

CAPITAL PLANNING POLICY

May 2024

1. Purpose

The purpose of this capital planning policy ("Policy") is to serve as a guideline and framework for the process for developing a capital plan for the Town. The goal of the Policy is to provide guidance to the Town's leaders and department heads, including planning for major improvements to existing assets and for the acquisition and construction of future assets of the Town.

2. Objectives

The objectives of the Policy are to:

- Identify and plan for capital needs by seeking input through Town officials and department heads;
- Guide the Town's leaders in developing budgets and debt plans that incorporate the capital needs of the Town to support sustainability in operations and future growth; and
- Prioritize projects based upon feedback from Town officials and department heads.

The Policy should be reviewed annually in conjunction with the preparation of the Town's budget; however, the Policy may be updated on an as needed basis to guide the capital planning process.

3. Definitions

Capital Asset shall mean an asset that is owned, leased or controlled by the Town and shall include, but not be limited to, land, buildings, machinery, equipment, vehicles, technology hardware and software.

Capital Plan shall be the compilation of the Town's capital needs, typically including a five-year period, including the current fiscal year during which the plan was developed.

Council shall mean the Town Council.

Town shall mean the Town of Zionsville, Indiana.

Utility shall mean the Wastewater Utility.

4. Plan Development

The Town's Finance Department may elect to utilize a consulting firm to complete the Capital Plan or may complete and/or maintain the plan within the Department. If the Town elects to complete a Capital Plan in a fiscal year, the Town, with the assistance of its Director of Finance and Records ("Finance Director"), Finance Department and input from the Mayor and Town Council, will request information related to capital asset needs, for both maintenance, new acquisition, and construction of Capital Assets on an annual basis, no later than January 31st (for the preceding year), when the Town determines the Capital Plan is in need of an update to reflect the Town's current capital needs, so that the Capital Plan may be used to assist with budgeting. When developing the Capital Plan, the Town may establish a minimum value for Capital Assets that it will incorporate into the Capital Plan to provide guidance to the Department Heads based upon an assessment of the Finance Director, and this minimum value may be adjusted from time to time.

As a part of the process, Department Heads will be asked to identify any planned funding for to renovate, improve, construct, or acquire the Capital Asset, including the specific Town fund, grant funding, tax credits and other contributions. The Finance Department, in connection with any consultant, will then compile the projects into a Plan, identifying proposed funding for the Capital Asset and the year in which the Capital Asset is anticipated to be renovated, improved, constructed or acquired.

5. Plan Review

The Mayor, Deputy Mayor, Finance Director and Finance Department, with input of the Town's financial advisor, will prioritize the Departments' capital needs based upon available funds to pay for specific needs and debt issuance plans. During the review, project and asset acquisition priorities may be modified to align with the Town's financial plan for period covered by the Capital Plan.

6. Plan Amendments and Updates

If the needs of the Town materially change, the Capital Plan should be modified to adapt to these changes. Additionally, the Town should consider reviewing the Capital Plan either annually or periodically as projects are completed and new needs arise. While the Town recognizes that it is a best practice to maintain an updated Capital Plan, the Finance Director can determine the cadence for Capital Plan updates.