



City of Riverside
MULTI-YEAR CAPITAL PLANNING FISCAL POLICY
Approved by the City Council on March 20, 2018

PURPOSE:

A Capital Plan (Capital Improvement Program) is a multi-year financial plan that lists and describes capital projects a local government plans to undertake, indicates how projects will be funded and projects the effect of the plan on key financial variables.

A Capital Project results in the acquisition or increased value of a capital asset (e.g. land, land improvements, infrastructure and equipment, etc.).

The Government Finance Officers Association (GFOA) recommends that state and local governments prepare and adopt comprehensive, fiscally sustainable, multi-year capital plans. A multi-year capital plan is intended to identify and prioritize expected capital needs based on strategic priorities and operational needs, establish project scope and cost, detail estimated amounts of funding from various sources, and project future operating and maintenance costs.

POLICY:

The City shall adopt a multi-year Capital Plan spanning at least five years in conjunction with the biennial budget and five-year financial planning processes. The Capital Plan should include all of the City's planned capital projects. To qualify as a capital project, the asset or improvement should have: 1) monetary value (cost) of at least \$20,000; and 2) useful life of at least 10 years.

The Capital Plan should incorporate the following elements as relevant and appropriate:

- a. Assessment of the physical condition of existing capital assets;
- b. Economic development projections, strategic plans, comprehensive plans, facility master plans and regional plans, including changes in federal, state, and county policy and regulations;
- c. Prioritization of capital needs based on established policy; and
- d. Financial strategies and sources of funding: 1) for the acquisition or improvements associated with the project, and 2) for the subsequent annual operation and maintenance costs of the capital asset throughout its life.