

Routt County

Capital Improvement Plan (CIP)

- 1) **PURPOSE:** One of Routt County's primary responsibilities is to construct and maintain county infrastructure including: roads and bridges, public buildings, communication systems, and information management systems. This Capital Improvement Plan (CIP) Policy (Policy) provides the general principles under which the County's CIP will be developed and implemented. This Policy is developed for adoption by the Board of County Commissioners (BCC) to provide a written Policy that outlines the projected capital replacements, additions and special projects for the BCC to consider during the annual budget process and at other times when allocating funding. Special projects include architectural and engineering work needed for a capital project as in b) below. The Policy is intended to:
 - a) Inform the public of potential future capital replacement/addition schedules and costs,
 - b) Assist in identifying and scheduling pre-project needs such as design, specifications and land acquisition,
 - c) Identify and prioritize projects in advance of budget appropriation to facilitate identification of funding including grants, reallocation of fund reserves or other outside funding sources, and
 - d) Provide a comprehensive list of potential future capital costs and projected revenues to inform balanced capital funding projections, consistency with the County Strategic Initiatives and for BCC decisions for placement of proposed revenues and expenditures into an appropriate budget fund account.

- 2) **CAPITAL ASSET TYPES:** Routt County identifies three types of capital asset requests but only governmental funds additions are appropriate for CIP requests. Replacements are identified in pooled capital asset categories for which funding is considered through the annual budget process for replacement of capital assets. YVRA capital assets are considered through the capital improvement plan process administered by the Federal Aviation Administration (FSAA)
 - a) **Capital Assets** – The [Routt County Capital Asset Policy](#) adopted March 15, 2011 defines the cost limits over which assets are considered capital for each replacement pool category. It also identifies asset inventory management requirements. The policy includes the following pool categories: Road & Bridge Infrastructure, Building & Plant, Communications Equipment, Information Systems, Heavy Equipment, and Motor Pool.
 - b) **Additions** – Additions include new capital items, existing controllable items that at the time of replacement meets the capital cost threshold, or existing items that are not included in a replacement pool category. New capital items include road lane expansions and extended hard surfacing, new buildings including real estate purchases, and major remodels. Additions shall be assigned to one of the existing capital pools.
 - c) **Capital Asset Replacements** – are funded in pooled budget accounts within which each item is allocated an annual appropriation amount based on the original or most

recent purchase amount divided by the expected life cycle of each item. Each of the pool budgets are administered by a Capital Asset Manager. As capital assets reach their expected end of life the department for which the capital asset is assigned shall review the item to justify the appropriateness of replacement. The justifications shall address, at a minimum, the following information and submitted to the capital asset manager for administration through the annual budget process:

- i) Narrative detailing how the capital asset met the intended use and life cycle, can the life cycle be extended and if so why it should be extended, or if owning the capital asset is valid.
 - ii) Describe the cost benefit for the capital asset over the life cycle and for replacement at current cost, and review the cost of annual or short-term rentals.
 - iii) Review specifications and identify if they should be amended and state why.
 - iv)
- d) **YVRA Capital** – Additions are identified through an annual CIP process administered by the Federal Aviation Administration (FAA) which is the primary funding agency with other funding from Coloration Aeronautics Board and YVRA budget reserves. If funds are required from the Routt County general fund, then a request would be required through this CIP program.
- 3) [County Controllable Asset Policy](#) adopted December 18, 2012 identifies that controllable assets are items costing greater than \$5,000 and less than the capital asset limits set for each pool. Controllable Assets shall be requested by departments within the annual program budget request using the controllable asset request form.
- 4) **SCOPE:** The CIP program is a five-year plan that identifies potential future County prioritized investments in capital assets by asset, department, pool, projected cost, and estimated completion year. Capital assets are items with a cost of \$5,000.00 or more. Items are not funded or approved until adopted by the BCC in the annual budget; the Five-Year CIP is a planning tool only.
- 5) **CIP DOCUMENTS**
- a) **CIP Request Form:** The form is used by Departments and Offices to provide justifications using common criteria to score, rank and compare requests.
 - b) Annual Pool Replacement List – Each Pool Manager keeps a replacement list to track inventory, costs, and replacement dates.
 - c) Evaluation Criteria and Scoring Matrix. These 2 documents are used to catalog, rank and compare requests for BCC decision making. The matrix is to provide an at a glance summary of the proposed capital project.
 - d) Five-Year CIP – Possibly using the Five-Year CIP Scoring Matrix is to combine all the CIP requests with replacement items for purpose of review, ranking and BCC decision making
- 6) **CIP Capital Asset Additions Annual Request Process:** At a date determined each year by the BCC the BCC administrative staff will announce the process for acceptance of requests for capital asset additions to be received by that office. The BCC Office

administrative staff will combine all the requests into a comprehensive CIP summary worksheet for all the pools and coordinate with the Accounting Department to provide the projected revenues and current annual balance. The summary information will be submitted to a review committee including a county commissioner and selected department heads including an elected official (Committee) for review and ranking. Upon completion of review and ranking, the Committee in conjunction with the pool managers, the department directors will make any requested changes or clarifications. The BCC Administrative Staff will prepare the final summary in conjunction with data from the Accounting Department. If needed, final revisions will be made by the pool managers and BCC administrative staff will prepare the final summary for the BCC budget review and adoption. The BCC may adopt line items from the plan through their deliberative process.

- 7) Replacement Capital Assets Review Process: Each year the pool managers will provide the annual replacement lists to the department directors for review and comment on replacement items. Department directors will prepare the CIP worksheets for additions and coordinate with the appropriate pool manager. The pool managers will provide a first review edit of the CIP information to make sure items are properly completed with sufficient supporting information provided including the score for ranking of the request.

- 8) **Establishing CIP Priorities:** The following principles are to be used by the BCC and EMT when considering capital requests and ranking capital.
 - a) Funding maintenance of existing assets before adding new assets. (This includes existing items currently utilized and approved as part of the controllable asset inventory that are to become capital assets because of replacement cost increases now meeting the capital asset threshold.
 - b) Funding readiness
 - i) Smaller projects that can be completely funded may move ahead of previously approved larger projects that don't have sufficient funding.
 - ii) Larger projects may be prioritized over multiple years to annually accumulate needed funding.
 - c) Identification of grants, partnerships or other revenue sources to offset County costs.
 - d) Regulatory mandate – is there a regulatory penalty from which cost effects other high priorities.
 - e) Timeline – Identify compelling reasons why a project must happen in a given year.
 - f) Alignment with Strategic Initiatives – does the project meet a Strategic Initiative, how many and at what level.
 - g) Priority Based Budget Ranking: provide the rating for Program(s) Supported by the request.
 - h) Cost Savings Benefit over the Life Span of Capital Improvement and Operational costs. Provide analysis of the expected life of the improvement and also the expected operational costs over that life span. Analysis should show change in expected annual cycle cost over the current annual cost.
 - i) Complete the CIP request evaluation form for quantified ranking.

- 9) **Scoping, Costing, and Pre-Design:** Projects may be proposed with a design and construction phase. Funding and completion of the design phase does not mean automatic

funding of a construction or capital equipment phase, however such projects should previously have a high ranking from the BCC. Departments are encouraged to plan ahead and have designs with engineer's cost estimates ready, especially where grant funding is available.

- 10) **On-going Operational Funding** – projects shall be designed to provide a quality project with the lowest reasonable on-going operational cost. Operational and annual replacement costs must be identified, estimated and considered for funding in conjunction with the capital project.
- 11) **Funding Sources:** The County will continue to maintain the pool funding programs to cover capital replacements. Generally, the County will fund the capital addition on a pay-as-you-go or pre-fund accrual basis, or require additional review prior to replacement.
- 12) **Balanced CIP Plan** – The Five-Year CIP is a balanced plan, that as proposed the expenses will not exceed projected revenues or funding resources.
- 13) **Items not submitted by the deadline** – Items submitted after the annual deadlines will not be considered unless there are extenuating circumstances such as unforeseen regulatory mandate, emergency replacement, or item otherwise approved by the BCC. The BCC is discouraged from funding items added after the deadline or projects lacking a complete funding plan.
- 14) **RESPONSIBILITIES:** The following is a list of submittal requirements and the responsible department.

Responsible	Submittal	Submit To	Due By
Pool Manager	Annual Pool Replacement List – Draft 1	Department Directors	April
Department Directors	Annual Pool Replacement List comments CIP Worksheets – Draft 1	Pool Managers	May
Pool Manager	Annual Pool Replacement List – Draft 2 CIP Worksheets – Draft 2 Five-Year CIP – Draft 2	BCC Administrative Staff	June
Accounting	Draft Current Year and Future Year revenue/ expense forecasts for each pool	BCC Administrative Staff	June
BCC Administrative Staff	Combined CIP Worksheets – Draft 2 Combined Five-Year CIP – Draft 2	EMT	July
EMT	Comments to Annual Pool Replacement List, CIP Worksheets, and Five-Year CIP	Pool Managers	July - Aug

Dpt. Directors/ Pool Managers	Annual Pool Replacement List – Draft 3 CIP Worksheets – Draft 3 Five-Year CIP– Draft 3	BCC Administrative Staff	July - Aug
BCC Administrative Staff	Combined CIP Worksheets - Final Draft Combined Five-Year CIP - Final Draft	BCC	Sep
Pool Managers/ Purchasing	Final Five-Year CIP	Accounting	Oct

15) Follow **up** tasks

- 1) Standardized Annual Pool Replacement lists format – at a minimum each department director shall review and revise as needed the individual pool replacement lists to include common columns as identified by the BCC administrative staff to facilitate using the individual pool data to populate the five year CIP replacement pool summary.
- 2) Establish minimum amount for capital additions at \$5,000.