

# CAPITAL IMPROVEMENT PLAN POLICY

## PURPOSE OF POLICY

The purpose of the Capital Improvement Plan (CIP) is to consider all capital needs for the county, assess fiscal capacity and review the impact on reserves and operating budgets while managing these tasks and aligning the plan with the goals set by the Board of Commissioners through their budgeting process.

In order to address the unique needs of the county through the CIP process, the CIP will be reviewed and updated on a yearly basis through the budget process. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections.

In order to maintain assets at a level adequate to protect the county's capital investment and to minimize future maintenance and replacement costs, the CIP plan will include 10 year projections and will be updated and adopted on an annual basis.

The county will coordinate development of the CIP with the development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts. From these forecasts, a maintenance and replacement schedule will be developed and followed.

The county will identify the estimated costs and potential funding sources for each capital project proposal and determine the least costly financing method for all new capital purchases and projects before the CIP plan is submitted to the Board of Moffat County Commissioners for approval by August 31<sup>st</sup> each year.

## CAPITAL IMPROVEMENT PLAN QUALIFICATION

- A. **Capital Outlay:** Any item with a unit cost of \$5,000 or more and an expected life at least one year. For example, vehicle or equipment purchases.
- B. **Capital Project:** Any capital project with a cost of \$5,000 or more; for example, road construction projects or building construction projects.

*Items that are under \$5,000 are not included within the CIP and are considered operating expense.*

## CAPITAL REPLACEMENT ROTATION OR IMPROVEMENTS

Capital needs vary by priority, type and function. To determine the rotation or improvement of assets the following steps are applied:

1. Usage and condition of asset determines replacement or improvement need as assessed by the department head responsible for the asset. Assets replacement may be considered by the amount of years or amount of miles or hours. ***The asset does not have to reach both years and miles or hours for replacement.***

The following general guidelines below are to assist department heads in determining replacement needs.

<b>Equipment Type</b>	<b>Years</b>	<b>Miles or Hours</b>
ATV/UTV	5	3,500 Miles
Heavy Equipment	15	13,000 Hours
Machines	10	
Semi-Trucks	15	350,000 Miles
Vehicles	7	120,000 Miles

2. Determine the Priority of the asset in need of replacement or improvement:
  - **Priority I, Imperative (Must Do):** corrects threat to public health & safety, legally mandated, eliminates emergency services, disruption or deficiency, or prevents irreparable damage to a valuable public facility.
  - **Priority II, Essential (Should Do):** Rehabilitates or repairs existing, obsolete facility, stimulates economic growth, reduces future operating costs or leverages State or Federal funds.
  - **Priority III, Important (Could Do):** Provides new or expanded level of service, promotes intergovernmental cooperation, reduces energy consumption and enhances cultural or natural resources.
3. The replacement or improvement plan is approved by the Board of Moffat County Commissioners during the budget process.

**CAPITAL RESERVE**

Building the capital reserves is a priority for long term stability of the County. Sale of assets in a prior year is placed in the capital reserve for future use. Budgetary savings from unspent capital are also placed in capital reserves for future use. One time revenues, outside of special projects designated by the Board of Moffat County Commissioners, are used for future capital needs.

In the event of catastrophic failure of equipment or infrastructure, access to the reserve may be brought before the Board of Moffat County Commissioners for consideration.

The signatures of the following Elected Officials and Moffat County Board's signify their adoption and approval of this Capital Improvement Plan policy, which is binding upon the Elected Officials and the employees of their offices.

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Don Cook, Chairman, Board of County Commissioners

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Chuck Cobb, Assessor

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Tammy Raschke, Clerk & Recorder

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Jesse Arthurs, Coroner

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KC Hume, Sheriff

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Peter Epp, Surveyor

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Linda Peters, Treasurer