



CITY COUNCIL MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA - City Manager

DATE OF MEETING: February 23, 2026

ITEM TITLE: Adoption of the 10-Year Capital Improvement Plan (FY 2027–2037)

BACKGROUND:

This item was last discussed at the January 5, 2026, City Council Work Session.

The attached 10-Year Capital Improvement Plan (CIP) represents our coordinated strategic vision for Fiscal Years 2027 through 2037. This document addresses critical infrastructure needs that have reached the end of their useful life while positioning the community for future growth. This plan marks a significant shift for us from reactive repairs to predictable asset management. By systematically replacing infrastructure before it fails, we protect our bond rating and ensure intergenerational equity for the residents of Independence.

DISCUSSION:

Our plan outlines a total projected investment of approximately \$102.7 million over the next decade. The financial landscape of this decade is defined by two "Megaprojects" that are baseline investments required to support residential and industrial growth: the mandated Wastewater Treatment Plant (WWTP) replacement (\$50 million) and the reconstruction of 1st Street West (\$19.6 million).

Beyond these major projects, we are focusing on four strategic goals: infrastructure reliability, public safety modernization, operational efficiency, and quality of life. Key highlights of our strategy include:

- **Public Safety:** We must resolve a facility crisis within the Fire Department. The plan programs a \$6 million Fire Station expansion for FY 2027/2028 to accommodate modern apparatus.
- **The "Domino Strategy":** By relocating the Fire Department, we unlock existing bays for a \$1.5 million City Hall remodel in FY 2031. This allows us to modernize administrative space within our existing footprint rather than building new.
- **Fleet Modernization:** To prevent operational collapse in the Streets Department, we have incorporated a rigorous replacement schedule. We are using a split-payment strategy for heavy dump trucks to flatten capital "spikes" and preserve Road Use Tax (RUT) cash on hand for seasonal maintenance.
- **Utility Maintenance:** While the WWTP is a non-negotiable mandate, we are also prioritizing the collection system by accelerating the purchase of a Combination Jet/Vac Truck to FY 2027 to prevent backups.

This is a "living document" that we will review and modify periodically to reallocate resources as conditions change.

RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from those sessions of:

- **Supporting high-quality City services**
- **Supporting and enhancing City infrastructure**
- **Efficient and effective planning and prioritizing of all available resources**

This item helps achieve that vision by providing a transparent, long-term roadmap that ensures our essential services remain reliable while leveraging every available dollar toward the community's highest priorities.

FINANCIAL CONSIDERATION:

The plan utilizes a diverse funding strategy to minimize the impact on property tax levies.

- **GO Bonds:** Reserved for long-life assets such as the Fire Station and major street reconstruction.
- **Enterprise Funds:** Water and sewer rates will support the \$50 million WWTP and ongoing utility maintenance.
- **Grants:** We are aggressively pursuing FAA (Airport), RISE/BUILD (Streets), and SRF (Sewer) funds. The 1st Street West project is specifically dependent on a BUILD grant.
- **Hotel/Motel Tax:** Per Iowa Code Chapter 423A.7, at least 50% of these revenues are dedicated to quality of life projects at the Aquatic Center, Falcon Civic Center, and parks.

RECOMMENDATION:

Staff recommends that the City Council approve the 10-Year Capital Improvement Plan for Fiscal Years 2027–2037 as presented.