

# CAPITAL INVESTMENTS PLAN

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GENERAL

WATER/WASTEWATER

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VEHICLE REPLACEMENTS

## CAPITAL INVESTMENTS PLAN

### INTRODUCTION

The 2004-2008 CIP plays a key role in the City of Dover where an aging infrastructure and a growing community demanding expansion exist. This CIP reflects the City's commitment to orderly expansion, staying current with technology, improvements to infrastructure, and planning for our future. The CIP proposes spending \$49 million over the next five years.

The CIP reflects the emphasis we gave over the last fiscal year to strategic planning. In a series of meetings with Council, department heads, and other City employees, we have developed vision, mission, and critical success factors for the City over the next two years. We want to be a clean and safe community with a future of balanced growth and opportunity where all citizens are heard, enjoy a high quality of life, and diversity is valued. We believe this CIP supports that by providing improvements to our parks and recreational facilities, supporting our police and fire services, and maintaining our streets and infrastructure. Copies of the plan may be obtained from the City Manager's office.

The 2004 CIP totals \$17.4 million, an increase of \$4.9 million over the 2003 CIP. This represents a 39 percent increase from Fiscal Year 2003. The major expense driving the increase is the Electric 230 KV Tie with Conectiv which installs two 300 MVA transformers and ties Dover with Conectiv at 230 KV. The 2004 CIP also contains proposed vehicle/equipment purchases of \$0.7 million. Eleven CIP projects worth approximately \$1 million were deferred due to budget constraints. An additional five projects totaling approximately \$500,000 were deferred to make the work effort manageable. Approximately five projects not completed from previous years were added to the 2004 CIP. The projects total approximately \$1.9 million.

Several major studies are included in the 2004 CIP. The long-range strategic information technology plan will identify and prioritize the City's internal needs for computer and communication hardware and software. A west side recreation center and a branch library will be studied for future consideration. A water system master plan will be updated and provide valuable information for managing the future of the City's water system.

Projects funded in the CIP are the third and final phase of the police warehouse, replacement of the City Hall reheating and air conditioning system, continued renovations to the Pear Street warehouse, the annual street and alley program, improvements to the Dover Park tennis courts, playground equipment replacement at Mayfair Park, upgrades to three of the City's sewer pump stations, and upgrades to our electrical distribution system.

Two water/wastewater utility projects will be bonded. The Division Street Water Main Upgrade project was originally proposed as a two-year project; however, bonding of this project will allow its completion in one year. The U.S. 13 East Sanitary Sewer will be bonded for \$1 million. The remaining \$175,000 will be funded from impact fee reserves.

Two additional water projects are slated for Fiscal Year 2004 that address the City's recent interest in annexation. The U.S. 13 Water Main Crossing will extend water service to the northern boundary of the City to Wilmington College. This project will eventually be connected to the Dupont Manor Water System Expansion proposed in the 2005-2007 CIP schedules. The West Dover Water Loop expansion will protect the City's franchise area on the west side of the City. This project will progress as development in the area occurs.

The 230 KV Tie with Conectiv is scheduled for completion in Fiscal Year 2004. This project was estimated as a \$10 million multi-year project. Latest estimates allowed us to trim \$400,000 from this project. In total, the project is estimated at \$9.3 million.

Vehicular purchases for 2004 are budgeted at \$700,000. Major vehicular purchases include seven police vehicles, two trash trucks, and an electric bucket truck.

**DEFINITION**

The Capital Investments Plan (CIP) is strictly a planning document designed to coordinate and communicate the City's capital requirements for the next five years. It should be utilized as a guide, not a final commitment. Funding is committed only when City Council approves the project or equipment purchase in an operating budget.

The City prepares a five-year CIP annually. This is in accordance with financial policies. This method provides for the orderly maintenance, replacement, and expansion of the City's capital assets.

With the CIP, emphasis and importance was placed on the process in order to provide a more orderly and comprehensive plan. Departments were encouraged to include all possible projects for consideration. Each request was reviewed in-depth and discussed in terms of priority and feasibility. The draft CIP was reviewed by Council on January 31, 2003. The 2004 CIP was incorporated into the draft budget. The final 2004-2008 CIP has been included in the Fiscal Year 2004 budget.

A schedule called "2004 CIP by Revenue Sources and Funds" is provided on Pages 127 through 129. This schedule provides a comparison of the Fiscal Year 2003 capital budget to the proposed Fiscal Year 2004 CIP. A Gantt chart of the five-year CIP is provided as an overall view of the projects and their proposed implementation schedules. The Gantt chart can be found on Pages 130 through 132. A status update of capital projects from the Fiscal Year 2003 capital budget is included on Pages 124 through 126.

All vehicles requested for replacement were inspected by the Fleet Maintenance staff. Each vehicle's brake system, fuel system, suspension, steering mechanism, coupling devices, and operating systems were checked for condition and rated good, fair, or poor. Repair estimates were also included if any of the vehicle systems required maintenance. Any vehicles with a rating of good or fair were not replaced or were transferred to other divisions in need of a vehicle. You will notice that some vehicles in the replacement schedule have notes stating that they have been transferred "from" or "to" another division.

**CRITERIA**

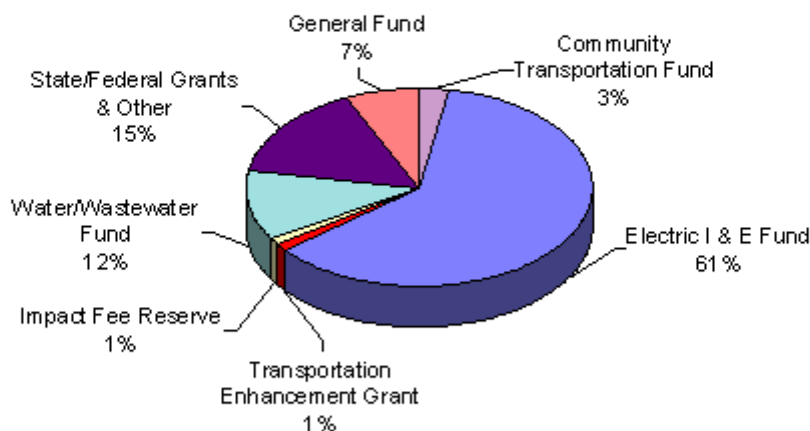
Capital outlays are major projects undertaken by the City that generally fit within one or more of the following categories:

- All projects requiring debt obligation or borrowing
- Any acquisition or lease of land
- Purchase of major equipment and vehicles ordered in excess of \$10,000 with a life expectancy of five years or more
- Construction of new buildings or facilities including engineering, design, and other pre-construction costs with an estimated cost in excess of \$10,000
- Major building improvements that are not routine expenses and that substantially enhance the value of a structure
- Major equipment or furnishings required to furnish new buildings or other projects
- Projects costing more than \$1,000 but less than \$10,000 are included with the operating budget (minor capital)
- Major projects that are generally not recurring on a "year in, year out" basis

## CAPITAL INVESTMENTS PLAN'S IMPACT ON OPERATING BUDGET

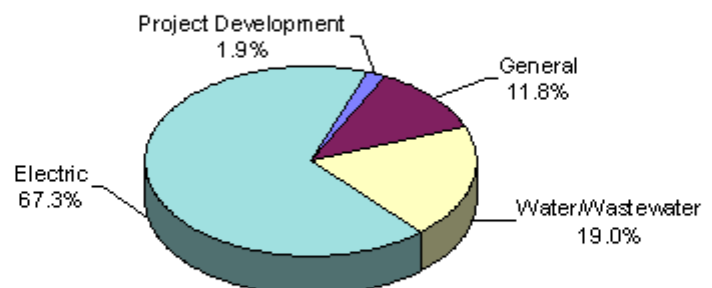
An important consideration in any CIP is its impact on the operating budget. The Fiscal Year 2004 capital budget is funded primarily from operating and reserve funds totaling \$18.2 million. In addition, the capital investment projects will impact operating budgets by approximately \$2,254 over the next year. Because some capital investments are funded from general obligation and revenue bonds, the greatest impact on the operating budget is payment of debt service. The debt service for Fiscal Year 2004 is approximately \$5.1 million. In addition, completed projects may have operational costs such as maintenance, utilities, and manpower. In some cases, operational efficiencies result from capital projects that decrease costs in the operating budget. In the Capital Investments Plan description section, operation costs (savings) are shown for each project by year under "Impact on Operating Budget." A new section, "Explanation of Impact on Operating Budget", was added to discuss and clarify what the impact of the project is anticipated to be.

### CAPITAL INVESTMENTS PLAN FUNDING SOURCES Fiscal Year 2003/04



**Total Funding So**

### CAPITAL INVESTMENTS PLAN ALLOCATIONS Fiscal Year 2003/04



**Total Allocations . . . \$17,453,764**

The full Capital Investments Plan can be seen by clicking [here](#).