

03. FINANCE

3.12. Capital Improvements Program (CIP)

BOS Adopted – January 18, 2017

3.12.1. Purpose. The Capital Improvements Program (CIP) is a five-year plan that prioritizes and provides a funding mechanism for large-scale capital infrastructure improvements for Fluvanna County and Fluvanna County Public Schools. The CIP is an integral part of the County's overall budget. See Virginia Code Sec. 15.2.2239.

3.12.2. Policy

A. Capital Projects. A capital project is one that requires a minimum expenditure of \$50,000 (see Fleet Vehicle exception in 3.12.2.B below), has a useful life span of ten years or more, and meets one or more of the following criteria:

1. Provides for the acquisition or construction of any physical facility, including both real and personal property, for the community, to include consultant or professional services related to acquisition or construction;
2. Provides for the acquisition of equipment for any physical facility when first constructed or acquired;
3. Provides for the ongoing acquisition of major capital equipment or systems, e.g., computer technology, radio systems;
4. Provides for the acquisition of land or an interest in land;
5. Provides for the acquisition of facilities for County owned public utilities;
6. Funds expenditures, including additions to existing facilities, that increase the square footage or value of a facility; or
7. Fund expenditures for major maintenance or replacement projects on existing facilities.

B. Fleet Vehicles. Funding for individual fleet vehicle replacements below the normal \$50,000 threshold shall also be included in the CIP.

C. Other Capital Outlays

1. Individual maintenance, repair and replacement (MRR) projects not meeting the Capital Projects criteria above are not presented as separate CIP projects. Such MRR projects are approved and funded individually through the Capital Reserve Maintenance Fund (CRMF) program.

2. Overall funding for both the County and Schools CRMF programs is provided through the annual CIP process.

3.12.3. Benefits of Capital Improvement Programming.

A. The CIP is a means of implementing the recommendations of the County's Comprehensive Plan, but proposed projects are not limited to those listed in the plan. Projects pertaining to the renovation, maintenance and/or construction of public facilities, equipment purchases and land acquisition for public use are included in the capital improvement program. All projects included in the CIP are classified in five categories: General Government Administration, Public Works, Public Safety, Community Services, and Education.

B. The current budget year of the Capital Improvements Program is called the Capital Budget, and funds are appropriated on an annual basis for projects in the CIP in the same manner as funds are appropriated in the County's annual operating budget. Those projects scheduled in the CIP for subsequent years are approved for planning purposes only and do not receive expenditure authority until they become part of the capital budget.

C. The CIP serves as a planning and implementation tool for the acquisition, development, construction, maintenance, and renovation of public facilities, infrastructure, capital equipment, and vehicles. Benefits of Capital Improvement Programming include:

1. Fostering a sound and stable financial program over a five year period given a set of revenue and expenditure assumptions based on current economic trends;
2. Coordinating various County improvements so that informed decisions can be made and joint programs initiated among County departments in an effort to avoid duplication;
3. Enabling private businesses and citizens to know when certain public improvements will be undertaken so they can plan more efficiently and effectively;
4. Focusing on the goals and needs of the community through the provision of new facilities and infrastructure improvements;
5. Evaluating annually the infrastructure needs of the County to provide for the public health and safety of the citizens of the County; and
6. Providing a logical process for assigning priorities to the various projects based on their overall importance to the County.