

181.5 SUBJECT: CAPITAL IMPROVEMENT PROGRAM

:1 OBJECTIVE:

Identify and program on an annual basis the immediate and projected needs of the City over a continuing five-year period.

:2 AUTHORITY:

This procedure amended by City Council September 15, 2003.

:3 DIRECTION:

The Management, Budget & Accounting Director, as an appointed official, serves at the pleasure of, and receives direction from the Mayor through the Chief Administrative Officer.

:4 METHOD OF OPERATION:

A. Introduction

The Capital Improvement Program (CIP) is a five-year plan for the City's major projects and expenditures which is reviewed and revised annually. The CIP lists each proposed capital project, the year it is expected to be started, the amount expected to be expended in each year of the program, the proposed method of financing these expenditures, and the department priority for each project. The first year of the CIP is enacted annually as the fiscal year's capital budget. With each annual update, the preceding fiscal year is deleted from the program and a fifth year added.

Each year a program is prepared by staff in accordance with goals and policies of the Growth Management Plan (GMP). The Municipal Planning Board (MPB) then reviews and evaluates the program for consistency with the GMP, and recommends approval or denial of the program by City Council.

B. Comprehensive Planning and Capital Programming

Under the provisions of the "Local Government Comprehensive Planning Act of 1975," Section 163.3161 et seq., Florida Statutes, the City's GMP provides the framework within which all development actions should occur. The CIP is an important tool for implementing the City's GMP. Along with the Land Development Code, it bridges the gap between the day-to-day operations of City government and the City's long-range development goals. The capital improvement programming process gives the community an opportunity to review overall development goals annually.

NOTE: The above-referenced Legislation was revised in 1985 and is now known as the "Local Government Comprehensive Planning and Land Development Regulation Act." Among other things, Section 163.3177 et seq, requires the City to incorporate a Capital Improvements Element (CIE) into the GMP. This element must be consistent with the other elements of the GMP and be reviewed and revised annually. Preparation of this element will require a comprehensive analysis of current and future public facility needs and identification of capital projects and funding sources to meet these needs. Projects that are included in the CIE are also included in the CIP; however, to change any project in the CIE requires an amendment to the City's GMP. Consequently, CIE projects that are included in the CIP represent a five-year funding commitment through the GMP unless there is an amendment to the Plan.

C. Capital Improvement Program Process

1. Only projects that meet the definition of a capital improvement are included in the CIP. Capital improvements are defined as physical assets, constructed or purchased, that have a minimum useful life of three (3) years and a minimum cost of \$100,000. Normal replacement of vehicles or equipment and normal recurring renovation costing less than \$100,000 are not included in the CIP.

Examples of typical capital improvements are:

- a. New and expanded physical facilities for the community of relatively large size, and over the \$100,000 threshold;
 - b. Large scale rehabilitation or replacement of existing facilities;
 - c. Major pieces of equipment which are expensive and have a relatively long period of usefulness;
 - d. The cost of engineering or architectural studies and services relative to the improvement; and
 - e. The acquisition of land for a community facility such as a park, highway, sewer line, etc.
2. Each year, the Program is prepared from project requests submitted to Management and Budget by the various departments and agencies of the City. The forms require a project description, justification, cost estimates, statement of impact on the City's annual operating budget, implementation schedule and indications of project location and service area. Concurrently with the preparation of the project requests, information concerning the City's financial resources is obtained with the assistance of the Accounting and Control Bureau.
 3. After compilation of the requests, projects are reviewed by staff from Management and Budget, the Planning & Development Department and the Office of the Chief Administrative Officer. This review, along with available funding, forms the basis of the program recommended by Management and Budget staff to the City Council. Following evaluation by the Planning & Development Department, the MPB evaluates the program for compliance with the GMP.
 4. The recommended program is then used by City Council in the development of the annual operating budget which becomes effective October 1st of each year. The first year of the five-year program reflects the Capital Budget with the following four years becoming the CIP. The CIP is adopted by City Council along with the adoption of the annual operating budget, without commitment to expenditures or appropriations beyond the first year, except for those capital improvements programmed in the CIE. Projects programmed in the five-year CIE have a commitment for funding for the five-year period through the adopted GMP. The CIE is a five-year program that is updated annually through the CIP process and can be amended twice a year through the GMP amendment process.

D. Responsibilities in Program Preparation

1. Operating Departments, Boards, and Agencies
It is the responsibility of department directors, boards, or agencies with plans requiring funds for capital improvement projects during the forthcoming five-year period, to initiate project requests annually, formulated into a program that states the

- City's need for each project, as well as its relative importance in the department's program.
2. Chief Financial Officer/Accounting and Control Bureau
Provides information on proprietary funds, primarily with regard to their bonding potential and debt management. Also provides some revenue forecasts and assists in the review and evaluation of project financing when requested.
 3. Planning & Development Department
The Planning & Development Department has the following responsibilities in the capital programming process:
 - a. Review and evaluate all requests concerning the CIE of the GMP and submit to MPB and City Council any amendment to the CIE that impacts the CIP;
 - b. Assist and provide information to Management and Budget in the review and evaluation of project submissions; also to coordinate the submission of transportation projects and
 - c. Make a recommendation to the MPB regarding the consistency of the CIP with the GMP.
 4. Management and Budget
Management and Budget has the following responsibilities in the capital programming process:
 - a. Prepare the CIP calendar;
 - b. Provide information concerning the City's financial resources;
 - c. Prepare and distribute the package used by departments and agencies submitting requests;
 - d. Provide assistance to departments and agencies in the preparation of requests;
 - e. Receive, review, and coordinate all requests;
 - f. Provide staff assistance to the Planning & Development Department in the formulation of their recommendation to the MPB regarding the consistency of the program with the GMP;
 - g. Provide assistance in preparing the City Council adopted program; and
 - h. Publish and distribute the adopted program.
 5. Chief Administrative Officer
The Office is responsible for final review of the proposed CIP before submission to the City Council. This review primarily includes the projects to be funded from the CIP and Gas Tax Funds, the most competitive funding sources.
 6. Municipal Planning Board
Per Section 65.143 of the City Code, the Board is to evaluate the recommended program for compliance with the GMP, and if found to be in compliance to them, recommend the program for City Council approval.
 7. City Council
Finalize and adopt the five-year CIP along with the City's annual budget with the first year of the program as that fiscal year's capital budget.

- E. Department Ranking
1. Each project appearing in the five-year program carries a department priority recommendation. This ranking is assigned by the submitting department or agency and reflects the relative importance of the individual project to that particular department's total program.
 2. Departments submit projects in order of their priority, by type of service, prefixed with the following designations which describe the project's intent:
 - a. Critical Deficiency - Required to eliminate proven or obvious dangers to public or employee health or safety;
 - b. Existing Deficiency - Needed to raise a service or facility to an adopted level of service;
 - c. Repair/Replacement - Maintains adopted service level standards in developed areas and gives comparable service standards in developing areas; and
 - d. Future Need/Planned Expansion - Enables the City to provide service required for scheduled development.
- F. Project Numbering
1. The CIP project number is a three-part, eight-digit number. The first two digits indicate the year in which a project was originally submitted for inclusion in the program. The remaining six digits are the three-digit program number of the requesting program, followed by three digits indicating the number of projects submitted by a program for the fiscal year.
 2. A project retains the original number throughout its existence, with that number permanently retired when a project is completed or deleted from the program. Each office/bureau is responsible for assigning and maintaining a log of CIP project numbers.
 3. The "Financial Project Number" indicates a Project's One World System (FOCIS) four digit project number. When assigned, it allows tracking and cross-referencing a project with the City's financial system.
- G. Annual Update Status Report
- Each year the CIP is updated to include a new five-year program and evaluated to determine the status of projects funded in prior years. Project information is revised and/or updated each year based on current information. Projects fall into one of six categories when the update occurs. The six categories shown on the status reports are as follows: *Completed, Continuous, Funded, Partially Funded, Deferred, or Deleted.*

H. General Calendar

TIME FRAME	ACTIVITY
November - December	Management and Budget reviews and revises CIP process as necessary, develops scope of work and prepares submittal packets.

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December	Management and Budget staff distributes submittal packets to departments.
December - February	Offices/bureaus prepare requests and submit to department heads and, where appropriate, citizen boards, Engineering, Facilities Management, Project/Construction Management, Technology Management, and/or CRA for review and approval. Assistance of Management and Budget staff is available upon request.
February	Deadline for departments submitting request forms to Management and Budget.
February - March	Tabulation of submissions by Management and Budget staff.
March - May	Management and Budget staff, along with the Planning & Development Department and the Office of the Chief Administrative Officer, develop staff recommended CIP.
June/July	Planning & Development Department Staff presents recommended CIP to MPB for their evaluation of consistency with the GMP.
June	Management and Budget distributes status report packets and tentatively recommended project summary sheets to departments for final review. Status reports due back to Management and Budget.
June - September	Management and Budget staff reviews status reports and incorporates CIP into budget process.
September	City Council adopts CIP along with the annual budget.
October	Management and Budget publishes and distributes adopted CIP.

:5 FORMS:
None.

:6 COMMITTEE RESPONSIBILITIES:
None.

:7 REFERENCE:
Procedure adopted by City Council as Section 240.6 on November 1, 1971, Item 24; amended October 6, 1975, Item 35; amended April 7, 1986, Item 17A4; renumbered from 225.1 and amended December 9, 1991, Item 6/NN; amended June 1, 1992, Item 3/P; amended December 16, 1996, Item 7 PP; amended January 24, 2000, Item 4LL.

:8 EFFECTIVE DATE:
This procedure effective September 15, 2003.