

Introduction

In order to effectively manage our growth and meet the expanding needs of the community, the City of Bowling Green must invest annually in capital improvement. Failure to do so will rapidly lead to infrastructure decline and the inability to meet the cost of unanticipated repairs.

There are also older sections of the City that were developed without adequate storm drainage, that lack sidewalks, or have infrastructure and roadways badly in need of repair. Making regular capital improvements can address these inadequacies to benefit both the community and the city as a whole.

The cost of addressing all our capital needs in one budget year would be astronomical, making it necessary to create a multi-year plan based on priority of need and the anticipated resources. The result is a Capital Improvement Plan or CIP.

The Capital Improvement Plan is not to be confused with the Capital Improvement Budget. The Capital Improvement Budget is prepared each year in conjunction with the annual Operating Budget. It generally includes only those projects from the first year of the Capital Improvement Plan that will be funded that year.

There are enormous benefits to having a Capital Improvement Plan. Chief among them is the ability for anyone to look at the plan and see how the city had identified its needs and how it plans to meet those needs. It's a way to look at future development patterns and map the growth of the city. Most importantly a CIP is a way for citizens, staff and elected officials alike to have a voice in the planning and development of our city.

As a tool the CIP will highlight deficiencies and vulnerabilities in the structure of our city and call attention to the need for improved operations. Moreover it will promote coordination and cooperation across city departments and across overlapping governmental jurisdictions, and enable city staff to more effectively budget operating expenditures necessary to initiate new projects and stabilize personnel demands.

Capital Projects Defined

A capital project is defined as a project with a minimum total cost of \$25,000 resulting in 1) creation of a new fixed asset; or 2) enhancement to an existing fixed asset with a life expectancy of at least 10 years. Examples include construction or expansion of public buildings, new storm and sanitary sewers, water line upgrades and extensions, the acquisition of land for public use, planning and engineering costs, and street construction.

Vehicle replacements less than \$35,000 or projects considered as operational, recurring, or maintenance are not considered capital projects and are typically funded through the City's Operating Budget.

2011-2016 Capital Improvement Plan Guidelines and Procedures

Capital Improvement Plan Development Process

Early each year, capital project request forms are submitted by various City departments, agencies, and the public. Forms are to be submitted for all needed improvements that should be constructed or started during the next six fiscal years. The request forms include a description of the scope and justification for a project as well as a budget for anticipated costs and expected funding sources. The departments also suggest a year for the project start-up based on priorities and needs. If appropriate, Master Plans are to be used.

The projects are reviewed by the Capital Improvement Review Committee made up of the City Administrator, department representatives, at least one alderman and a member of the Planning Commission. The Committee uses a set of scoring criteria and scoring matrix to determine a score for every project submitted. The scores are translated into priority rankings and are used to develop a draft Capital Improvement Plan.

The projects in the draft CIP are submitted to the Planning Commission for review to ensure they are all consistent with the City's Comprehensive Plan, and any related Master Plans. The draft Capital Improvement Plan is then submitted to the Board of Aldermen for review, and eventual approval.

Once approved, projects from the first year of the Capital Improvement Plan are used to develop the City Administrator's recommended Capital Improvement Budget. The Capital Improvement Budget is adopted along with the annual Operating Budget and contains projects from the first year of the CIP. It provides an estimate of the cost of the project as well as a breakdown of the funding sources that will be used to pay for the project.

Guidelines and Procedures

Capital Project Summary List / Scoring Sheet

All projects submitted by the department should be summarized on the **CAPITAL PROJECTS SUMMARY LIST**. The list should contain projects listed by the year work is expected to begin and in priority order, with the project considered by the department to have the highest priority listed first.

Guidelines for the completion of each section of the Summary List / Scoring Sheet are provided below.

NA or RE+ - This column indicates if the project is acquisition of a new asset (NA) or is a repair to an existing asset (RE). If RE is used, the next column should indicate what asset is being repaired (ST = streets; BD = building).

Department – The name of the department submitting the project should be provided here. Members of the public should use “public”.

Criteria– Each of the criteria used by the CIP Review Committee to score projects is provided. A score should be provided for each of the criteria for all projects submitted. Explanations of each of the criteria, as well as each score, can be found later in this document.

Project Request Form

Project Request Forms are used to compile the Capital Improvement Plan. They explain and justify each project to city staff, elected officials, and the public. A separate Project Request Form should be completed for each project; however, multiple forms should be saved in one Excel workbook. Guidelines for each section of the Project Request Form are provided below.

Project Title – A name should be designated for the purpose of reference. It should be brief but should provide enough information to allow readers to distinguish between other similar projects. For instance, “Champ Clark and Hickman drainage improvements” would be better than simply writing “Drainage ditches.”

Department Responsibility – The department submitting the request should be noted.

Map – Where practical city departments should insert a small map or diagram showing the location of the project here.

Description – The description should provide sufficient detail to permit a full understanding of the nature and scope of the project by someone with little to no knowledge of the project. If the project is construction of a facility, the square footage and/or number of stories should be provided. A more detailed description of the location of the project and its relation to existing facilities or other proposed projects should also be provided.

Justification – Detailed reasons and rationale for the project should be provided. Statements of inadequacy must be supported by comparison with accepted standard practice. For instance, “...construction of fire station at this location will increase area of City reachable within IAFF standard response time of 6 minutes or less.”

Compliant with the Comprehensive Plan and/or other Master Plan – A check should be placed in the appropriate check box.

Expenditure Schedule – The various components of project implementation have been listed as well as the total cost, expenditure this year (if any), each year in the plan, and the cost beyond the last year of the plan. Estimate as closely as possible all costs necessary to complete the project. Estimates are to be on the basis of present costs and should be reassessed each year.

Planning costs include research or planning/feasibility studies needs for the project. Preliminary and final design and engineering plans for the project should be listed in the design component. Construction costs include all landscaping and inspections. Equipment costs reflect all miscellaneous equipment/furnishings to initially equip and furnish the facility.

Operational Impact – An attempt should be made to identify and quantify any net impact of the project on the operating budget for the year of the project and years following completion of the project.

Funding Schedule – Fill in appropriate blanks. List the proposed expenditures for each source of funds according to year. If a particular project is anticipated to have more than one funding source (i.e. local funds and federal aid), indicated all sources in the appropriate year blank.

Comments – Reference to surveys, engineering reports, Comprehensive Plan, etc. should be provided here. Also, any relationship to other projects should be noted here.

Project Score – This section will be completed by the Administrative Review Committee and will be the total score the project receives.