



Capital Improvement Plan Process

What Is A Capital Improvement Program (CIP)?

A CIP is a multi-year planning instrument used to identify:

- ◆ Current and Long-term capital needs
- ◆ Cost
- ◆ Priority of requests
- ◆ Financing strategies
- ◆ Operational impacts

What Is a Capital Improvement Budget?

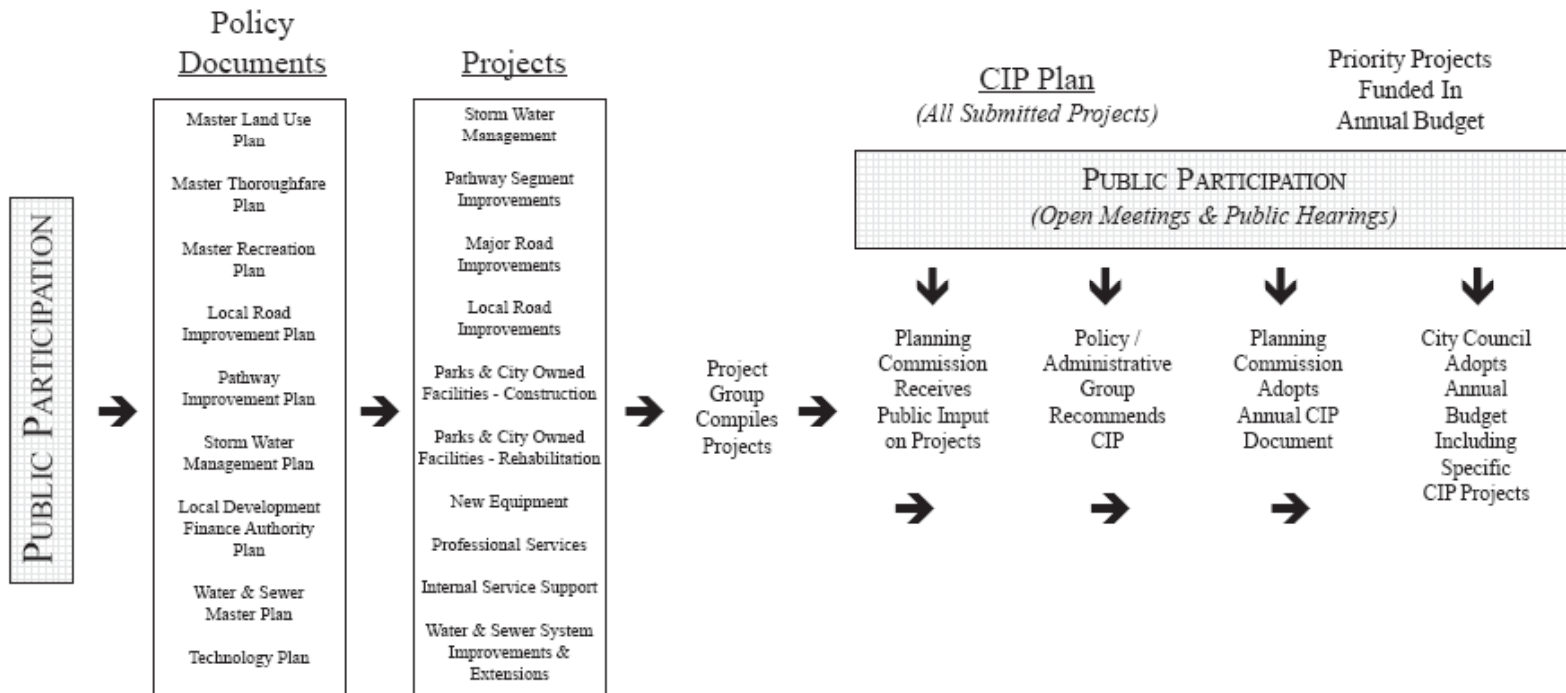
The capital budget is the first year of the CIP and normally is incorporated (to some degree) into the annual budget.

Why Rochester Hills' Develops a Capital Improvement Plan?

- Orderly, comprehensive planned installation/replacement of capital facilities, equipment and infrastructure
- Coordinates projects
- Assists with long-range fiscal planning
- Solicits community input
- Serves as a communication device

RH Process Flow Chart

2008-2013 Capital Improvement Plan (CIP) Process Flow Chart



CIP Qualifying Criteria *(must at least meet one)*

- Any construction of \$25,000 or more with useful life of three years or more
- \$25,000 or more of non-recurring rehab of an existing asset with a useful life of three years or more
- Purchase of major equipment of \$25,000 or more with a useful life of three years or more
- Purchase of major replacement to Internal Service Programs costing \$25,000 or more with a useful like of three years or more
- Any planning, feasibility study, engineering study related to a potential capital project or program costing \$25,000 or more with a useful life of three or more years
- Any other professional service costing \$50,000 or more that is not part of a capital improvement program/project
- Any acquisition of land costing \$25,000 or more that is not a part of a capital improvement project / program

Rochester Hills' CIP Process Calendar

- Early January - Policy Group meets to review the process, policies and project application forms
- Late January -the Project Group meets to receive direction regarding the process, policies and application forms put in place by the Policy Group
- Mid February - deadline for project applications
- Late February – requests are distributed to the Policy Group for review and rating
- Early March – Policy Group meets with Project Group to discuss new projects (or any other questions /concerns)

Rochester Hills' CIP Process Calendar

continued

- Mid March – Ratings are due back from the Policy Group
- Late March – Policy Group meets to discuss projects and the rating
- Early April – results submitted to Mayor for review
- Mid April – draft CIP moves forward to Planning Commission
- May – CIP adopted by Planning Commission

Projects Assessed Upon

	Factor
■ Contribution to health, safety and/or welfare	5
■ Need for compliance w/ local, state or fed law	5
■ Conform to an adopted program, policy or plan	4
■ Remedy an existing or projected deficiency	3
■ Upgrade a facility	3
■ Contribute to long-term needs of community	2
■ Annual operating cost impact	2
■ Service/benefiting area	2
■ Department priority	2
■ Desire by community	2

*new 2008

2008 Process Results

- 36 new proposed projects submitted
- 13 projects pulled from “Under Review” section and placed into “2008-2013” section

TOTALING APPROX \$30 MILLION

2008-2013 Proposed CIP TOTALS

■ Storm Water	\$ 4.5 million
■ Pathways	\$ 6.1 million
■ Major Roads	\$ 29.0 million
■ Local Streets	\$ 36.7 million
■ Parks	\$ 2.2 million
■ City-owned Facilities	\$ 1.4 million
■ Professional Services	\$.5 million
■ Internal Services Support	\$ 13.8 million
■ New General Equipment	\$.5 million
■ <u>Water and Sewer</u>	<u>\$ 32.8 million</u>
TOTAL	\$127.7 million

CIP Draft Document Layout

- Explanation of the Capital Improvement Plan (pages 1 – 2)
- Listing of CIP qualifying criteria (page 3)
- Map location of all CIP projects (page 4)
- Storm Water (pages 5-8), Pathway (pages 9-16), Streets (pages 17-32), Water & Sewer (pages 33-42), Parks (pages 43-48), City-owned Facilities (pages 49-52), New Equipment (pages 53-54), Professional Services (pages 55-56), Internal Service programs (pages 57-59)
- Projects 'Under Review' (pages 60-64)

CIP Draft Document Layout

continued

- Role identification (pages 65-66)
- Process Flow Chart (page 67)
- Project Application Forms (pages 68-71)
- Needs Assessment Form (page 72)
- CIP Calendar (page 73)
- Policy Recommendations (page 74)
- Aggregate Schedule (pages 75-76)
- Projected Fleet/Fire equipment itemized replacement schedules (pages 77-81)

CIP Draft Document Layout *continued*

- City owned properties (pages 82-84)
- Useful life schedule (page 85)
- Example of public notice (page 86)
- Proposed new projects submitted (page 87)
- Projects removed from the CIP (page 88)
- Projects with changed timelines (page 89)
- Index (page 90)

Review of Projects

- Discussion of new proposed projects *(see page 87 of draft)*
- Discussion of any other projects