

# C I P

- Capital Improvements Program
- Capital Improvements Plan

# CAPITAL IMPROVEMENTS PROGRAM/PLAN

- What is a CIP
- Why Adopt a CIP
- Few example pages from a CIP
- Defining Capital Asset
- Virgins Past History
- CIP Program Steps
- Next Step

# WHAT IS A CIP

- Asset planning
- Is a tool used by local governments to forecast maintenance, improvements, and new construction of Capital assets
  - Roads; pipelines, treatment facilities; parks; buildings & other facilities, equipment, vehicles, sheds, master plans, and other long-term assets
- 5-year plan looking at the “Big Picture” of community needs
- A plan that matches community needs with expected revenues and other funding sources to identify what is fiscally feasible.

# WHY ADOPT A CIP

- One of the primary responsibilities of local government is to properly preserve, maintain, and improve a community's stock of buildings, roads, parks, water and sewer lines, and equipment.
- Planning for these capital improvements is a matter of prudent financial management, as well as sound development practice.
- CIP is essential to the future financial health of an organization and continued delivery of services to citizens and businesses.
- GFOA recommends that local governments prepare and adopt comprehensive, fiscally sustainable, and multi-year capital plans to ensure effective management of capital assets.

Without a capital improvement planning, crisis drives community purchases instead of proactive community management.

## **Crisis Driven Increases likelihood of**

- wasting funds
- sub-optimal service provision
- lower quality of life for community residents

## **Capital plans match**

- a community's capital needs with its financial capacity
- Integrates capital budgets with annual operating budget
- Turns plans and budgeted funds into real projects

# Other Benefits of having a CIP

- To secure other funding
  - Community Impact Board (CIB)
  - Community Development Block Grant (CDBG)
  - Other grants
- Needed to implement impact fees
- Implements General Plan & other master plans
- “Where planning rubber meets the road”

# What does it do?

Comprehensive or general plans are generally implemented through a combination of regulations, city expenditures, and partnerships with the private sector. Many implement their plans primarily through regulations.

Capital investments — in particular strategic infrastructure investments that support the development pattern envisioned by the plan — **are just as important to achieve full implementation of the plan.**

CIP Plan

# DEFINING CAPITAL ASSET

Generally public asset of > \$1,000  
(depends on City – 3K, 5K, 10K or  
higher)

Useful life of at least 1 year (again  
varies by community – 3 or 5 years)

Utah's CDO recommends keeping  
dollar amount low for small  
communities (\$1,000)



# VIRGIN'S PAST HISTORY (NOT AS COMPREHENSIVE AS A 5 YEAR CIP):

CAPITAL IMPROVEMENT LISTS

CAPITAL FACILITIES PLAN

- 2014-2019
- Draft

IMPACT FEE ANALYSIS

# CAPITAL IMPROVEMENT PROGRAM STEPS

## FIRST YEAR CIP STEPS

1. Establish a Capital Improvement Planning Process
2. Create a Capital Asset Inventory

## ANNUAL STEPS

3. Identify & Prioritize Capital Asset Needs
4. Determine Operations & Maintenance Costs
5. Present CIP to Town Council to Adopt after Public Hearing
6. Implement Plan

# EXAMPLES OF CIP