

5-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP)

Marathon County adopted its first five-year C.I.P. in 1991 and continues to maintain a five-year capital project plan.

In 2021, the Human Resources, Finance & Property Committee began a process to update our CIP processes, focusing on ensuring that necessary routine, end-of-life maintenance, and regulatorily required projects are adequately funded. The Board adopted the committee's recommendation to abolish the Capital Improvement Committee and have the CIP planning process be driven by staff relative to the categorization of the various capital project submissions and driven by the HR, Finance & Property Committee relative to ensuring that we fund the projects that fall into the necessary routine, end-of-life maintenance, and regulatory category.

Our primary sources of CIP funding continue to be:

1. Prior year fund balance
2. Current year tax levy
3. Revenues from enterprise funds (fees)
4. Bonding (borrowing)

The practice of using prior year undesignated fund balance to fund capital improvements has served us well. It incentivizes appropriate Departmental budgeting, as it ensures that unspent operating balances from one year are not utilized future operating needs, and it has served to stabilize the tax rate by reducing the need to bond for capital projects. In 2004 the County Board formally adopted the CIP funding policy which states that undesignated funds remaining in the budget after the working capital formula is completed, are transferred, in the year following the audit to the capital improvement program. In year's past, the County was able to avoid borrowing for many projects by having this policy in place.

As our budgets have tightened, and we have adopted strategies such as budgeting for attrition, we have experienced smaller balances carrying over into CIP.

For the 2023 CIP budget, we allocated approximately \$6.1 million in CIP fund balance, much of which came from undesignated fund balance remaining at the end of 2021.

Budget Year	CIP (Fund Bal. Transfers)
2014	10,521,395
2015	5,707,032
2016	4,566,529
2017	4,448,447
2018	3,426,108
2019	1,793,920
2020	2,445,259
2021	4,210,226
2022	8,390,037
2023	6,122,489

