

# Capital Improvement Planning

*Policy, Process, and Prioritization*



# Community Development Office

*DWS Housing and Community Development Division*

- Community Impact Board (CIB)
- Community Development Block Grant (CDBG)
- Rural Planning
- Uintah Basin Revitalization Fund (UBRF)
- Navajo Revitalization Fund (NRF)
- Regional Planning Program (RPP)





# Agenda

1 What?

2 Why?

3 How?

4 When?

5 What next?

# Capital Asset

*High-cost asset with an intended lifespan greater than one year*



1 What?

2 Why?

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# Capital Improvement

*Addition, restoration, or repair of some aspect of a capital improvement that will enhance the asset's overall value, increase its useful life, or adapt it to a new use*



**1** What?

**2** Why?

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# Capital Improvement Plan

*Short range plan that identifies capital projects/purchases, establishes a schedule, and identifies funding*

CAPITAL IMPROVEMENT PLAN GENERAL FUND (1000) Fiscal Years 2017 - 2021							
	Year 1 FY 2017	Year 2 FY 2018	Year 3 FY 2019	Year 4 FY 2020	Year 5 FY 2021	Total	Not Scheduled
<b>Pool</b>							
Pool Cover	9,180					9,180	
Diving Board Replacement	5,000					5,000	
Replace Guard Stands at Pool		12,000				12,000	
Sandblast and Repaint pool				15,000		15,000	
<b>Parks</b>							
Sprinklers	5,000	5,000	5,000	10,000	10,000	35,000	5,000
Carpentry Tools	3,500					3,500	
Bathrooms (Katie Bonnell Park)		11,000			11,000	22,000	
Trencher Attachment for Bobcat	6,000					6,000	
Garbage Receptacles	5,000	5,000	5,000	5,000	5,000	25,000	
Pool Chemicals	7,500					7,500	
Tennis Courts Maint. split with LSD, LTA & PC				12,000	12,000	24,000	
<b>Animal Control</b>							
Animal Waste Stations and Signage	4,000	4,000				8,000	
Miscellaneous Equipment and Waste bags			4,000			4,000	

**1** What?

**2** Why?

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# Why?

- All municipalities own items that age and need **maintenance, repair, and replacement**
- Rural Utah is planning for **839 capital projects** worth over **\$1.5 billion** over the next five years



# Benefits of Planning

Synchronize budget to projects	Match financial capacity to community needs
Prioritize projects with objective criteria	Focus attention on goals, needs, finances
Avoid waste of resources	Improve financial security
Reduce emergencies	Adequate service provision
Increase transparency	Support economic development

1 What?

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# Benefits of Planning

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<b>Prioritize projects with objective criteria</b>	<b>Focus attention on goals, needs, finances</b>
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<b>Reduce emergencies</b>	Adequate service provision
Increase transparency	Support economic development

1 What?

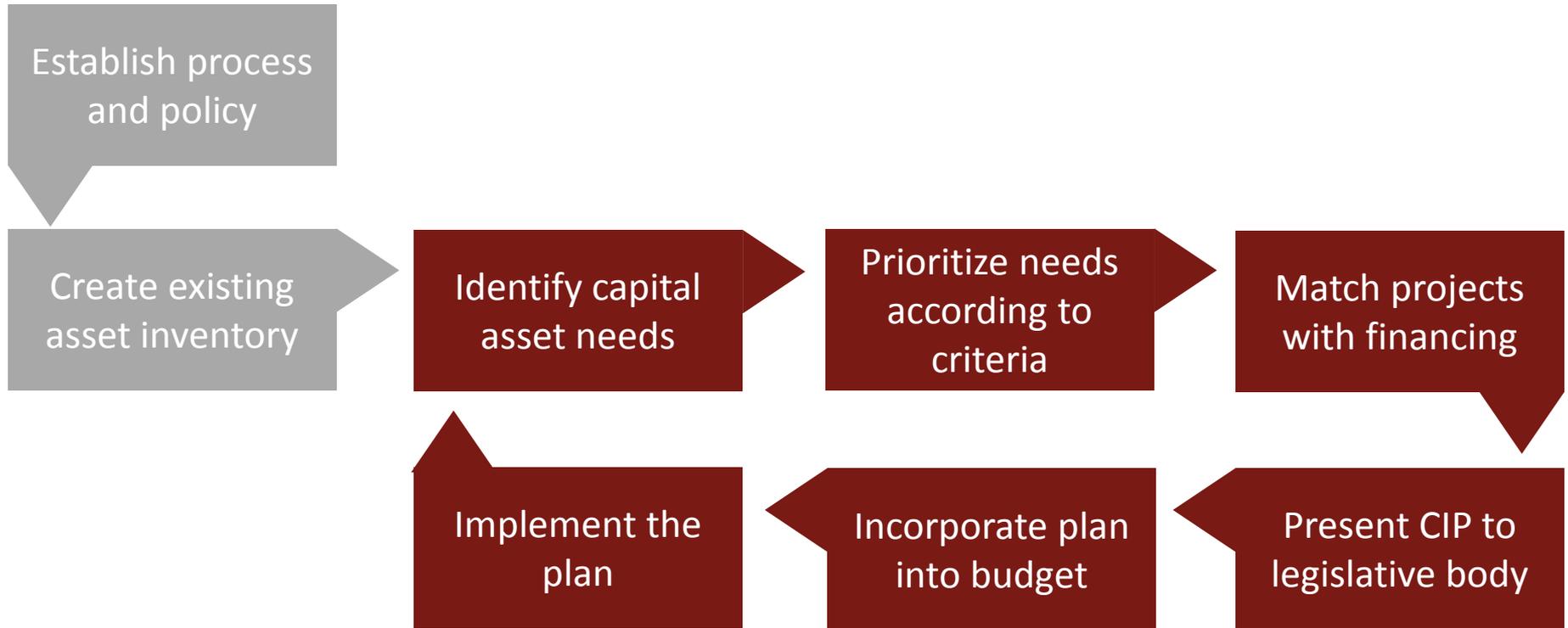
2 Why?

3 How?

4 When?

5 What next?

# Planning Process



**1** What?

**2** Why?

**3** How?

**4** When?

**5** What next?

# Planning Process

Establish process  
and policy

1 What?

2 Why?

3 How?

4 When?

5 What next?

# Step 1: Establish process and policy

*Describe how, when, and by whom the plan will be created*

Define:

- What constitutes a capital project?
- Who is responsible for creating the plan?
- What prioritization criteria will be used?
- When will the plan be created and adopted?
- What is the plan's relationship to the annual operating and capital budget

# Planning Process

Establish process  
and policy

Create existing  
asset inventory

**1** What?

**2** Why?

**3** How?

**4** When?

**5** What next?

## Step 2: Create existing asset inventory

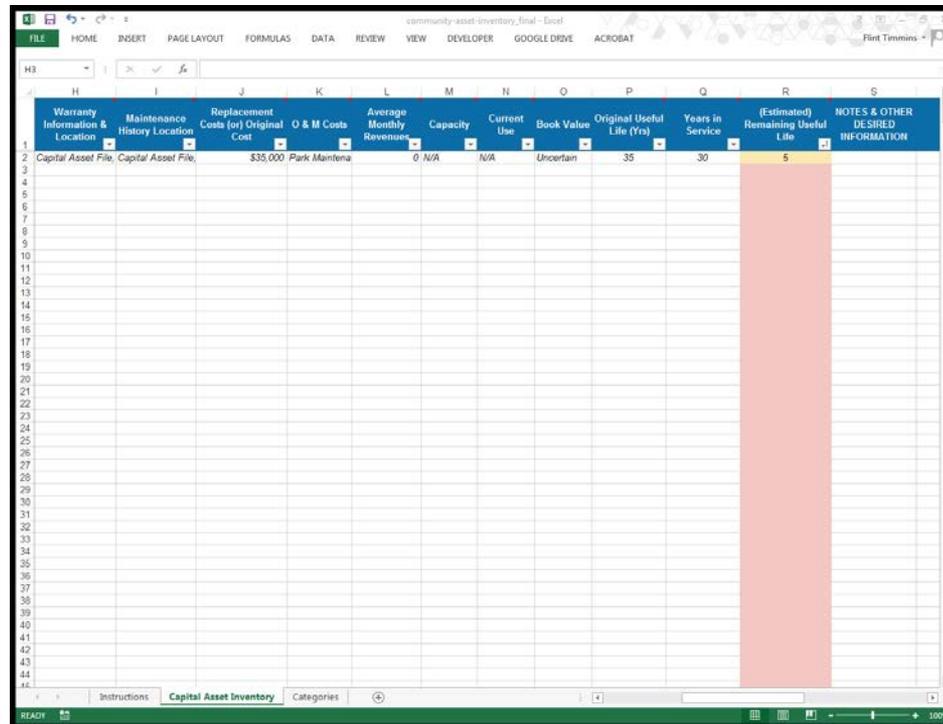
*Identify condition, repairs or replacement, and location*

### List:

- Current condition of each asset
- Cost to replace the asset
- Timeline for major repair or replacement
- Location of the asset

# Step 2: Create existing asset inventory

*Identify condition, repairs or replacement, and location*



	Warranty Information & Location	Maintenance History Location	Replacement Costs (or) Original Cost	O & M Costs	Average Monthly Revenues	Capacity	Current Use	Book Value	Original Useful Life (Yrs)	Years in Service	(Estimated) Remaining Useful Life	NOTES & OTHER DESIRED INFORMATION
2	Capital Asset File	Capital Asset File	\$35,000	Park Maintena	0	N/A	N/A	Uncertain	35	30	5	
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[http://www.ruralplanning.org/assets/community-asset-inventory\\_final.xlsx](http://www.ruralplanning.org/assets/community-asset-inventory_final.xlsx)

1 What?

2 Why?

3 How?

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# Planning Process

Establish process  
and policy

Create existing  
asset inventory

Identify capital  
asset needs

**1** What?

**2** Why?

**3** How?

**4** When?

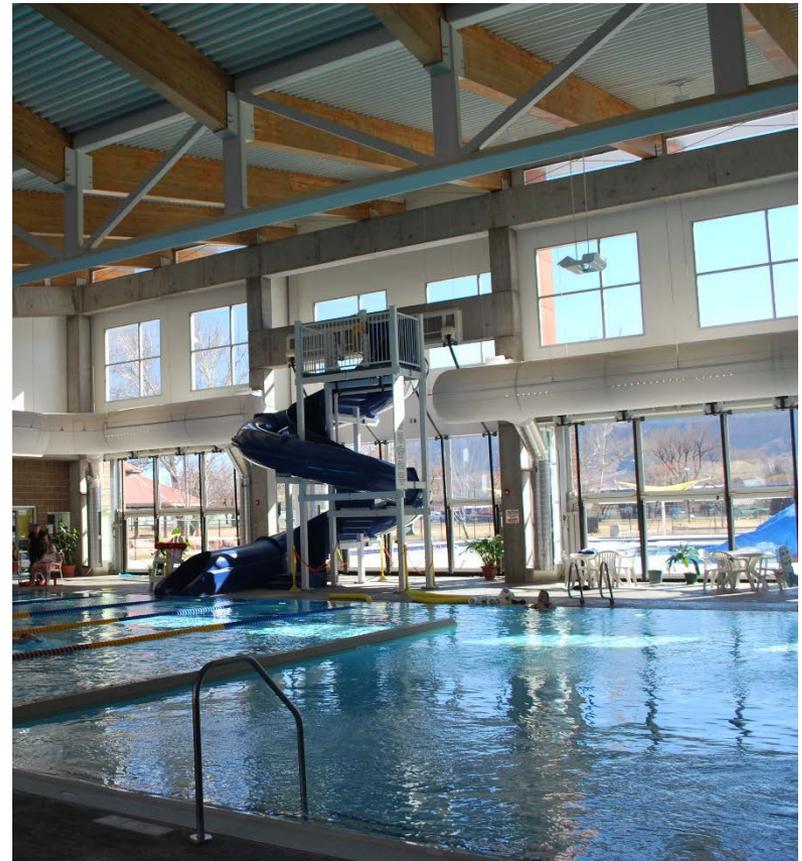
**5** What next?

# Step 3: Identify capital asset needs

*Identify assets that will make general & master plans a reality*

Consider:

- Status of last year's projects
- Community needs
  - Repairs, replacements, purchases
- Community wants
- How projects can be tied together to optimize funding and impact



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# Planning Process



**1** What?

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# Step 4: Prioritize needs using criteria

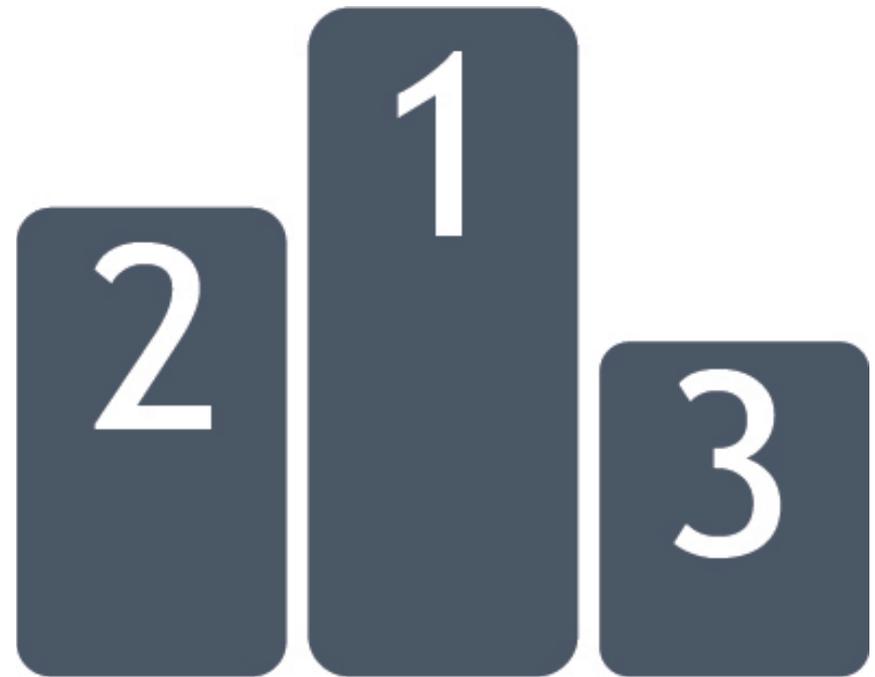
*Use objective data to further goals and identify best projects*

Create:

- Scoring/rating system
- Prioritization committee
- Prioritized list

Criteria should:

- Be objective
- Match community priorities
- Withstand political changes



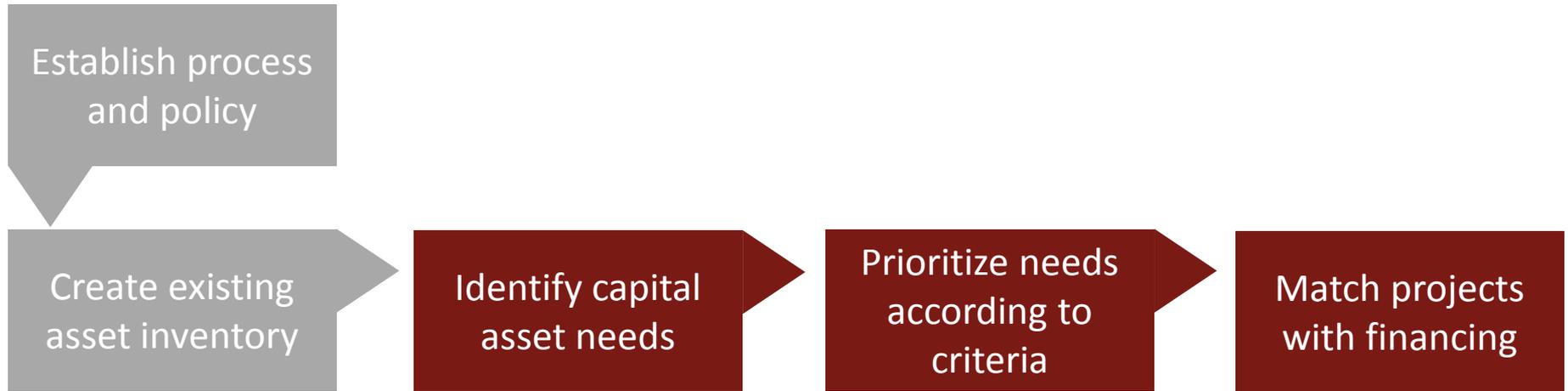
## Step 4: Prioritize needs according to criteria

*Use objective data to further goals and identify best projects*

Example criteria:

- Is the project needed to protect health, safety, and welfare?*
- Does the project directly improve the tax base?*
- Does the project contribute to revenue generation?*
- Is the project consistent with the general plan?*
- Will the project help meet future demand?*

# Planning Process



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# Step 5: Match projects with financing

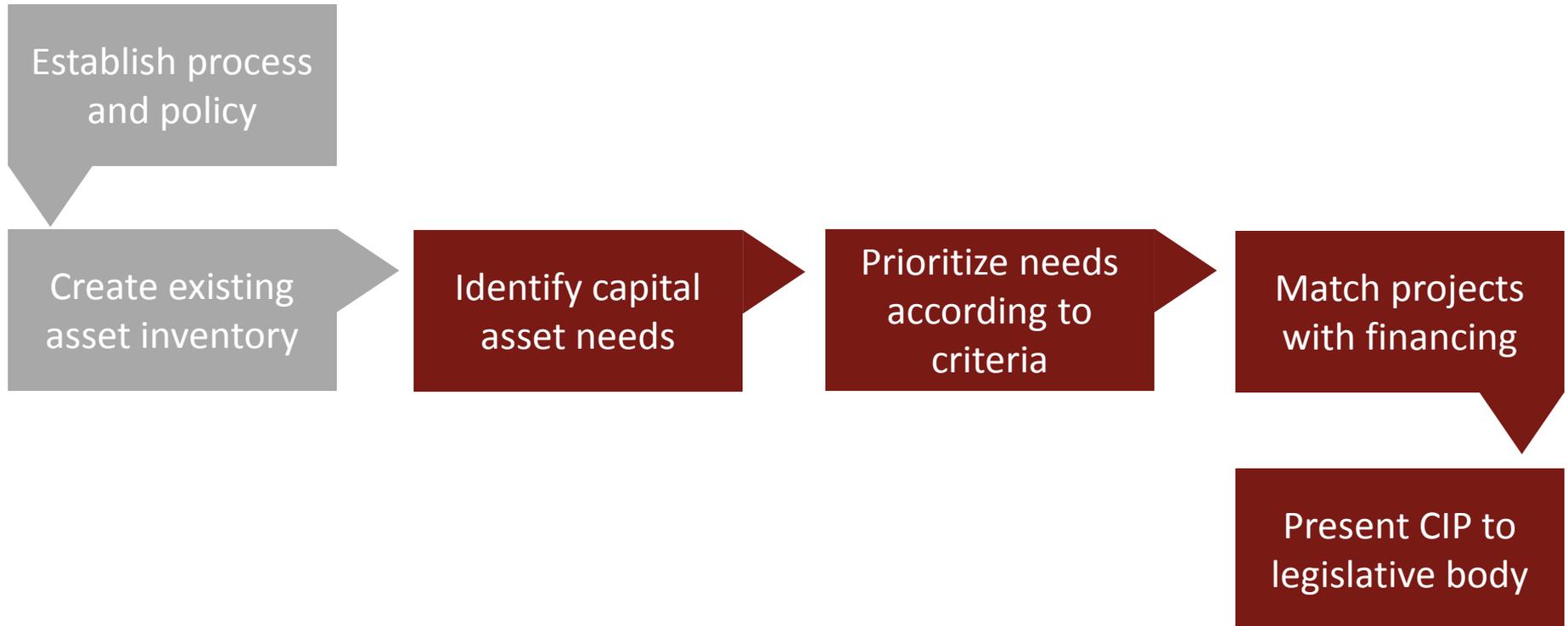
*Identify financial capacity and potential funding sources*

Identify:

- Status of previous projects
- Revenue and expense projections
  - Next year & next 5 years
- Debt capacity
- Outside funding sources
- Operation & maintenance costs



# Planning Process



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# Step 6: Present CIP to legislative body

*Get leadership and public approval in public meeting*

Ask:

- How will elected officials adjust the CIP to better meet community needs?
- What adjustments should be made based on public input?
- What are the final 1-year and 5-year capital improvement lists?

1 What?

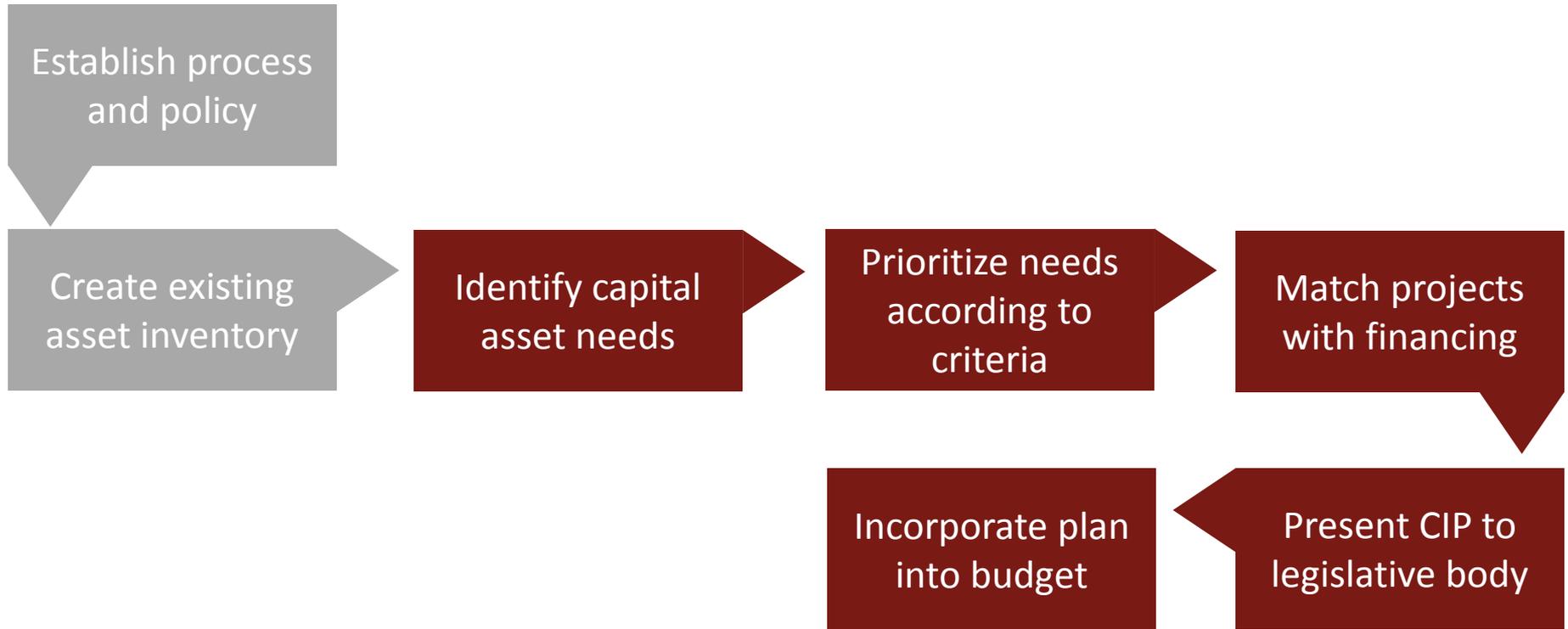
2 Why?

3 How?

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# Planning Process



1 What?

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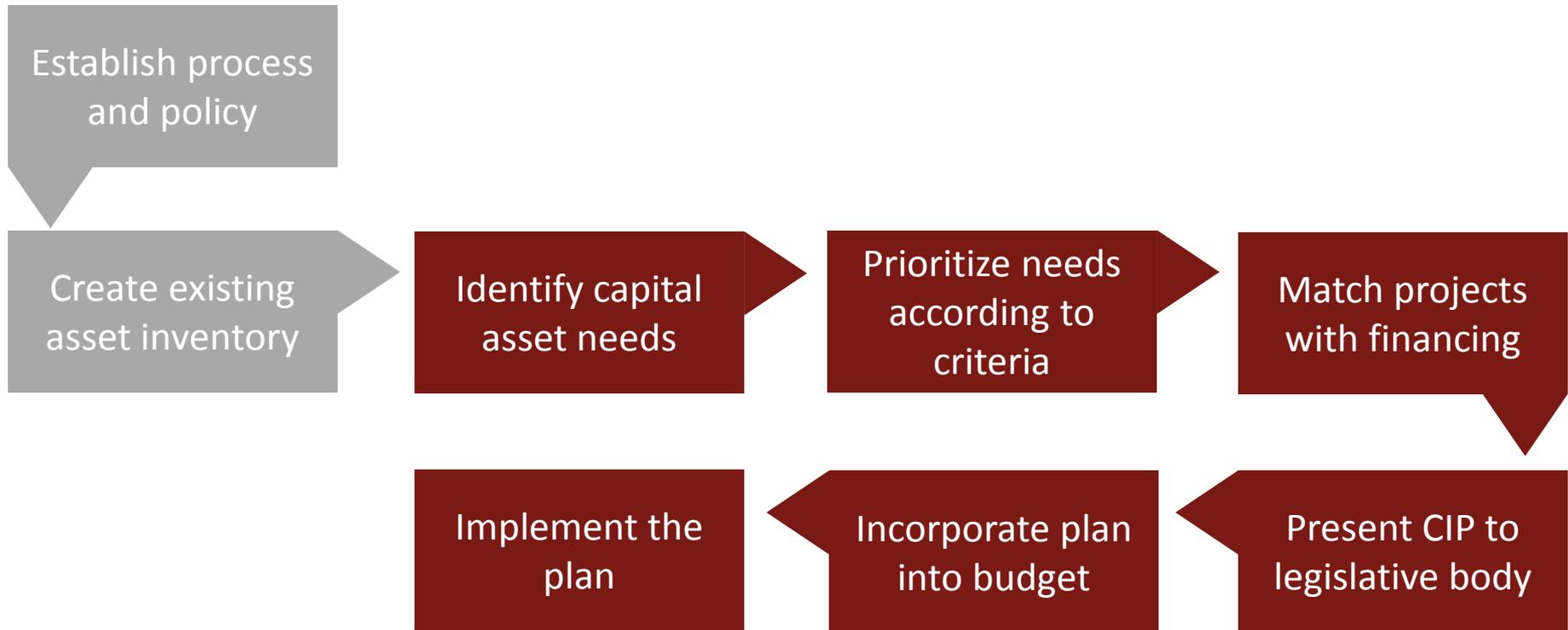
# Step 7: Incorporate plan into the budget

*Plan for the projects in the annual budget*

Budget for:

- Purchase, construction, and maintenance costs
- Generated revenue
- Personnel
- Bonding and procurement expenses

# Planning Process



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# Step 8: Implement the plan

*Follow procurement process and begin projects*

Understand:

- Procurement policy
- Who will manage each project on list
- What conditions will cause list to change
- Debt obligations

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# Timing

*The time to start is NOW!*

Give yourself time, especially if this is the first experience with a formal process

Do your homework

**April 1<sup>st</sup>**- CIB & CDBG lists due to program staff

**June 22<sup>nd</sup>**- Annual budgets due

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# Timing

*The time to start is NOW!*

*“If it’s to be,  
it’s up to me”*

1 What?

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# Roles and Responsibilities

*Work on putting the plan into action*

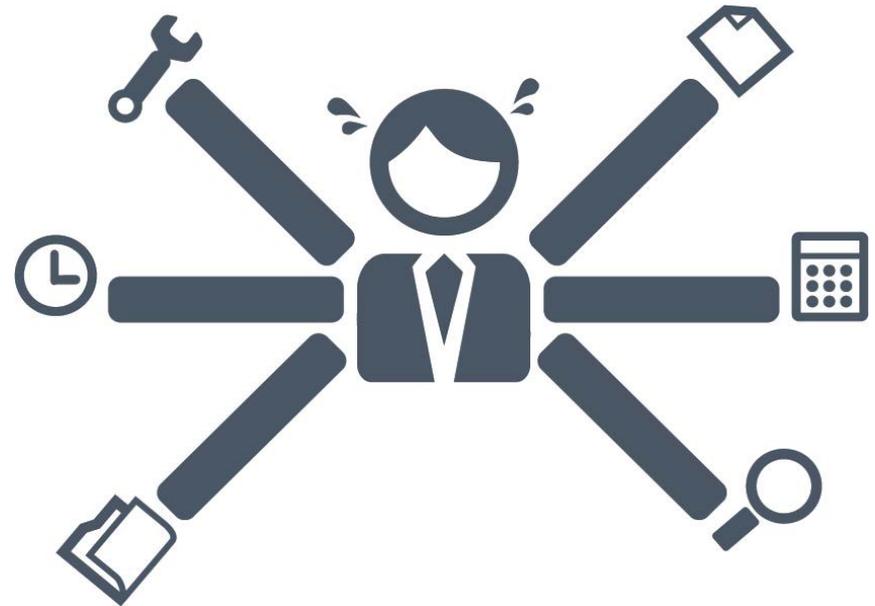
Assign a project manager to each project on the list

Secure funding

Bond elections, grant proposals, rate changes

Procurement

Plan for next year!



1 What?

2 Why?

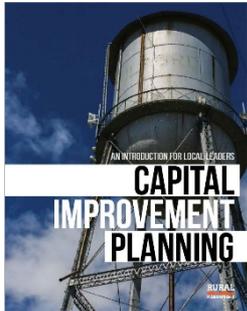
3 How?

4 When?

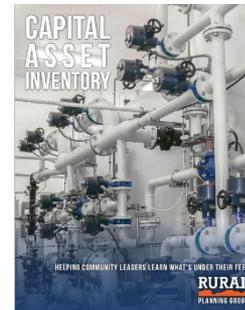
5 What next?

# Resources

[www.ruralplanning.org](http://www.ruralplanning.org)



[Capital Improvement Planning](#)



[Capital Asset Inventory](#)



[Operations & Maintenance](#)



[Procurement](#)

1 What?

2 Why?

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# Resources

## *Regional Planner Program (RPP)*

<p><b>Bear River AOG</b> Brian Carver 435-713-1420/435-881-1420 <a href="mailto:brianc@brag.utah.gov">brianc@brag.utah.gov</a></p>	<p><b>Six County AOG</b> Travis Kyhl 435-893-0701 <a href="mailto:tkyhl@sixcounty.com">tkyhl@sixcounty.com</a></p>
<p><b>Five County AOG</b> Gary Zabriskie 435-673-3548 <a href="mailto:gzabriskie@fivecounty.utah.gov">gzabriskie@fivecounty.utah.gov</a></p>	<p><b>Southeast Utah ALG</b> Michael Bryant 435-637-5444 ext. 414 <a href="mailto:mbryant@seualg.utah.gov">mbryant@seualg.utah.gov</a></p>
<p><b>Uintah Basin AOG</b> Kevin Yack 435-722-4518 <a href="mailto:keviny@ubaog.com">keviny@ubaog.com</a></p>	<p><b>Mountainland AOG</b> Robert Allen 801-229-3801 <a href="mailto:rallen@mountainland.org">rallen@mountainland.org</a></p>

### **Wasatch Front Regional Council**

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[vhalford@wfrc.org](mailto:vhalford@wfrc.org)

1 What?

2 Why?

3 How?

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# Contact

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[www.ruralplanning.org](http://www.ruralplanning.org)

<https://Jobs.Utah.gov/housing>

