

CITY OF TAKOMA PARK

February 12, 2025



Capital Planning Program and Policies

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(Revised 2/11/2025)



Introduction



Capital Planning Program

The Capital Improvement Program (CIP)

CIP is the five-year plan for major purchases and projects. Many of the projects are multi-year efforts or regular equipment replacements or infrastructure improvements. Each year the Capital Improvement Budget covers the following six categories:

- Information and Communication Technology Improvements
- Equipment Replacement
- Park Development
- Infrastructure Improvements
- Building Maintenance Improvements
- Stormwater Management

Equipment Replacement Reserve (ERR)

Each year, the City budgets for equipment replacement, setting money aside to replace assets with life spans of 3 to 30 years, including large machinery and vehicles. The City maintains a list of covered items with estimated useful life and replacement cost calculations. The ERR list includes the next replacement for each item by year, the projected replacement cost, the existing balance in the Reserve for each item, the recommended annual contribution and interest rate estimate. The City Manager recommends an annual contribution amount to maintain adequate balance in the Reserve.

Capital Improvement Program



Capital Improvement Program

- **Purpose:**

- Ensure long-term planning and fiscal responsibility for city infrastructure and assets.

- **Definition:**

- CIP includes major infrastructure projects and equipment replacement that exceed a threshold amount.

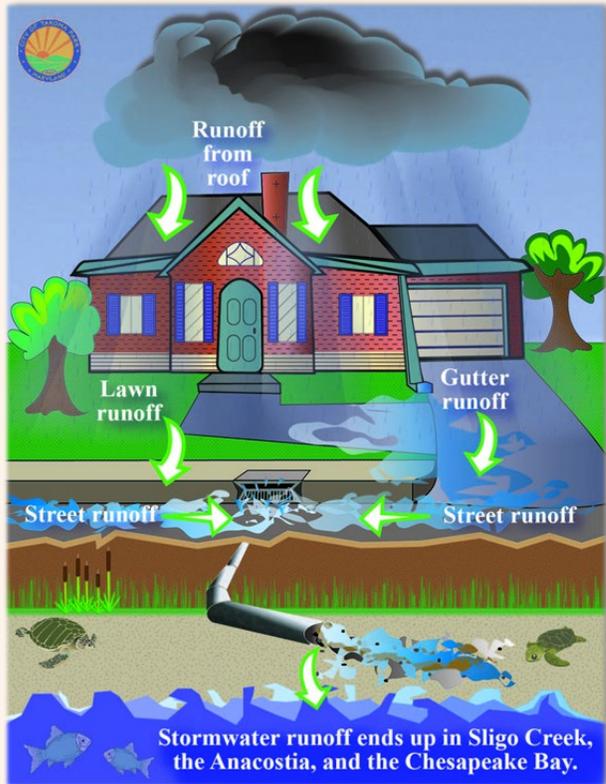
- **Threshold:**

- Typically includes projects or purchases valued at or above \$5,000.

- **Five-Year Planning Document:**

- Developed with department head recommendations.
- Reviewed and approved by the City Manager.
- Adheres to balanced budget requirements every fiscal year.

Capital Improvement Program



Funding Sources for CIP

- **General Fund:**
 - Unassigned Reserve
 - Library Bond Reserve (up to FY2025)
 - Equipment Replacement Reserve
 - Facility Maintenance Reserve
- **ARPA Fund**
- **Red-Light Camera Fund (Speed Camera Fund)**
- **Special Revenue Fund**
- **Stormwater Fund**

Capital Improvement Program

FY25 CIP Review

- Key projects planned for FY25 include:
 - Trash Truck Purchase (\$630,000) (ERR)
 - City Sidewalk, both ADA work and new (\$733,119) (ARPA)
 - Street Rehabilitation (\$650,000) (ARPA)
 - Traffic Calming & Pedestrian Safety (\$100,000) (ARPA)
 - HVAC Control System (\$137,317) (ERR)
 - Met Branch Trail (\$72,000) (SRF) and (\$18,000) (ARPA)
 - Library and Com Center Redevelopment (\$9.1M) (Bond)(SRF)(ARPA)
- Projected totals by source:
 - General Fund: \$4M (Includes ERR, FMR and Bonds)
 - ARPA: \$6.4M
 - Red-Light Camera Fund Projects \$120,500
 - Special Revenue Grant Projects: \$3.5M
 - Stormwater Fund Capital Projects \$230,000

	Fund	FY 25 Adjusted	FY 25 Projected	FY 26	FY 27	FY 28	FY 29	FY 30
CIP Total	ERR	\$ 2,119,111	\$ 2,132,325	\$ 434,121	\$ 1,582,349	\$ 1,118,208	\$ 740,448	\$ 637,037
CIP Total	FMR	\$ 75,000	\$ 19,000	\$ 93,000	\$ -	\$ -	\$ -	\$ -
CIP Total	GF	\$ 1,395,934	\$ 660,000	\$ 2,501,908	\$ 3,990,000	\$ 3,225,000	\$ 1,670,000	\$ 1,520,000
CIP Total	GF Subtotal	\$ 3,590,045	\$ 2,811,325	\$ 3,029,029	\$ 5,572,349	\$ 4,343,208	\$ 2,410,448	\$ 2,157,037
CIP Total	Bond	\$ 1,166,648	\$ 1,166,648					
CIP Total	GF Total	\$ 4,756,693	\$ 3,977,973	\$ 3,029,029	\$ 5,572,349	\$ 4,343,208	\$ 2,410,448	\$ 2,157,037
CIP Total	GF Transfer SRF							
CIP Total	ARPA	\$ 6,401,329	\$ 6,398,975	\$ -	\$ -	\$ -	\$ -	\$ -
CIP Total	RLCF	\$ 120,500	\$ 120,500	\$ 1,436,064	\$ 127,000	\$ 134,000	\$ 136,000	\$ 88,580
CIP Total	SRF	\$ 4,954,712	\$ 3,512,180	\$ 1,597,324	\$ 251,000	\$ 198,400	\$ 196,000	\$ 70,108
CIP Total	SW	\$ 230,000	\$ 230,000	\$ 235,000	\$ 300,000	\$ 275,000	\$ 250,000	\$ 250,000
CIP GRAND		\$ 16,463,234	\$ 14,239,628	\$ 6,297,417	\$ 6,250,349	\$ 4,950,608	\$ 2,992,448	\$ 2,565,725

Contribution to CIP Reserves

- **General Fund Contributions:**

- Contributions from the ERR and Facility Maintenance Reserve are made from the General Fund Unassigned Reserve.
- Annual contributions are based on:
 - Current-year expenditure needs,
 - City Manager's recommendation, and
 - Available funding during the budget process.

- **Other Funds:**

- Expenditure levels depend on availability of the individual fund balance.
- Special Revenue Cable Grant Reserve: Funded by City obtained grants
- Stormwater Fund Balance: Funded by annual stormwater fees.
- Speed/Red-Light Camera Fund Balance: Funded by traffic violation fines.

Impact of Deferred Maintenance and Delayed Purchases

- **Safety Concerns:**
 - Delaying police vehicle and equipment purchases compromises public and officer safety.
 - Delayed road maintenance and sidewalk repair could result in degraded condition and higher cost for repairs.
- **Financial Impacts:**
 - Higher costs due to inflation.
 - Increased maintenance expenses, particularly for aging police vehicles.

Equipment Replacement Reserve



Equipment Replacement Reserve (ERR) Overview

• Concept and Rationale:

- Established under Section 804 of the City's Charter.
- Purpose:
 - Maintain funds to replace major capital items with purchase prices $\geq 0.5\%$ of total budget revenues.
 - Ensure reserves are sufficient to replace covered items over their useful life.
 - Annual budgets will allocate payments to the reserve based on the items' purchase price and estimated useful life.
 - When replacements are needed, funds will be drawn from the reserve, and additional revenues may be used if the reserve is insufficient.

• Charter Requirements:

- Maintain a public list of covered items with estimated useful life and replacement costs.
- Include expenditures and contributions in annual budgets.
- City Manager recommends and Council approves annual contribution to the Equipment Replacement Reserve during the budget process.

ERR Contributions and Funding Health

- **General Fund Contributions:**
 - Annual contributions based on current-year expenditures and Unassigned Reserve availability.
 - Financial Consultant's recommendation: \$900k to \$1 million annually.
 - As June 30, 2024, the ending Reserve Balance: \$4.37 million.
- **FY24 Reconciliation Insights:**
 - Current contribution level covers annual allocation costs through FY27.
- **Key Consideration:**
 - Delayed or inadequate annual contributions increase the risk of insufficient funds for future replacements.

Fleet Replacement, Addition & Transfer Administrative Policy

Fleet Replacement Administrative Policy

- **Purpose:**

- Established in 2017 to formalize policy and procedures associated with vehicle replacement, acquisition and transfer.

- **Policy & Procedures:**

- Establishes a Fleet Review Committee (FRC) composed of the Public Works Director, Vehicle Maintenance Supervisor, Finance Director, Police Captain and Deputy City Manager.
- FRC meets prior to the annual budget development to review which vehicles need to be included in the ERR. The recommended list is provided to the City Manager. The FRC meets prior to the start of the fiscal year to review list prior to procurement.

- **Criteria:**

- Vehicle replacement eligibility criteria includes age, mileage and historical maintenance costs.
- Each criteria is awarded one point. 3 points required for replacement consideration
- Conditional points may be applied for factors that negatively affect vehicle condition (like accidents). The higher points the greater need for replacement.

Fleet Replacement Administrative Policy

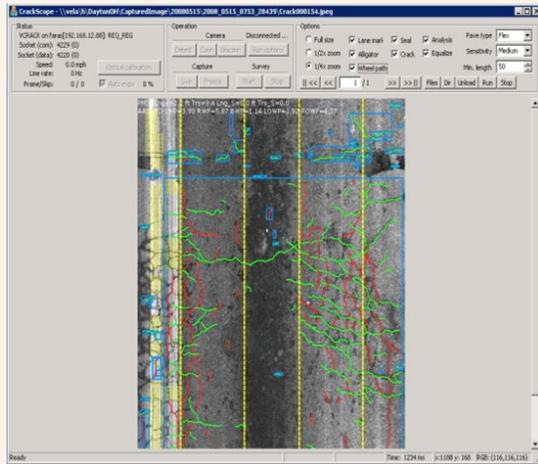
Fleet Replacement Administrative Policy

- The full Vehicle Replacement, Addition and Transfer Administrative Policy and the Fleet Review Committee Charter available on request.
- The FY26 vehicle evaluation spreadsheet will be provided during the budget process and will include the age, mileage, prior three year maintenance costs (both internal & external), and accident record for each vehicle considered for replacement.

1-3: Vehicle Replacement Eligibility Criteria

Asset Classifications	Age in Years (1 point)	Mileage (1-2 points)	Avg. Annual Maintenance (1 point)	Conditional Points (1 point)
Police – Marked/Unmarked	8	100,000 (1 pt) 125,000+ (2 pts)	\$2,000	TBD
Police – K9	Annual Assessment after 5 Years			
Department Admin	10	150,000	\$2,000	TBD
Medium Duty (Pick Up, Sm. Dump, Van)	10	90,000	\$3,500	TBD
Heavy Duty (Recycle Truck/Lg. Dump)	10	N/A	\$10,000	TBD
Refuse Truck	13	N/A	\$10,000	TBD
Special Equipment	Annual Assessment			

Street Resurfacing Program



Street Resurfacing Program

• Purpose:

- Begun in 2004 to establish a process of pavement evaluation to determine the resurfacing schedule based on pavement condition with a goal of no streets below fair condition.
- The program assumed a 20-year average pavement lifespan and recommended a minimum annual funding level of \$500,000.

• Procedures:

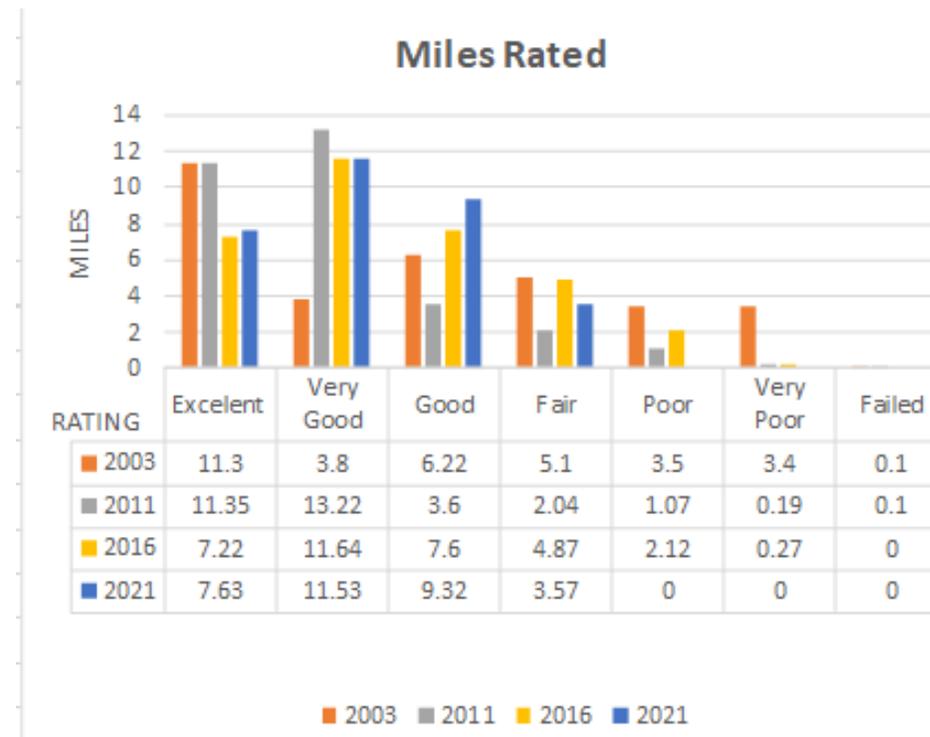
- Pavement condition is evaluated every 5 to 7 years using an automated video inspection, using 6 cameras, infrared and other technology, to assess surface condition. Past inspections occurred in 2003, 2011, 2016, 2021.
- Evaluation factors include cracking, patches, potholes, raveling, and uneven surface. The severity and size of defects impact the rating. The rating ranges from Failed 0 – 10, Very Poor <25, Poor <40, Fair <55, Good <75, Very Good <85 and Excellent <100

Street Resurfacing Program

Street Resurfacing Program

The annual street restoration schedule considers the following criteria:

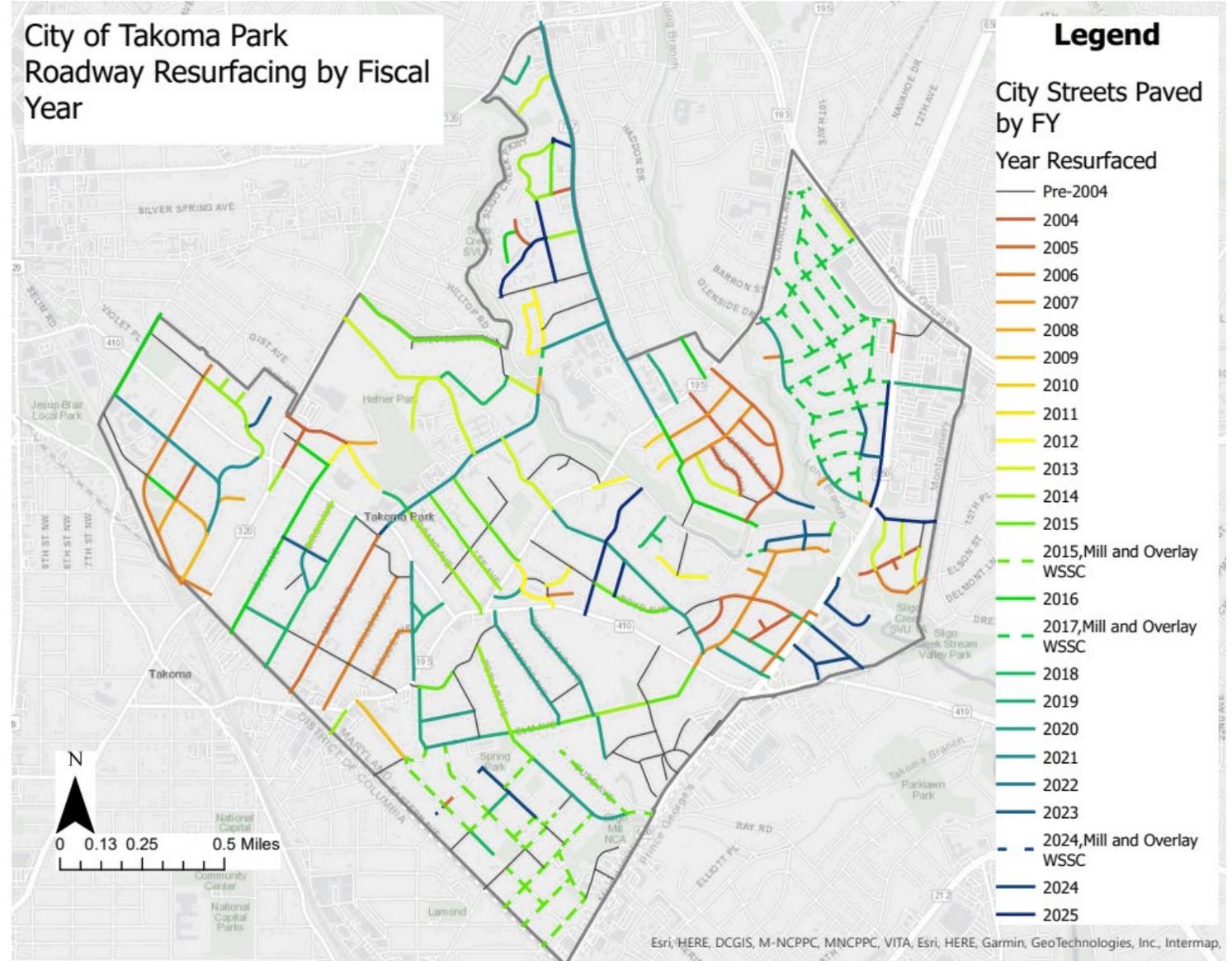
- Pavement condition ratings
- Funding allocation
- Logistical considerations (clustering work to optimize efficiency & reduce mobilization cost)
- Roadway use – high traffic volumes might accelerate deterioration
- Other scheduled utility work or City projects



Street Resurfacing Program:

- * There are **33.5** miles of city-maintained streets.
- * **29** miles have been resurfaced since 2004.
- * **5.5** miles of those were done by WSSC after water main replacement at no cost to the City, a value of \$1, 200,000.
- * **4.5** miles of city street were resurfaced prior to 2004.

Resurfacing History 2004 to 2025



Street Resurfacing Program:

Source of funding included:

- State & County Revitalization Grants
- CDBG Funds
- Capital Budget
- WSSC Restoration Fund
- City Engineer Budget
- ARPA Funds

Resurfacing Expenditures 2004 to 2025

FY	Miles Resurfaced		Amount
2004	2.79		\$ 1,052,763
2005	2.29		\$ 1,218,812
2006	2.80		\$ 1,280,797
2007	0.76		\$ 453,116
2008	0.34		\$ 144,782
2009	0.44		\$ 223,692
2010	0.44		\$ 152,340
2011	0.05		\$ 12,872
2012	1.33		\$ 439,221
2013	1.76		\$ 491,147
2014	1.80		\$ 511,893
2015	1.61		\$ 411,417
2016	1.90		\$ 563,899
2017	base repair		\$ 512,144
2018	1.12		\$ 279,936
2019	0.83		\$ 299,826
2020	4.04		\$ 504,209
2021	1.37		\$ 469,031
2022	base repair		\$ 78,260
2023	0.80		\$ 574,257
	20 YR TTL	26.47 miles	\$ 9,674,414
2024	0.56		\$ 348,796
2025	2.15		\$ 650,000
	TTL TO DATE	29.18 miles	\$ 10,673,210
	Ave per year Expenditure		\$ 485,146

Street Resurfacing Program

Street Restoration Costs Over Time

- The City engages a contractor to provide street, sidewalk and stormwater improvements, typically on a 5-year contract basis.
- The work is done through an Indefinite Quantities Contract which provides a list of items and a unit price per quantity of those items.
- Some of the main cost increases from 2005 to the most recent 2022 contract include:

Milling 1.5 to 2.5 in)	131% increase	\$2.50 CY to \$5.78 CY
Resurfacing	34% increase	\$84 TN to \$112 TN
Curb & Gutter	96% increase	\$17 LF to \$33.25 LF
Replace sidewalk	93% increase	\$3 SY to \$63.60 SY
New sidewalk	93% increase	\$27 SY to \$63.60 SY
Speed hump	102% increase	\$2,000 to \$4,047 each

Key Considerations For Maintaining Streets

- Street paving costs have increased significantly since the implementation of the Street Resurfacing Program in 2004.
- Original program goals were to keep streets in fair or better condition, and assumed a 20 year life space for most streets and annual funding target of \$500,000.
- The City has been able to meet the goal of no streets below fair condition, based on the last Street Condition Evaluation.
- Utility resurfacing, as a result of system replacement, provided 5.5 miles of resurfaced roadways.
- Had the utility resurfacing not occurred, some City streets would have fallen below Fair condition based on historic funding levels.
- The early years of the program included deep reconstruction for the roads identified with insufficient base. Those defects have been corrected, so roadway maintenance going forward will largely require milling and paving, with limited base restoration.
- Current funding provides a street replacement cycle of about 25 years, which may result in roadways falling below fair rating.
- The Department recommends an increase to the annual pavement allocation of \$150,000, providing \$650,000 annually for street maintenance.



THANK YOU

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