

Jim.
3-4-13

086

RESOLUTION

ESTABLISHING A CAPITAL ALLOCATION WORKING GROUP

WHEREAS, the process of allocation of capital for various street and capital purchases is an essential part of developing the City's annual budget and maintaining the City's capital infrastructure.

WHEREAS, establishing a Capital Allocation Working Group (CAWG) is seen as a benefit to streamline and improve the process of selecting projects to be included within the Annual Capital Improvement Plan.

WHEREAS, the CAWG will develop procedures which describe the process for developing and monitoring the Capital Improvement Plan. The Finance Committee will be charged with oversight responsibility for the CAWG and final approval of the committee's procedures.

WHEREAS, the CAWG shall study proposed capital projects and improvements involving major non-recurring tangible assets and projects which: 1) are purchased or undertaken at intervals of not less than five years; 2) have a useful life of at least five years; and 3) net cost over \$5,000. All departments shall by May 1 of each year, submit to the workgroup, on workgroup approved forms, all anticipated projects requiring action within the ensuing six years. The CAWG shall consider the relative need, impact, timing and cost of these expenditures and the effect each will have on the financial position of the City.

WHEREAS, the CAWG shall prepare the Capital Improvement Program in a manner which establishes an "End of Life Fund" (ELF) that will be utilized to replace assets which are readily available for purchase without excessive lead times. The CAWG shall prepare procedures to outline how requests for funding from the ELF will occur. The procedure for fulfilling requests from the ELF shall be based upon rational criteria reviewed and approved by the CAWG annually. No funding shall be expended from the ELF unless the procedures approved by the CAWG are followed.

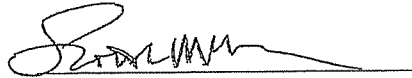
WHEREAS, the CAWG shall prepare an Annual Report recommending a Capital Improvement Budget for the next fiscal year, and a Capital Improvement Plan including recommended capital improvements for the following three fiscal years. The Annual Report shall include an inventory of all assets to be supported by the Capital Improvement Plan. The Annual Report shall be submitted to the Mayor for consideration within the annual budget by August 1st of each year.

WHEREAS, the sources of funds utilized for funding the projects approved will comprise a mix of non-tax levy revenues, borrowed funds and annual tax levy, with the composition of such funds to be based upon financial condition of the City and to be determined on an annual basis with a recommendation from the Mayor presented with the annual budget. The City Council will still need to issue the appropriate amount of General Obligation Bonds/Notes to fund the capital plan.

WHEREAS, the CAWG Annual Report will be followed as closely as possible by the approving authorities, but understanding that the ultimate decision for all funding is vested within the Mayor and City Council as part of the Annual Budget Adoption. Once the Plan receives approval and the City Council has approved the financing for the plan the CAWG will monitor and fulfill the approved requests in a timely manner to ensure project completion.

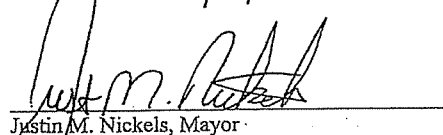
NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Common Council of the City of Manitowoc that a workgroup shall be created to be known as the Capital Allocation Working Group (CAWG), composed of seven members selected by the Finance Committee and confirmed by the City Council. Appointments will be for two year terms confirmed by the City Council in even years at the 1st Council Meeting in May.

INTRODUCED MAR 4 - 2013

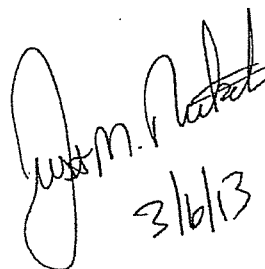
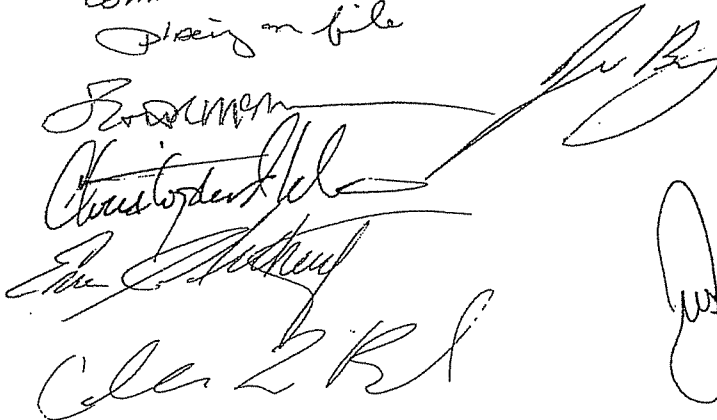


ADOPTED MAR 4 - 2013

APPROVED 3/6/13


Justin M. Nickels, Mayor

3-4-13 Committee recommends adoption of the resolution +
placing on file


3/6/13