

A Capital Improvement Plan (CIP) is a five-year planning instrument (current budget year plus the next five years) used by governments to identify needed capital projects and to coordinate financing and time improvements in ways that maximize the return to the public. The CIP plans the development and/or rehabilitation of public property to protect it from deterioration, extend its useful life and preserve the county's prior investments.

The CIP determines the timing, sequence and location of capital projects. The CIP can, to an extent, influence the growth patterns in areas of the county exercising influence over the scope and timing of demand-based expenditures. The capital budgets provide the resources for facilities, improvements, equipment and technology.

The CIP is dynamic. Each budget year, all projects in the CIP are reviewed, a call for new projects is made, adjustments are made for future programming years arising from changes in the current year including funding, conditions, or needs. Plan review continues throughout the year. The process is monitored, projects are re-evaluated and the plan is continuously updated.

A Capital Improvement Plan (CIP) is a long-range plan and program evaluation where all factors related to revenues and expenditures are balanced with community needs and desires in a way that maximizes the return to the public. The CIP includes new, expanded or rehabilitated facilities, infrastructure or major equipment that are relatively expensive and permanent.

Achieving a good CIP can be measured by the ability to:

- Visually represent the County's needs from corner to corner
- Promotes orderly development and redevelopment of the county's infrastructure and facilities, as well as equipment needs
- Coordinates county improvements with those of our neighbors
- Eliminates duplication of effort
- Finances priority improvements in a way that avoids unplanned expenditures that will have a negative impact on the County's operating budget, and financing future projects that are currently unaffordable
- Meets the needs of the county, and receives support as projects are implemented
- Allows for the development of strategic, forward-thinking budget plan

Capital improvement planning is a very exciting, proactive, "common sense" process that benefits our county now and for generations to come.

The Capital Improvement Plan Benefits the County

The CIP promotes orderly, comprehensive replacement of capital facilities and equipment by providing continuity; minimizing disruption to citizens because the County is better able to schedule projects in a logical sequence; developing systematic schedules, plans and financing to insure cost effectiveness and conformance with established plans and policies.

The CIP preserves the County's capital investments by recognizing infrastructure development and /or maintenance, livability issues, customer service and sustainability; and meeting the County's future needs by planning for major capital improvements far in advance. The plan can eliminate the possibility of duplicating effort, time and money

between and among the various public agencies. Potential shared costs with state, federal, and neighboring communities and other level and agencies of government can be better scheduled and related to indentified project needs, methods of financing and construction.

The CIP supports long-range planning goals in adopted plans and policies by incorporating identified projects into the plan; creating the opportunity to move forward with any project at any given time should opportunities arise; preparing for long-range fiscal planning; enhancing the County's bond rating; and incorporating appropriate figures as the project budgets for CIP projects.

The CIP is a visual representation of the County's need from corner to corner. Programming of foreseeable needs better ensures that projects are beneficial to the County as a whole and not to special interest groups. Taxpayers, business owners and others have a better opportunity to see what they will receive for their money in relation to the needs of the entire County. Projects will be presented in map format.

The CIP is an integral part of the budgeting process. The first year of the program represents the actual budgets for the capital projects and ongoing operating costs associated with all capital projects are identified and budgeted.

Capital Improvement Project

A Capital Improvement Project is a major, non-recurring capital expenditure for an item with an expected useful life of greater than 10 years. Examples of projects include:

- Construction, purchase or major renovation of buildings, streets, or other physical structures, including landscaping, costing more than \$50,000;
- Land purchases (excluding easements and rights-of-way);
- Capital materials and equipment or furnishings not associated with a construction project with a total cost of \$50,000 or more. Examples of this could include solid waste machinery and equipment, new carpeting in a facility, window replacement, roof replacement, etc; and
- A project involving the purchase of several items of computer or communications equipment with a total cost of \$50,000 or more with a useful life of greater than five years. This can also include a scheduled replacement plan for computers or equipment, as well as the purchase or lease of software.

Capital Project Budget

A Capital Project Budget contains the anticipated revenue and planned expenditures for an approved capital project. County Council appropriates funds by ordinance either during the budget adoption process or by supplemental appropriation. The Capital Project Budget becomes the legal level for expenditure control, and is reported in the Capital Projects Fund. Amendments, modifications, or changes to a Capital Project Budget must be approved by County Council.

Objectives

Achieved Objectives:

- Introduce concept of a County-wide CIP process
- Incorporate CIP in to the budget process

- Create capital project budgets
- Create and maintain a dynamic CIP
- Create and publish an adopted CIP document
- Expand the role of unfunded capital projects and create a mechanism to the advancement of those projects should the opportunity arise.

Current Objectives

- Increase County Council participation and ownership in the CIP process
- Capital Project Budgets appropriated by County Council
- Introduce Planning Commission participation in the CIP process

Future Objectives:

- Introduce Boards and Commissions participation in the CIP process
- Introduce Public Participation in the CIP process
- Maintain a dynamic, policy-driven CIP
- Coordinate with and incorporate planned capital improvements of other public entities in Spartanburg County (e.g. water/sewer authority, SCDOT, School Districts, etc.)

Support and Role Identification

The **Policy Team** reviews the project applications, assesses the projects (rates and weighs), considers funding options and presents their findings to the County Administrator for incorporation of the first year into the proposed budget, and incorporates future years into the long-term financial forecast model. Because the CIP is dynamic, the plan may be updated during the year to recognize new projects and planned project changes. The Policy Team is composed of staff members in the Budget Management Office and Finance Department, as well as the Assistant County Administrator.

County Council works with the Policy Team during the plan development. Council holds a Public Hearing, adopts the CIP and incorporates the CIP into the budget plan adoption process. Council may update the CIP during the year to recognize new projects and planned project changes. County Council also conducts public hearings and receives public input during the year before appropriating funds for capital project budgets.

The **Planning Commission** works with the Policy Team during the plan development, reviews the Policy Team's recommendations. The Planning Commission will be advised of new capital project applications brought forward during the year and added to the plan. *Section 6-29-340 (A), (e) and (f) of State law requires the Planning Commission's participation in the review and adoption of a CIP.*

Boards and Commissions are encouraged to participate in the plan development by identifying projects that need to be included in the review process.

The **Public** is encouraged to participate in the plan development by working with various Boards and Commissions and attending public hearings.