

RESOLUTION NO. 03-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ESTABLISHING CAPITALIZATION REQUIREMENTS
FOR VARIOUS NON-UTILILTY INFRASTRUCTURE AND EQUIPMENT

WHEREAS, the Governmental Accounting Standards Board in June 1999 issued Statement No. 34; and

WHEREAS, Statement No. 34 requires local governments to capitalize and depreciate general infrastructure assets (e.g. roads, bridges and sidewalks, etc.); and

WHEREAS, the City's retained the services of an outside expert to develop an inventory and valuation of City non-utility assets in a manner that will lend itself to proper accounting and reporting in accordance with Statement No. 34; and

WHEREAS, the inventory and valuation report identified the useful life of certain infrastructure based upon discussions with Public Works staff and current engineering standards; and

WHEREAS, the current dollar threshold for internal capitalization of operating equipment is set at \$3,000; and

WHEREAS, it is desirable to increase the operating equipment threshold to \$5,000 and formalize capitalization requirements for non-utility infrastructure as identified by the consultant.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles does establish the capitalization thresholds identified in attached Exhibit "A".

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 18th day of February 2003 by the following vote:

AYES: Finigan, Heggarty, Nemeth, Picanco and Mecham
NOES: None
ABSTAIN: None
ABSENT: None

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

EXHIBIT "A"

**Infrastructure Capitalization Thresholds
For
Non-Utility Fixed Assets**

| | |
|------------------------|----------|
| Right-of-way | N/A* |
| Pavement | 25 years |
| Curbs and gutters | 50 years |
| Sidewalks | 50 years |
| Medians | 25 years |
| Bridges | 75 years |
| Traffic signals | 20 years |
| Streetlights | 50 years |
| Storm drain systems | 50 years |
| Off-road trails | 20 years |
| Playground equipment | 15 years |
| Governmental buildings | 50 years |

*N/A = Not applicable. Asset is not subject to depreciation

The dollar threshold for equipment capitalization shall be increased from \$3,000 to \$5,000.