

# Capital Improvement Plan

One of the most important priorities of the City Council is to provide quality infrastructure. The cost of maintaining streets, parks and buildings is substantial and far exceeds whatever revenue we would hope to get from gas tax and grants. To achieve a reasonable level of maintenance, the City needs to regularly allocate money from the General Fund to the Capital Improvement Fund.

In the proposed budget we show \$643,300 of Transient Occupancy Tax (TOT) revenue being diverted from the General Fund in FY 2016-17. This amount is 20 percent of total TOT revenues, which varies each year. TOT has been increasing in recent years, though it will presumably level out eventually. This money is set aside first from General Fund revenues and then operations are adjusted to fit within the revenue that remains. Over time this policy will be challenging to maintain and will force some difficult decisions.

If the City Council sticks with this approach for a sustained period of time, it will be transformative for the City. For the first several years the change may not be very noticeable to the average citizen. In the long run we will transform ourselves from a City with poorly maintained infrastructure to a City with high quality roads, parks and buildings.

Over \$1 million was spent on roads in FY 2015-16 and nearly a million is proposed in FY 2016-17. The CIP proposes a total investment of roughly \$10 million spread over the next five years. The overall capital improvement budget for all categories is approximately of \$3.2 million this year.