/Printer/Scan/Fax		\$ 6,194.00	2013	2013	Good
Dell 7010 Computer & 23" Monitor (Brian)		\$ 1,357.12	2013	2013	Good
Dell 9020MT Computer & Monitor (Brittany)		\$ 1,521.51	2015	2015	Excellent
<u>MUNICIPAL BUILDING</u>					
City Municipal Building		\$ 25,000.00	1954	2005	Fair
Pole Building (Lot HI)		\$ 5,971.00		2005	Fair
Municipal Building Roof		\$ 13,892.41	2006	2006	Excellent
Mun. Bldg Snow Blocks & Guards		\$ 1,561.73	2007	2007	Excellent
Mun. Bldg Preliminary Plans		\$ 490.00	2007	2007	
<u>POLICE DEPT.</u>					
2011 Chevy Tahoe		\$ 30,494.00	2011	2011	Good
2015 Ford Interceptor w/ Equip. & Floor Liners		\$ 30,077.00	2015	2014	Excellent
<u>FIRE DEPT.</u>					
Sirens	2	\$ 5,232.00	1980	1980	Poor

Siren		\$ 1,984.53	1998	1998	Fair
Siren		\$ 7,837.73	2009	2009	Excellent
<u>STREET DEPT.</u>					
City Shop Building		\$ 14,000.00		1977	Fair
City Shop Building		\$ 39,305.00	1981	1981	Fair
Jet Rodder, Ford Mounted 1973		\$ 13,000.00	1973	1981	Poor
Pick Up-1979 Ford 1 Ton Flat Bed		\$ 2,799.00	1979	1988	Fair
1992 trailer mounted generator set		\$ 20,500.00	1992	1992	Excellent
Sullair Air Compr. Trailr. Mtd. 1984	1/2 Cost	\$ 6,750.00	1984	1997	Fair
Motor Grader, 1993 Caterpillar 140G		\$ 85,000.00	1993	1999	Fair
Rubber Tire Roller - Self Propelled		\$ 4,950.00	old	2001	Fair
Bobcat S185 Skid Steer Loader & Planer		\$ 27,836.00	2005	2005	Excellent
City Shop Spill Containment		\$ 17,324.00	2005	2005	Good
2006 Allainz 3000 Street Sweeper		\$ 115,735.00	2006	2006	Excellent
1992 Vibra-Pac Roller, Beuthling B-300		\$ 5,500.00	1992	2007	Fair
Bobcat Grapple, 55"		\$ 1,010.00	2007	2007	Excellent
2004 Chevy 1500 Pick- Up		\$ 12,200.00	2004	2008	Fair
Sander, 7' Western Steel		\$ 4,438.57	2008	2008	Good
2003 Chevy 1500 Ext. Cab Pick-Up		\$ 12,000.00	2003	2009	Fair
1982 Chip Spreader (ST7030)		\$ 5,000.00	1982	2011	Good
1995 Ford LT8000 Tandem Axle Truck		\$ 15,000.00	1995	2011	Good
2011 Case 621E Loader		\$ 115,450.00	2011	2011	Excellent
Grasshopper Mower 725D	1/2 Cost	\$ 6,350.00	2013	2013	Excellent
1998 IH F2554 Tandem Axle Truck w/ Dump & Plow		\$ 20,800.00	1998	2013	Good
2013 LowPro Dump Trailer, 14'x83"		\$ 6,816.00	2013	2014	Excellent
Oil Distributer, 1989 Stepp		\$ 13,500.00	1989	1989	Fair
Tractor, JD 2440 w/ Mower		\$ 11,478.00		1986	Fair

<u>WEST NILE/MOSQUITO CONTROL</u>					
ULV Mosq. Fogger/Sprayer		\$ 8,500.00	2015	2015	New
<u>AIRPORT</u>					
Airport Hangar (27x38)		\$ 906.86		?	Fair
Airport Hangar (27x38)		\$ 906.86		1983	Fair
Airport Hangar (40x60)/Addition(18x24)/Lounge(14x18)		\$ 2,806.44		1984	Fair
Automated Fueling System with Tank		\$ 33,794.70	2000	2000	Good
John Deere Riding Mower		\$ 2,400.00	2002	2002	Broke Down
Airport Orange Hangar		\$ 30,000.00		2003	Good
Case IH Tractor w/ Loader, Blade, Broom, Plow		\$ 70,509.00	2005	2005	Good
Airport Apron Expansion & Engineering		\$ 313,293.91	2006	2006	Good
Airport Wildlife Fence & Engineering		\$ 243,878.76	2006	2006	Good
Commandor 10' Rotary Mower		\$ 3,650.00	2008	2008	Good
Airport SRE Building		\$ 120,011.04	2009	2009	Excellent
Airport Windcone Project		\$ 36,218.95	2009	2009	Good
M3000 Fuel System Upgrade & Install		\$ 8,705.00	2010	2010	Good
Airport Medium Intensity Runway Lighting		\$ 355,773.24	2012	2012	Excellent
<u>POOL</u>					
Pool Bathhouse				1976	Fair
Swimming Pool Roof		\$ 5,236.25	1996	1996	Fair
Pool Heaters: StaRite Max E Therm 400	3	\$ 8,147.85	2010	2010	Good
12 x 16 Shed		\$ 1,800.00	2010	2010	Good
Fence		\$ 6,405.69	2010	2010	Good
Swimming Pool Renovation/Replacement		\$ 613,449.00	2011	2011	Good
Swimming Pool Parking Lot		\$ 14,880.00	2011	2011	Good
Pool Vacuum & Cart - Duramax Bi-Turbo		\$ 2,989.00	2012	2012	Poor
Drivit Exterior Renovations - Bathhouse		\$ 16,700.00	2012	2012	Good

<u>TENNIS COURT</u>					
Tennis Courts		\$ 21,828.71	1978	1978	
Tennis Courts (Fence Repairs)		\$ 3,059.25	1999	1999	
<u>WATER DEPT.</u>					
Automatic Water Salesman - Bulk Water		\$ 3,302.00	2008	2008	Good
Autoread Software Upgrade		\$ 1,300.00	2013	2013	Good
Ditch Witch Service Line Locator		\$ 3,612.00	2002	2002	Good
Sullair Air Compressor w/ Trailer	1/4 Cost	\$ 3,375.00	1984	1997	Fair
Leak Locator		\$ 3,194.75	1997	1997	Fair
Hydraulic Valve Exerciser		\$ 3,850.00	2003	2003	Excellent
Hand Held Meter Reader Gun		\$ 9,196.00	2007	2007	Good
2007 Dodge 2500 w/ Utility Box, Nerf Bars & Floor Mats		\$ 21,210.00	2007	2014	Good
<u>SEWER DEPT.</u>					
1973 Ford F600 Sewer Truck			1973		Poor
East Lift Station Pump & Repair		\$ 6,783.66	2003	2003	Fair
West Lift Station Pump & Repair		\$ 20,611.56	2007	2007	Fair
Sullair Air Compressor w/ Trailer	1/4 Cost	\$ 6,750.00	1984	1997	Fair
Grasshopper Mower 725D	1/2 Cost	\$ 6,350.00	2013	2013	Excellent
<u>GARBAGE DEPT.</u>					
New Pit Constructed		\$ 3,345.60	2002	2002	Full
Fence		\$ 1,034.02	2002	2002	Poor

## **EVALUATING AND PRIORITIZING PROJECTS**

The most difficult task for the Subcommittee was to evaluate and prioritize the many projects submitted for approval. This is a critical component of the CIP process. Project selection must correspond to the amount of money assumed to be available for capital spending. Within the limited budget, is a new street paving, an addition to the water treatment plant, or a park rehabilitation of greater importance? Shrinking funds and rising costs incurred in maintaining and rehabilitating deteriorating infrastructure make the process of selecting the most vital capital projects even more crucial and difficult. The merits of each project must be judged against the policies and criteria of the CIP process and the goals of each component of the master plan.

Does the project conform in terms of location, size, service provided, and relation to its service area, effect on land use patterns, and relation to public policy and community goals? More than merely a technical process, prioritization involves value preferences, policy choices and political actions. Throughout the examination of the proposed projects, the Subcommittee attempted to overcome some inherent problems in the CIP process:

Government projects are difficult to evaluate because of their diversity and the fact that many, essentially, are not comparable. Individual CIP project requests reflect the need to serve different constituencies and diverse community values. The Subcommittee must attempt to reconcile and balance conflicting community values and judgments.

The Subcommittee must continually approach the decisions required in this process rationally and analytically regardless of the political forces. While conflicting interests within the political process are acknowledged, the Subcommittee must attempt to develop a program that provides the most benefit to the entire community.

It is inevitable that the number of projects requested exceeds available funding. In the endeavor to provide better service to the community, departments often propose capital projects which, unfortunately, go unfunded. This process should not discourage departments from continuing to submit proposals, but should develop into a mechanism to help in the effort to uncover alternate sources of funding and see that higher-priority projects get implemented.

The initial review (evaluation of project impact) took place without regard to funding availability and focuses on policies and the objectivity and judgment of the Council, based on input from City staff.

## **SELECTING PROJECTS**

In the end, the availability of funds each year, as approved by the Mayor and City Council upon the recommendation of the City Council, determines the number of projects that are funded.

As with the measurement of project impacts, placing projects in priority groupings relies on the judgment of the Council, and is not a completely objective process. The criteria used, after all, are not subject to precise measurement. The judgment is, however, not arbitrary and is done within the context of the plans, policies and the goals of the master plan.

Thus, a secondary role of the CIP process is to point out the implications of alternative projects to the City Council. Depending on the policy orientation, modifications are expected throughout the process. This is considered an essential part of the procedure, placing the burden on those who dissent to assess the policies underlying the recommendations and to advocate their differences, resulting in the necessary evolution of the entire capital planning process. An important factor in planning for future capital projects is to ensure that the City has the funds available to cover the cost of future projects.

## **What are Capital Improvements?**

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A wide range of public facilities and equipment should be considered in capital planning. While there are no hard and fast rules, **capital planning deals with the purchase or construction, major repair, reconstruction or replacement of capital items such as: buildings, utility systems, roadways, bridges, parks, landfills, and heavy equipment which are of high cost and have a useful life of several years.** Capital expenditures are sometimes difficult to identify. A fire truck or a new computer, thought of as a very costly capital item in a small community, may be considered in the operating budget in a larger jurisdiction.

**Operating activities** generally have a low cost per unit and recur on a frequent or regular basis. **Capital expenditures** are usually determined based on their projected life span and initial cost estimates. In some jurisdictions a capital expenditure may be an item that has an initial cost greater than \$2,500 and a useful life of five or more years. Other communities might set initial cost limits at \$20,000 and life span expectations at a minimum of ten years. As for the City of Philip, capital expenditures are those defined in the City's Capitalization Policy and are as follows:

- Land;
- Buildings and structures including any improvements thereto with a cost of at least \$25,000;
- Improvements other than building including any repairs or improvements to existing assets with a cost of at least \$10,000;
- Furniture and equipment with a cost of at least \$5,000 and useful life of more than one year; and,
- Machinery and equipment with a cost of at least \$15,000 and useful life of more than one year.

They further distinguish between capital outlays and capital projects;

### **What's the Difference between Capital Outlay and Improvements?**

**Capital Outlay.** Any non-major capital expenditure having a certain service life, a relatively minor dollar value, not physically dependent on or affixed to a particular stationary fixed asset. Examples: office equipment and vehicles.

**Capital Projects.** A major capital expenditure exceeding a set dollar value, with a fixed life of one year or more; a separate, discrete improvement that has a specific purpose in developing, upgrading, replacing or maintaining the existing infrastructure. Examples: upgrades to facilities or new facilities, roads, sewers.

### **These ARE Capital Improvements:**

City Halls	Parking Lots
Land Purchases	Buildings
Street Lighting Systems	Road Graders & Loaders
Fire and Police Stations	Sewer & Water Mains
Storm Sewers	Recreation Buildings
Park Land & Development	Tennis Courts
Airport Runways, Aprons & Lighting	Swimming Pools
Streets, Roads, & Sidewalks	Water & Sewage Treatment Plants
Curb & Gutter	Disposal Sites & Equipment

### **These MAY BE Capital Improvements:**

Building Improvements	Street & Road Repairs
Airport Improvements	Trash Compactor
Airport Fuel Systems	Trucks
Parking Meters	Street Milling & Overlay
Street Machinery & Equipment	Playground Equipment
Vehicles	Copier Machines
Police & Fire Radio Systems	

### **These ARE USUALLY Operating Expenses:**

Office Furniture  
Computers & Software  
Pothole Repairs  
Street Signs  
Chip Sealing  
Lawn Mowers  
Road Gravel

**Historical Balances by Fund Type: 2010-2015**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>General Fund</u></b>						(thru 09/30/15)
Revenue (Uncommitted)	\$670,596.61	\$730,629.65	\$744,462.70	\$820,404.31	\$868,463.49	\$587,714.34
Committed 2nd Penny	\$182,679.81	\$223,593.34	\$214,561.37	\$214,297.35	\$251,941.64	\$210,250.62
Designated Funding/Grants (Hosp/Air/Bond)	\$24,130.39	\$316,154.78	\$344,321.05	\$853,273.46	\$281,622.38	\$55,333.79
Total Revenue	\$877,406.81	\$1,270,377.77	\$1,303,345.12	\$1,887,975.12	\$1,402,027.51	\$853,298.75
Expenses (Personnel/O&M)	\$514,766.88	\$592,284.00	\$656,549.85	\$645,624.24	\$659,376.16	\$464,404.19
Committed 2nd Penny Expenses/Bonds	\$146,671.02	\$109,613.62	\$102,564.92	\$1,211,380.45	\$155,228.74	\$75,647.26
Assigned Funds Expended - CIP (Capitalized)	\$572,315.11	\$182,144.11	\$13,733.20	\$31,462.79	\$30,077.20	\$0.00
Funding/Grant Projects (Hosp/Air)	\$25,504.86	\$304,993.50	\$344,962.06	\$7,586.92	\$250,742.56	\$23,177.30
Total Expenses	\$1,259,257.87	\$1,189,035.23	\$1,117,810.03	\$1,896,054.40	\$1,095,424.66	\$563,228.75
Expenses Under/(Over) Revenue	-\$381,851.06	\$81,342.54	\$185,535.09	-\$8,079.28	\$306,602.85	\$290,070.00
Cash Balance at Year End	\$642,283.28	\$680,073.55	\$495,606.12	\$688,298.99	\$868,397.67	\$974,863.53
Certificates of Deposit	\$73,000.00	\$73,000.00	\$73,000.00	\$73,000.00	\$73,000.00	\$73,000.00
Committed/Assigned Balances at Year End						
Committed - ROW/Infrastructure	\$0.00	\$28,000.00	\$102,000.00	\$118,900.00	\$183,150.00	\$356,736.55
Assigned - Street Equip	\$48,050.00	\$0.00	\$25,000.00	\$22,850.00	\$47,850.00	\$72,850.00
Assigned - Rubble Site	\$51,465.92	\$57,666.92	\$60,757.92	\$66,803.92	\$72,835.92	\$77,589.92
Assigned - Police Equip	\$19,970.00	\$10,000.00	\$14,400.00	\$15,419.00	\$2,419.00	\$7,419.00
Assigned - Swimming Pool	\$0.00	\$0.00	\$0.00	\$846.00	\$5,846.00	\$10,846.00
Assigned - Bldg Improv	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,000.00
TOTAL CASH ON HAND	\$834,769.20	\$848,740.47	\$770,764.04	\$986,117.91	\$1,253,498.59	\$1,623,305.00
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Capital Project Fund</u></b>						(thru 09/30/15)
Revenue	\$0.00	\$0.00	\$0.00	\$1,530,977.00	\$75,996.00	\$0.00
Total Revenue	\$0.00	\$0.00	\$0.00	\$1,530,977.00	\$75,996.00	\$0.00

Committed 2nd Penny Expenses/Bonds	\$0.00	\$0.00	\$0.00	\$1,507,927.79	\$42,691.16	\$0.00
Total Expenses	\$0.00	\$0.00	\$0.00	\$1,507,927.79	\$42,691.16	\$0.00
Expenses Under/(Over) Revenue	\$0.00	\$0.00	\$0.00	\$23,049.21	\$33,304.84	\$0.00
Cash Balance at Year End	\$0.00	\$0.00	\$0.00	\$39,816.71	\$79,586.55	\$0.00
TOTAL CASH ON HAND	\$0.00	\$0.00	\$0.00	\$39,816.71	\$79,586.55	\$0.00
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b><u>Water Enterprise Fund</u></b>						(thru 09/30/15)
Revenue	\$254,024.57	\$253,138.01	\$285,868.59	\$255,172.72	\$242,348.11	\$184,041.58
Depreciation Reserve - Improv/Equip	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenue	\$254,024.57	\$253,138.01	\$285,868.59	\$255,172.72	\$242,348.11	\$184,041.58
Expenses (Personnel/O&M) - No Depreciation	\$194,404.58	\$171,589.16	\$184,495.45	\$172,965.14	\$212,625.97	\$129,872.61
Improv/Equip - (Capitalized)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00
Operating Transfer Out	\$0.00	\$0.00	\$0.00	\$40,000.00	\$0.00	\$0.00
Total Expenses	\$194,404.58	\$171,589.16	\$184,495.45	\$212,965.14	\$212,625.97	\$133,872.61
Expenses Under/(Over) Revenue	\$59,619.99	\$81,548.85	\$101,373.14	\$42,207.58	\$29,722.14	\$50,168.97
Cash Balance at Year End	\$284,232.45	\$334,128.87	\$405,460.52	\$461,824.20	\$490,112.58	\$517,902.50
Certificates of Deposit	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00
Depreciation Reserve Balance at Year End	\$49,863.00	\$62,863.00	\$87,863.00	\$66,563.00	\$70,063.00	\$95,063.00
Restricted - RD Loan	\$37,000.00	\$37,000.00	\$37,000.00	\$37,000.00	\$37,000.00	\$37,000.00
TOTAL CASH ON HAND	\$411,095.45	\$473,991.87	\$570,323.52	\$605,387.20	\$637,175.58	\$689,965.50
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b><u>Sewer Enterprise Fund</u></b>						(thru 09/30/15)
Revenue	\$72,461.07	\$109,112.02	\$74,492.22	\$64,430.88	\$62,473.79	\$46,771.59
Sewer Surcharge	\$0.00	\$0.00	\$38,240.75	\$48,260.07	\$47,549.60	\$36,053.60
Depreciation Reserve - Improv/Equip	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Designated Funding (Bond)	\$0.00	\$0.00	\$0.00	\$565,183.00	\$0.00	\$0.00

Total Revenue	\$72,461.07	\$109,112.02	\$112,732.97	\$677,873.95	\$110,023.39	\$82,825.19
Expenses (Personnel/O&M) - No Depreciation	\$53,204.69	\$68,431.39	\$77,977.93	\$55,736.15	\$62,058.33	\$47,978.83
Improv/Equip - (Capitalized)	\$0.00	\$0.00	\$0.00	\$0.00	\$77,974.72	\$0.00
Operating Transfer Out	\$0.00	\$0.00	\$0.00	\$558,853.00	\$0.00	\$0.00
Total Expenses	\$53,204.69	\$68,431.39	\$77,977.93	\$614,589.15	\$140,033.05	\$47,978.83
Expenses Under/(Over) Revenue	\$19,256.38	\$40,680.63	\$34,755.04	\$63,284.80	-\$30,009.66	\$34,846.36
Cash Balance at Year End	\$310,423.29	\$306,691.32	\$306,117.26	\$274,777.29	\$172,205.21	\$145,974.66
Certificates of Deposit	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
Depreciation Reserve Balance at Year End	\$31,400.00	\$71,400.00	\$80,400.00	\$114,100.00	\$139,100.00	\$164,100.00
Committed - Sewer Surcharge	\$0.00	\$0.00	\$24,778.75	\$72,474.28	\$119,971.15	\$156,019.55
TOTAL CASH ON HAND	\$353,823.29	\$390,091.32	\$423,296.01	\$473,351.57	\$443,276.36	\$478,094.21
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b><u>Garbage Enterprise Fund</u></b>						(thru 09/30/15)
Revenue	\$60,051.94	\$59,773.85	\$58,522.50	\$65,798.24	\$68,115.86	\$51,762.59
Total Revenue	\$60,051.94	\$59,773.85	\$58,522.50	\$65,798.24	\$68,115.86	\$51,762.59
Expenses (Personnel/O&M) - No Depreciation	\$56,241.24	\$56,938.08	\$54,387.86	\$60,047.33	\$63,420.96	\$44,835.47
Operating Transfer Out	\$0.00	\$0.00	\$0.00	\$40,000.00		
Total Expenses	\$56,241.24	\$56,938.08	\$54,387.86	\$100,047.33	\$63,420.96	\$44,835.47
Expenses Under/(Over) Revenue	\$3,810.70	\$2,835.77	\$4,134.64	-\$34,249.09	\$4,694.90	\$6,927.12
Cash Balance at Year End	\$51,166.55	\$54,008.51	\$57,285.93	\$17,086.40	\$17,737.74	\$21,605.67
Undesignated - Rubble Site Land	\$20,150.00	\$20,150.00	\$21,150.00	\$24,650.00	\$28,650.00	\$31,650.00
Certificates of Deposit	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
TOTAL CASH ON HAND	\$91,316.55	\$94,158.51	\$98,435.93	\$61,736.40	\$66,387.74	\$73,255.67

Once the inventory information was gathered, the Council reviewed the list and began to identify items and projects that needed to be purchased, constructed, and repaired within the next five years. Costs were associated with each priority based on costs from the state surplus listings, recent acquisitions, and similar projects. During several City Council meetings, the city council prioritized each project according to the funding source (general fund, water fund, etc). A list of Philip’s project priorities over the next five years is presented below.

**2016 Capital Projects**

General Fund		Garbage Fund	
<i>Project</i>	<i>Cost</i>	<i>Project</i>	<i>Cost</i>
JetVac Truck	\$50,000		
Airport Hangar Design	\$50,000	Pit/Fencing/Approach Next to exiting site	\$20,000
Airport Water Line	\$8,000		
Lake Waggoner vault toilet	\$12,000		
Shared Use Path Engineering	\$13,850		
Rubble Site Land	\$50,000		
<b>Yearly Total</b>	<b>\$183,850</b>	<b>Yearly Total</b>	<b>\$20,000</b>

Water Fund		Sewer Fund	
<i>Project</i>	<i>Cost</i>	<i>Project</i>	<i>Cost</i>
Jetvac Truck	\$50,000	Jetvac Truck	\$150,000
<b>Yearly Total</b>	<b>\$50,000</b>	<b>Yearly Total</b>	<b>\$150,000</b>

**2017 Capital Projects**

General Fund		Garbage Fund	
<i>Project</i>	<i>Cost</i>	<i>Project</i>	<i>Cost</i>
Airport Hangar Construction	\$450,000		
Oil Distributor – Street	\$50,000		
Main Street City Hall	\$100,000		
Windows/Steel Exterior – Municipal Building	\$10,000		
Shared Use Path Construction	\$139,000		
Warning Sirens	\$25,000		
<b>Yearly Total</b>	<b>\$774,000</b>	<b>Yearly Total</b>	

Water Fund		Sewer Fund	
<i>Project</i>	<i>Cost</i>	<i>Project</i>	<i>Cost</i>
		Sewer Main Relining (Alley between Auto & Wray Ave.)	\$100,000
<b>Yearly Total</b>		<b>Yearly Total</b>	<b>\$100,000</b>

## 2018 Capital Projects

<b>General Fund</b>		<b>Garbage Fund</b>	
<b>Project</b>	<b>Cost</b>	<b>Project</b>	<b>Cost</b>
Replace 2004 Chevy 1500 Pickup (Street Dept.)	\$15,000		
Replace 2003 Chevy 1500 Ext. Cab Pickup (Public Works Director)	\$15,000		
Air Compressor	\$15,000		
Main Street City Hall	\$100,000		
Airport Fuel System Upgrade	\$150,000		
SW Philip Storm Sewer Project Design	\$70,000		
SW Philip Street Improvement Project Design	\$200,000		
Pool bathhouse interior renovations (ceiling/roof)	\$20,000		
Windows/Steel Exterior – Municipal Building	\$10,000		
<b>Yearly Total</b>	<b>\$595,000</b>	<b>Yearly Total</b>	

<b>Water Fund</b>		<b>Sewer Fund</b>	
<b>Project</b>	<b>Cost</b>	<b>Project</b>	<b>Cost</b>
Air Compressor	\$15,000	Air Compressor	\$15,000
		SW Philip Sanitary Sewer Project Design	\$40,000
<b>Yearly Total</b>	<b>\$15,000</b>	<b>Yearly Total</b>	<b>\$55,000</b>

## 2019 Capital Projects

<b>General Fund</b>		<b>Garbage Fund</b>	
<b>Project</b>	<b>Cost</b>	<b>Project</b>	<b>Cost</b>
Street/Sewer Building (House Vactor Truck)	\$50,000		
SW Philip Storm Sewer Project Construction	\$630,000		
SW Philip Street Improvement Project Construction	\$1,000,000		
Pool Heaters	\$15,000		
Pool bathhouse interior renovations	\$20,000		
Replace 2011 Chevy Tahoe (Police Dept.)	\$35,000		
<b>Yearly Total</b>	<b>1,750,000</b>	<b>Yearly Total</b>	

Water Fund		Sewer Fund	
<i>Project</i>	<i>Cost</i>	<i>Project</i>	<i>Cost</i>
		Street/Sewer Building (House Vactor Truck)	\$50,000
		SW Philip Sanitary Sewer Project Construction	\$340,000
<b>Yearly Total</b>		<b>Yearly Total</b>	<b>\$390,000</b>

**2020 Capital Projects**

General Fund		Garbage Fund	
<i>Project</i>	<i>Cost</i>	<i>Project</i>	<i>Cost</i>
Airport Land – RPZ's	\$10,000		
Replace Motor Grader, 1993 Caterpillar 140G	\$110,000		
<b>Yearly Total</b>	<b>\$110,000</b>	<b>Yearly Total</b>	

Water Fund		Sewer Fund	
<i>Project</i>	<i>Cost</i>	<i>Project</i>	<i>Cost</i>
Meter Project	\$403,000		
<b>Yearly Total</b>	<b>\$403,000</b>	<b>Yearly Total</b>	

Once the projects are identified, it is essential to determine how the projects will affect the various fund balances for the City. The tables below illustrate how the capital projects scheduled for 2016-2020 will affect the various fund balances for the City of Philip.

**Projections for Each Fund With Scheduled CIP Projects Factored**

<i>General Fund</i>	2016	2017	2018	2019	2020
<i>Gen. Fund Cash Balance</i>	\$974,864.00	\$1,674,114.00	\$2,383,831.00	\$3,180,393.00	\$2,218,742.00
<i>Revenue</i>	\$1,299,700.00	\$1,821,938.00	\$1,713,458.00	\$1,920,058.00	\$1,245,685.00
<i>Committed Bal. (2nd Penny)</i>	\$403,987.00	\$538,987.00	\$673,987.00	\$0.00	\$135,000.00
<i>Cap. Outlay/Assigned Bal.</i>	\$295,263.00	\$285,263.00	\$215,263.00	\$130,263.00	\$220,263.00
<i>Total Available \$ to Spend</i>	<b>\$2,973,814.00</b>	<b>\$4,320,302.00</b>	<b>\$4,986,539.00</b>	<b>\$5,230,714.00</b>	<b>\$3,819,690.00</b>
<i>Personnel</i>	\$458,620.00	\$472,379.00	\$486,550.00	\$501,146.00	\$516,181.00
<i>O&amp;M Expenses</i>	\$657,230.00	\$690,092.00	\$724,596.00	\$760,826.00	\$798,867.00
<i>Dollars available for CIP</i>	<b>\$1,857,964.00</b>	<b>\$3,157,831.00</b>	<b>\$3,775,393.00</b>	<b>\$3,968,742.00</b>	<b>\$2,504,642.00</b>
<i>Projects - Committed Spent</i>	\$0.00	\$0.00	\$270,000.00	\$1,630,000.00	\$0.00
<i>Projects - Cap. Outlay/Assigned Spent</i>	\$100,000.00	\$160,000.00	\$175,000.00	\$120,000.00	\$110,000.00
<i>Projects - Gen. Fund</i>	\$83,850.00	\$614,000.00	\$150,000.00	\$0.00	\$10,000.00
<i>Balance for Year</i>	<b>\$1,674,114.00</b>	<b>\$2,383,831.00</b>	<b>\$3,180,393.00</b>	<b>\$2,218,742.00</b>	<b>\$2,384,642.00</b>

<b>Garbage Fund</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>Beginning Balance</i>	\$21,606.00	\$39,266.00	\$57,940.00	\$77,567.00	\$98,087.00
<i>Revenue</i>	\$69,220.00	\$69,220.00	\$69,220.00	\$69,220.00	\$69,220.00
<i>Undesignated Rubble Site</i>	\$34,650.00	\$17,650.00	\$20,650.00	\$23,650.00	\$23,650.00
<i>Total Available \$ to Spend</i>	\$125,476.00	\$126,136.00	\$147,810.00	\$170,437.00	\$190,957.00
<i>Personnel</i>	\$5,100.00	\$5,253.00	\$5,411.00	\$5,573.00	\$5,740.00
<i>O&amp;M Expenses</i>	\$61,110.00	\$62,943.00	\$64,832.00	\$66,777.00	\$68,780.00
<i>Dollars available for CIP</i>	\$59,266.00	\$57,940.00	\$77,567.00	\$98,087.00	\$116,437.00
<i>Projects - Undesignated Spent</i>	\$20,000.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Ending Balance</i>	\$39,266.00	\$57,940.00	\$77,567.00	\$98,087.00	\$116,437.00

<b>Water Fund</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>Beginning Balance</i>	\$517,903.00	\$673,001.00	\$796,218.00	\$937,347.00	\$1,081,177.00
<i>Revenue</i>	\$309,400.00	\$259,400.00	\$274,400.00	\$259,400.00	\$430,463.00
<i>Dep. Reserve Bal.</i>	\$125,063.00	\$100,063.00	\$125,063.00	\$135,063.00	\$0.00
<i>Total Available \$ to Spend</i>	\$952,366.00	\$1,032,464.00	\$1,195,681.00	\$1,331,810.00	\$1,511,640.00
<i>Personnel</i>	\$59,780.00	\$61,573.00	\$63,421.00	\$65,323.00	\$67,283.00
<i>O&amp;M Expenses</i>	\$169,585.00	\$174,673.00	\$179,913.00	\$185,310.00	\$190,869.00
<i>Dollars available for CIP</i>	\$723,001.00	\$796,218.00	\$952,347.00	\$1,081,177.00	\$1,253,488.00
<i>Projects - Undesignated Spent</i>	\$50,000.00	\$0.00	\$15,000.00	\$0.00	\$399,000.00
<i>Ending Balance</i>	\$673,001.00	\$796,218.00	\$937,347.00	\$1,081,177.00	\$854,488.00

<b>Sewer Fund</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>Beginning Balance</i>	\$145,975.00	\$385,735.00	\$396,311.00	\$397,209.00	\$59,730.00
<i>Revenue</i>	\$293,475.00	\$219,875.00	\$168,475.00	\$168,475.00	\$193,475.00
<i>Dep. Reserve Bal.</i>	\$201,400.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Total Available \$ to Spend</i>	\$640,850.00	\$605,610.00	\$564,786.00	\$565,684.00	\$253,205.00
<i>Personnel</i>	\$42,990.00	\$44,280.00	\$45,608.00	\$46,976.00	\$48,386.00
<i>O&amp;M Expenses</i>	\$63,125.00	\$65,019.00	\$66,969.00	\$68,978.00	\$71,048.00
<i>Dollars available for CIP</i>	\$534,735.00	\$496,311.00	\$452,209.00	\$449,730.00	\$133,771.00
<i>Projects - Undesignated Spent</i>	\$150,000.00	\$100,000.00	\$55,000.00	\$390,000.00	\$0.00
<i>Ending Balance</i>	\$384,735.00	\$396,311.00	\$397,209.00	\$59,730.00	\$133,771.00

## **PROGRAM FUNDING**

Because capital improvement projects involve the outlay of substantial funds, numerous sources are necessary to provide financing over the life of the project. Most capital funding sources are earmarked for specific purposes and cannot be transferred from one capital program to another. The CIP has to be prepared with some assumptions as to the amount of money to be available. The following is a summary of the funding sources for projects included in the capital improvements program.

### **ENTERPRISE (RESERVE) FUNDS**

In enterprise financing, funds are accumulated in advance for capital requirements. Enterprise funds not only pay for capital improvements, but also for the day-to-day operations of city services and the debt payment on revenue bonds. The City can set levels for capital projects; however, increases in capital expenditures for storm sewers, for example, could result in increased rates. Enterprise fund dollars can only be used on projects related to the fund.

### **GENERAL OBLIGATION (G.O.) AND REVENUE BONDS**

When the City sells bonds, purchasers are, in effect, lending the City money. The money is repaid, with interest, from taxes or fees over the years. The logic behind issuing bonds (or “floating a bond issue”) for capital projects is that the citizens who benefit from the capital improvements over a period of time should help the City pay for them. The City issues bonds in two forms:

#### **General Obligation Bonds**

Perhaps the most flexible of all capital funding sources, G.O. bonds can be used for the design or construction of any capital project. These bonds are financed through property taxes. In financing through this method, the taxing power of the City is pledged to pay interest and principal to retire the debt. Voter approval is required if the city wants to increase the taxes that it levies and the amount is included in the City’s state-imposed debt limits. To minimize the need for property tax increases, the City makes every effort to coordinate new bond issues with the retirement of previous bonds. G.O. Bonds are authorized by a variety of state statutes.

#### **Revenue Bonds**

Revenue bonds are sold for projects, such as water and sewer systems, that produce revenues. Revenue bonds depend on user charges and other project-related income to cover their costs. Unlike G.O. bonds, revenue bonds are not included in the City’s state imposed debt limits because the full faith and credit of the City back them. Revenue bonds are authorized by Public Act of 1933, the Revenue Bond Act.

### **MILLAGES**

The property tax is one of the most important sources of City revenue. The property tax rate is stated in mills (one dollar per \$1,000 of valuation). This rate is applied to the net value, following the application of all exemptions and a 50% equalization ratio. Millages are voter approved taxes that are specifically earmarked for a particular purpose.

## **FEDERAL FUNDS**

The federal government makes funds available to cities through numerous grants and programs. Some federal funds are tied directly to a specific program. The City has discretion (within certain guidelines) over the expenditure of others. For the most part, the City has no direct control over the amount of money received under these programs. Due to a significant change in federal policy during the 1980's, federal funds have been declining. While recreation, transportation, and housing programs have continued to be funded, the amounts are likely to be greatly curtailed.

## **SPECIAL ASSESSMENTS**

Capital improvements that benefit particular properties, rather than the community as a whole, may be financed more equitably by special assessment: that is, by those who directly benefit. Local improvements often financed by this method include street improvements (including pavement, curb and gutter, sidewalks, etc.), sanitary and storm sewers, and water mains.

## **DEVELOPER CONTRIBUTIONS**

Sometimes capital improvements are required to serve new development. Where funding is not available for the City to construct the improvements, developers may agree to voluntarily contribute their share or to install the facilities themselves so the development can go ahead.

**Philip Capital Improvement Plan 2016-2020**

Project Title: SW Philip Street/Sewer Improvements Project

Department(s): Sanitary Sewer, Storm Sewer, and Streets

Total Project Cost: \$2,280,000

**Description:**

Located in the south west area of the city of Philip, the project includes streets, curb and gutter storm sewer, and sanitary sewer improvements along Oak Street (from Larimer Avenue to Philip Avenue); Howard Avenue (from Pine Street to Oak Street); and, S. West Avenue (from Pine Street to Ash Street).

**Justification:**

According to the Facility Plans for the streets, storm sewer, and sanitary sewer, these projects are necessary in order to ensure the proper utility services are provided to city residents in terms of wastewater, drainage, and ride quality on streets.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
<u>Engineering</u>						
Sanitary Sewer			\$40,000			\$40,000
Storm Sewer			\$70,000			\$70,000
Streets			\$200,000			\$200,000
<u>Construction</u>						
Sanitary Sewer				\$340,000		\$340,000
Storm Sewer				\$630,000		\$630,000
Streets				\$1,000,000		\$1,000,000
<b>Total</b>			\$310,000	\$1,970,000		\$2,280,000

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
General Fund – Committed 2 <sup>nd</sup> Penny Sales Tax			\$270,000	\$1,630,000		\$1,900,000
Sewer Fund – Depreciation Reserve			\$40,000	\$340,000		\$380,000
<b>Total</b>			\$310,000	\$1,970,000		\$2,280,000

**Notes:** This project could possibly be financed by South Dakota Department of Environment and Natural Resources using a State Revolving Fund loan/grant.

**Philip Capital Improvement Plan 2016-2020**

Project Title: Vehicles and Equipment  
 Department(s): Street , Public Safety, Water and Sewer  
 Total Project Cost: \$500,000

**Description:**

The sewer truck is a 1973 Ford F600 model and needs to be replaced with a JetVac truck. The Oil Distributor, a 1989 Stepp, needs to be replaced. The 2004 Chevy 1500 Pickup used by the street department needs to be replaced. The 2003 Chevy 1500 Ext. Cab Pickup used by the Public Works Director needs to be replaced. The 2011 Chevy Tahoe used by the Police Department needs to be replaced. The Motor Grader, a 1993 Caterpillar 140G (blade) needs to be replaced. Two warning sirens are in poor condition and need to be replaced.

**Justification:**

The vehicles and equipment that are listed within the 5-year plan are given priority for replacement based on the condition of the vehicle or equipment.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
JetVac Truck	\$250,000					\$250,000
Air Compressor			\$45,000			\$45,000
Oil Distributor		\$50,000				\$50,000
2004 Chevy 1500 Pickup			\$15,000			\$15,000
2003 Chevy 1500 Ext. Cab Pickup			\$15,000			\$15,000
Motor Grader					\$110,000	\$110,000
2011 Chevy Tahoe				\$35,000		\$35,000
Warning Sirens		\$25,000				\$25,000
<b>Total</b>	\$250,000	\$75,000	\$75,000	\$35,000	\$110,000	\$545,000

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
General Fund – Street Cap. Outlay	\$50,000	\$50,000	\$45,000		\$110,000	\$255,000
General Fund – Police Cap. Outlay				\$35,000		\$35,000
General Fund		\$25,000				\$25,000
Water Fund – Dep. Reserve	\$50,000		\$15,000			\$65,000
Sewer Fund – Dep. Reserve	\$150,000		\$15,000			\$165,000
<b>Total</b>	\$250,000	\$75,000	\$75,000	\$35,000	\$110,000	\$545,000

**Notes:** The JetVac and compressor will be split between the street, water and sewer departments. Homeland Security money may be available for the purchase of the warning sirens.

**Philip Capital Improvement Plan 2016-2020**

Project Title: Airport Improvement Projects

Department(s): Airport

Total Project Cost: \$668,000

**Description:**

The project will build a new hangar at the Philip Airport, purchase or obtain the proper easements for the runway protection zone (RPZ) area land, upgrade/extend the water line, and upgrade the fuel system.

**Justification:**

The airport needs additional space and an additional hangar to provide more space for additional planes. Plus there are needed upgrades of the water line and fuel system to adequately serve the airport.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Engineering for new hangar	\$50,000					\$50,000
Construction of new hangar		\$450,000				\$450,000
Water Line Construction	\$8,000					\$8,000
Fuel System Construction			\$150,000			\$150,000
Purchase of additional airport land (RPZ's)					\$10,000	\$10,000
<b>Total</b>	<b>\$58,000</b>	<b>\$450,000</b>	<b>\$150,000</b>		<b>\$10,000</b>	<b>\$668,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Airport Improv. Grant – State	\$2,500	\$22,500	\$7,500		\$500	\$33,000
Airport Improv. Grant – Federal	\$45,000	\$405,000	\$135,000		\$9,000	\$594,000
General Fund	\$10,500	\$22,500	\$7,500		\$500	\$41,000
<b>Total</b>	<b>\$58,000</b>	<b>\$450,000</b>	<b>\$150,000</b>		<b>\$10,000</b>	<b>\$668,000</b>

**Notes:** The construction of a new hangar space is contingent upon the project being eligible for FAA entitlement funds.

**Philip Capital Improvement Plan 2016-2020**

Project Title: Shared Use Path

Department(s): Parks and Recreation

Total Project Cost: \$165,530 (\$12,767.35 in design engineering already incurred)

**Description:**

A 10 foot wide concrete path will start at the northeast intersection of West Pine Street and Stanley Avenue and will extend north on the east side of Stanley Avenue and then turn west across Stanley Avenue. The path will end on the north side of the swimming pool parking lot entrance. From there, the city will construct a 5 foot wide ADA connection around the perimeter of the park fence to the east tennis court entrance.

**Justification:**

The proposed path will provide the City of Philip residents with an ADA-compliant, high quality, safe option for biking, walking or running. The city has also been awarded additional funding from the SD DOT Transportation Alternative Program (TAP) to complete the project in the near future.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Engineering	\$13,850	\$10,400				\$24,250
Construction		\$128,600				\$128,600
<b>Total</b>	\$13,850	\$139,000				\$152,850

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
General Fund	\$2,742	\$30,409				\$33,151
SDDOT TAP Grant	\$11,108	\$108,591				\$119,699
<b>Total</b>	\$13,850	\$139,000				\$152,850

**Notes:** The City has been awarded federal funding from the SD DOT Transportation Alternatives Program (TAP) to complete the project. The TAP funding award is \$129,868 (80.2%) with the local share being \$35,662 (19.8% plus \$3,600 for the additional ADA connection).

**Philip Capital Improvement Plan 2016-2020**

Project Title: Pool Equipment and Improvement Projects

Department(s): Parks and Recreation

Total Project Cost: \$55,000

**Description:**

The project includes the pool bathhouse interior renovations of the roof and ceiling and the purchase of new pool heaters.

**Justification:**

The pool is a great asset to the city of Philip and in order to keep the pool and bathhouse in working order, the building will need renovations and the pool will need new heaters.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Bathhouse Renovations			\$20,000	\$20,000		\$40,000
Purchase of pool heaters				\$15,000		\$15,000
<b>Total</b>			\$20,000	\$35,000		\$55,000

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
General Fund – Building Cap. Outlay			\$20,000	\$20,000		\$40,000
General Fund – Swimming Pool Cap. Outlay				\$15,000		\$15,000
<b>Total</b>			\$20,000	\$35,000		\$55,000

**Notes:** \_\_\_\_\_

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**Philip Capital Improvement Plan 2016-2020**

Project Title: Lake Waggoner Vault Toilet

Department(s): Parks and Recreation

Total Project Cost: \$12,000

**Description:**

The project includes the replacement of the 1973 vault toilet at the Lake Waggoner recreational area.

**Justification:**

The vault toilet is in need of updating and has been approved as a third party project through the South Dakota Game, Fish & Parks (SDGF&P).

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Vault Toilet	\$12,000					\$12,000
<b>Total</b>	\$12,000					\$12,000

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
General Fund	\$3,000					\$3,000
SDGF&P Funding	\$9,000					\$9,000
<b>Total</b>	\$12,000					\$12,000

**Notes:** The SD Game, Fish & Parks (GF&P) has approved this as a third party project. This includes funding 75% of the project costs with construction to begin after July 1, 2016.

**Philip Capital Improvement Plan 2016-2020**

Project Title: Rubble Site Improvement Projects

Department(s): Garbage/Rubble Site

Total Project Cost: \$70,000

**Description:**

The project includes the expansion of the existing rubble site with the purchase of additional land. This includes the construction of a new pit as well as fencing, an approach access and lighting improvements.

**Justification:**

The current rubble site is a year or less away from full capacity and therefore it is necessary to purchase new land to expand the site. The current pit is also near full capacity and new one will need to be dug. In addition, the site will need fenced along with an access approach and lighting.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Pit, fencing, approach and lighting	\$20,000					\$20,000
Rubble Site land purchase	\$50,000					\$50,000
<b>Total</b>	<b>\$70,000</b>					<b>\$70,000</b>

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
General Fund – Rubble Site Cap. Outlay (Surcharge)	\$50,000					\$50,000
Garbage Fund – Undesignated Cash – Rubble Site	\$20,000					\$20,000
<b>Total</b>	<b>\$70,000</b>					<b>\$70,000</b>

**Notes:** \_\_\_\_\_  
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**Philip Capital Improvement Plan 2016-2020**

Project Title: Sewer Main Improvement Project

Department(s): Sewer

Total Project Cost: \$100,000

**Description:**

The project includes the relining the Sewer Main in the alley between Auto & Wray Ave.

**Justification:**

According to the Facility Plans for the sanitary sewer system, the project listed above is necessary in order to ensure the proper utility services are provided to city residents in terms of the wastewater system.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Sewer Main Relining		\$100,000				\$100,000
<b>Total</b>		\$100,000				\$100,000

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Sewer Fund – Depreciation Reserve Fund		\$100,000				\$100,000
<b>Total</b>		\$100,000				\$100,000

**Notes:** This project could possibly be financed by South Dakota Department of Environment and Natural Resources using a State Revolving Fund loan/grant.

**Philip Capital Improvement Plan 2016-2020**

Project Title: City Hall, Municipal Building, and Street/Sewer Building

Department(s): Municipal Buildings

Total Project Cost: \$320,000

**Description:**

The project includes purchase of a new building in downtown Philip to use as a new City Hall. The project also includes replacing the windows and steel exterior on the Municipal building. The final project is a new street/sewer building which would house the JetVac truck.

**Justification:**

The city currently rents the top floor of the Haakon County Courthouse as well as space on the third floor for the police department. In the near future, the city may find it more beneficial to be in a building on Main Street. In order to extend the life expectancy of the Municipal building, the windows and siding must be updated. Finally, a new building is needed to keep the street and sewer equipment and vehicles.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
City Hall		\$100,000	\$100,000			\$200,000
Municipal building renovations		\$10,000	\$10,000			\$20,000
Street/Sewer Building				\$100,000		\$100,000
<b>Total</b>		\$110,000	\$110,000	\$100,000		\$320,000

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
General Fund – Building Cap. Outlay		\$110,000	\$110,000	\$50,000		\$270,000
Sewer Fund – Dep. Reserve				\$50,000		\$50,000
<b>Total</b>		\$110,000	\$110,000	\$100,000		\$320,000

**Notes:** \_\_\_\_\_  
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**Philip Capital Improvement Plan 2016-2020**

Project Title: Water Meter Project

Department(s): Water

Total Project Cost: \$403,000 (\$4,000 for the preliminary study has already been incurred)

**Description:**

The project includes the replacement of all water meters and converting the system to 100% automated reading system.

**Justification:**

Replacing the city’s residents/businesses water meters would allow for a better quality of service to those in Philip. In addition, it will be more cost effective to the city and residents to convert the system to automated reading.

<b>Expenditures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Engineering					\$35,700	\$35,700
Meter Equipment / Installation					\$363,300	\$363,300
<b>Total</b>					\$399,000	\$399,000

<b>Funding Sources</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
WRWDD Grant					\$11,000	\$11,000
Water Fund – Dep. Reserve					\$388,000	\$388,000
<b>Total</b>					\$399,000	\$399,000

**Notes:** The water meter replacement project could possibly be financed by South Dakota Department of Environment and Natural Resources using a State Revolving Fund loan/grant. The West River Water Development District (WRWDD) has also granted \$15,000 to the project. To date, \$4,000 of the awarded funding has been received for the preliminary study. Due to the project being delayed until 2020, the city will need to resubmit a new request for funding when the project is reinstated.