

**CALHOUN COUNTY
BOARD OF COMMISSIONERS
POLICY STATEMENT**

SUBJECT: Capital Improvement Program	DATE APPROVED: 5/20/10	EFFECTIVE:	POLICY NO: 277
		REPLACES:	NEW

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PURPOSE: To provide a policy and procedures for the development and approval of the County seven (7) year plan for Capital Improvements, known as the Capital Improvement Program.

AUTHORITY: The Calhoun County Board of Commissioners.

RESPONSIBILITY: The County Administrator/Controller, CIP Coordinator, and Finance Director will be responsible for ensuring that this policy is followed and/or updated as necessary.

DEFINITIONS:

CAPITAL IMPROVEMENT PROGRAM: A multi-year planning document that is designed to forecast the long-term capital needs of the County and to establish funding alternatives for those projects which are determined to be high priority.

CAPITAL IMPROVEMENT PROJECT: A capital project is an equipment acquisition, a computer/software systems acquisition, or a facility improvement that involves construction of new infrastructure, additions to existing structures, and renovation of existing structures. A capital project is defined in financial terms as a project with a projected final cost of at least \$5,000 with a useful life of at least 1 year and is a non-recurring expense.

CIP Advisory Committee: The CIP Advisory Committee is a standing committee appointed by the County Administrator/Controller consisting of members whose responsibility it will be to review the various departmental requests for capital improvement projects and recommend priority assignments to the CIP Coordinator.

CIP Coordinator: The position of CIP Coordinator will be assigned by the County Administrator. The CIP Coordinator will be responsible for developing the seven (7) year Capital Improvement Program to be reviewed by the County Administrator and submitted to the Board of Commissioners for approval. The CIP Coordinator will ensure that the approved seven (7) year Capital Improvement Program is compiled and published each year in conjunction with the development of the County's annual operating budget for the corresponding fiscal year.

POLICY:

- The County will make all capital improvements in accordance with the adopted Capital Improvement Program.
- The County will develop a multi-year capital improvement plan for capital improvements and update it annually.
- The County will approve an annual capital budget as part of the annual general appropriations budget process.
- The County will support a capital program which is designed to maintain assets at a level adequate to protect the County's capital investment and to minimize future maintenance and replacement costs.
- The County will identify the estimated costs and potential funding sources for each capital project proposal before it is included in the recommended Capital Improvement Program. The County will determine the least costly financing method for all new projects.

PROCEDURES:

Schedule: Annually, the CIP Coordinator and Finance Director will submit a proposed CIP development schedule which is coordinated with the annual budget calendar to the County Administrator/Controller. Based on this calendar, the CIP Coordinator will update the 7-year capital improvement plan and initiate a request to the County departments for submission of updates, revisions and new projects for the Capital Improvement Program.

Capital Project Submission: The CIP Coordinator will utilize the previous year's approved CIP as a base for developing recommended additions, deletions, or changes for incorporation in the updated CIP for the ensuing year. The departments will be required to use the standard format provided to submit new projects or propose revisions to existing projects. All new projects will include a comprehensive estimate of the impact of the new project on the County's annual operating budget; e.g., salaries and benefits, supplies, utilities, fuel, maintenance requirements, etc.

CIP Advisory Committee Review: The CIP Advisory Committee will meet as needed with the CIP Coordinator to review all submissions for the proposed CIP and to develop a project priority list. The Advisory Committee will prioritize projects according to their support of established County goals and the published criteria used to evaluate capital projects and their relative priority.

Finance Review: The Finance Department should assist the CIP Coordinator as necessary in the development of the Capital Improvement Program and review including production of debt service schedules, mill levy calculations, revenue estimates, and estimated growth in assessed valuation as well as overall financial analysis of the proposed program.

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Legal Review: A copy of the proposed CIP will be provided to the County Corporation Counsel for review and comment. These reviews will focus on the legality of proposed projects and funding sources, and compliance with the County Policy. The Corporation Counsel may submit any recommendations for revisions to the proposed CIP to ensure that it is in keeping with applicable legal authority.

County Administrator/Controller Review: The CIP Coordinator will provide a copy of the proposed Capital Improvement Program to the County Administrator/Controller for review and comment prior to distribution of the CIP document to the Board of Commissioners.

Adoption/Public Hearing: The proposed CIP will be considered at a public hearing convened by the Board of Commissioners to accept comments and input from the public on the content of the Plan. The public hearing may be held as part of the annual public hearing on the proposed budget.

Distribution: A copy of the approved CIP document will be published on the County's external website.

Implementation: Upon adoption of the annual budget and CIP, projects included within the applicable budget year may be implemented by the appropriate department in compliance with the County's Purchasing Policy.