

# Policy Authorizing and Establishing a CAPITAL IMPROVEMENT PLAN (CIP)

## PURPOSE

One of the primary responsibilities of local government officials is to preserve, maintain, and improve a community's stock of buildings, roads, parks, water and sewer facilities, and equipment. Planning for capital improvements is a matter of prudent financial management as well as sound development practice.

This Capital Improvement Program (CIP) for the Town of Queensbury is a community plan for short- and long-range physical development. It is intended to link the community's comprehensive plan and fiscal plan to physical developments, and provide a mechanism for:

- Estimating capital requirements, including the capital needs of Emergency Service providers (Fire & EMS)
- Planning, prioritizing, scheduling, and implementing projects during the next 6 years
- Developing revenue policy for proposed improvements
- Budgeting high priority projects
- Inter-fund & Inter-Department coordinating of projects within the Town
- Informing the public of planned capital improvements

## CRITICAL COMPONENTS

This policy is intended to be a dynamic, evolving plan which will facilitate meeting the future capital needs of the Town, including public works infrastructure. There are a myriad of factors that will influence and affect the Town's planning process as the CIP continues to develop and mature, including the following list of critical components *which is not all-encompassing*:

**Forecast Demand** for future services and capital facilities, taking into account all applicable demand factors including population, housing units, traffic volume, commercial growth, etc.

**Inventory of Existing Capital Facilities** to determine future demands for maintenance, repair, rehabilitation or replacement; and to determine adequacy of existing facilities to meet future needs.

**Level of Service (LOS) Standards**, an inventory of services currently provided and projections of services to be provided in the future. Typically, LOS measure is a ratio of facility capacity to actual or potential demand, although a variety of other measurements are applicable to various services. Future demand will include expectations of the taxpaying public.

**Capital Project Request** form together with supporting information which contains all the information on which each project will be evaluated and ranked. Development of and changes to the Capital Project Request form will be governed by the CIP Coordinating Committee.

**Capital Project Evaluation** form which details the criteria on which projects will be ranked, prioritized, and executed. The specific criteria, and its ranking and weighting, will be subject to recommendation by the CIP Coordinating Committee and the approval of the Town Board.

**Funding plans**, must include soundly rationalized bases for use of public funds. Where use of public debt is planned, cash flow projections over the life of the debt amortization must be calculated, and the impact on future Town budgets and financial statements must be estimated.

**Commitment**, active involvement, and support by the Town's management staff, elected policy makers, community interest groups, and the public.

The Town Board, the CIP Coordinating Committee, and other participants will need to draw upon a variety of resources in order to institute this policy effectively and efficiently. *MIS Report Vol 25 No 20, Oct 1993, Planning for Capital Improvements*, will be used as a general guideline for implementing the intent and purpose of this policy.

NY General Municipal Law § 99-g will govern the administration of the CIP.

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## **PROCEDURES FOR SUBMITTING AND AMENDING PROJECTS**

A key element in the CIP is the collection of data to identify future Capital needs. It is the responsibility of Department Managers and Town Councilpersons to initiate requests for new projects, modifications, and/or re-prioritization by sending completed Request form[s] and supporting information to the Coordinating Official as soon as need is identified; requests must include justification for preferential ranking if appropriate.

## **EVALUATION AND PRELIMINARY RANKING BY COMMITTEE**

A CIP Coordinating Committee will perform an initial evaluation and ranking of projects. The committee will be comprised of Town Supervisor, Executive Director of Community Development, Town Comptroller, Superintendent of Water and Wastewater, Highway Superintendent, Director of Parks and Recreation, and, if applicable, the CIP Coordinating Official. The committee will meet as needed, but not less frequently than each calendar quarter.

Copies of all published and revised preliminary project rankings will be provided to all Department Managers prior to review and formal prioritization or re-prioritization by Town Board

## **REVIEW AND PRIORITIZATION BY TOWN BOARD**

The Town Board will conduct workshop sessions as needed to review and approve projects to be included in the CIP, and to prioritize them. Projects will be prioritized in accordance with evaluation criteria contained on an Evaluation Form adopted by the Town Board and made an integral part of this policy. Project evaluation will include, but not be limited to, the following criteria:

Public Health & Safety	Intensity of Use
External Requirements	Scheduling
Protection of Capital Stock	Benefit/Cost
Economic Development	Availability of Financing
Impacts on Operating Budgets	Special Needs
Expected Life of Improvement	Timeliness
Percent of Population Served	Public Support
Relationship to Adopted Plans	

## **TOWN BOARD TO ESTABLISH CAPITAL RESERVE FUNDS**

This Capital Improvement Plan establishes the basis and authority for CIP Capital Reserve Funds to be established for general purposes and special districts in compliance with applicable State laws and in accordance with applicable guidelines published by the Governmental Accounting Standards Board as well as the NYS Uniform System of Accounts and the Financial Management Guide, both published by the Office of the NYS Comptroller.

At the end of each fiscal year the Town Board will evaluate the surplus and accumulated fund balance of the General Fund and each special District. Based on information supplied by the CIP Coordinating Committee, the Town Comptroller, and each affected Department Manager, the Town Board may transfer surplus funds to the appropriate CIP Capital Reserve Fund which will provide a source of working capital for Capital Projects that evolve from the CIP.

The Capital Reserve Fund may be used only for projects that have been approved and prioritized in the Capital Improvement Plan.

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Funds in the CIP Capital Reserve Fund[s] may be transferred to specific Capital Project Funds in accordance with financing plans approved by the Town Board.

### **DEVELOP FUNDING PLANS FOR PROJECTS WITH START DATES NEXT 12 MONTHS** **DEVELOP TENTATIVE FUNDING PLANS FOR PROJECTS WITH START DATES 12 - 72 MONTHS**

At least once each year the Town Board will adopt, by Resolution, an updated CIP which will include all prioritized short and long-term projects. The prioritized list will be published for public dissemination not later than the date on which the Town Board sets the date for the annual CIP Public Hearing, which will be held prior to adoption of the CIP.

On a regular basis, but not less frequently than once each year, the Town Board will develop and approve financing plan[s] for project[s] to be executed during the next 12 months, and tentative financing plans for longer term projects.

Financing plans will incorporate the following sources of funds, as appropriate:

- Cash from Capital Reserve Fund
- Cash from fund balance and current surplus
- Future budget appropriations
- Program Revenue (return on capital investment)
- Grant sources
- Preferential and/or subsidized debt financing
- Traditional debt

It is recognized that priority rankings may not necessarily correspond to funding sequence because of limited general revenue streams, the availability of restricted revenue sources, and other possible limitations. Therefore, the priority ranking of projects will be a governing guideline, subject to extenuating, justifiable reasons for out-of-sequence exceptions.

### **TOWN BOARD TO ESTABLISH INDIVIDUAL CAPITAL PROJECTS**

As each project from the CIP is approved for execution, a specific Capital Project will be established by Resolution, preceded by Public Hearing, which will include the following detail:

The complete scope of the project together with a time schedule for expected completion.

Estimated revenues from all sources, and budgetary appropriations for all components of the project.

Assignment of oversight authority and accountability for accomplishing the full scope of the project within budget and on time.

Limited authority to the Town Supervisor to and/or other oversight authority to approve minor, incidental change orders (not to exceed project appropriations) to avoid delays in the project. Approval authority for change orders that will alter the scope of the project will be retained by the Town Board.

### **MODIFYING THE CAPITAL IMPROVEMENT PLAN**

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The purpose of the CIP is to provide a planning and funding mechanism for the Town's investment in long-term capital assets which, by their nature, impose incremental costs of use and ownership throughout their lives, cost that will be funded by significant expenditure of public tax receipts. Accordingly, modifications to the CIP Policy, or major modification to the way it is administered, including criteria for evaluating projects, will be undertaken in accordance with GML § 99-g7 with the advance opportunity for public comment.

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### **LITERARY RESOURCES FOR THE DEVELOPMENT OF THIS CIP**

MIS Report, Management Information Service - International City/County Management Assn (ICMA), Vol 25 No 10 October 1993

“What Every Town Board Member and Fiscal Officer Needs to Know About Multi-Year Capital Planning”, Richard H. Dinolfo, Chief Examiner of Municipal Affairs Office of the New York State Comptroller, Feb 1999

Capital Improvement Programming - A Practical Guide for Local Government, Virginia Dept of Housing & Community Development, 1986

“How Has Fiscal Impact Analysis Been Integrated Into Local Comprehensive Planning?”, Revolutionary Ideas in Planning - Proceedings of the 1998 National Planning Conference, Terry Holzheimer AICP

“1999-2004 CIP Introduction”, City Budget Office, Seattle Washington

“Capital improvement Program”, City (Seattle Washington) Budget Office Presentation to Council, August 26, 1998

Achieving Economic Development Success: Tools That Work, ICMA, 1991

Capital Improvements Programs - Linking Budgeting and Planning, Robert A. Bowyer, American Planning Assn, 1993