

County of Gloucester, Virginia

Capital Improvement Plan Manual

Fiscal Years 2024 through 2028



Updated By

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Chief Financial Officer

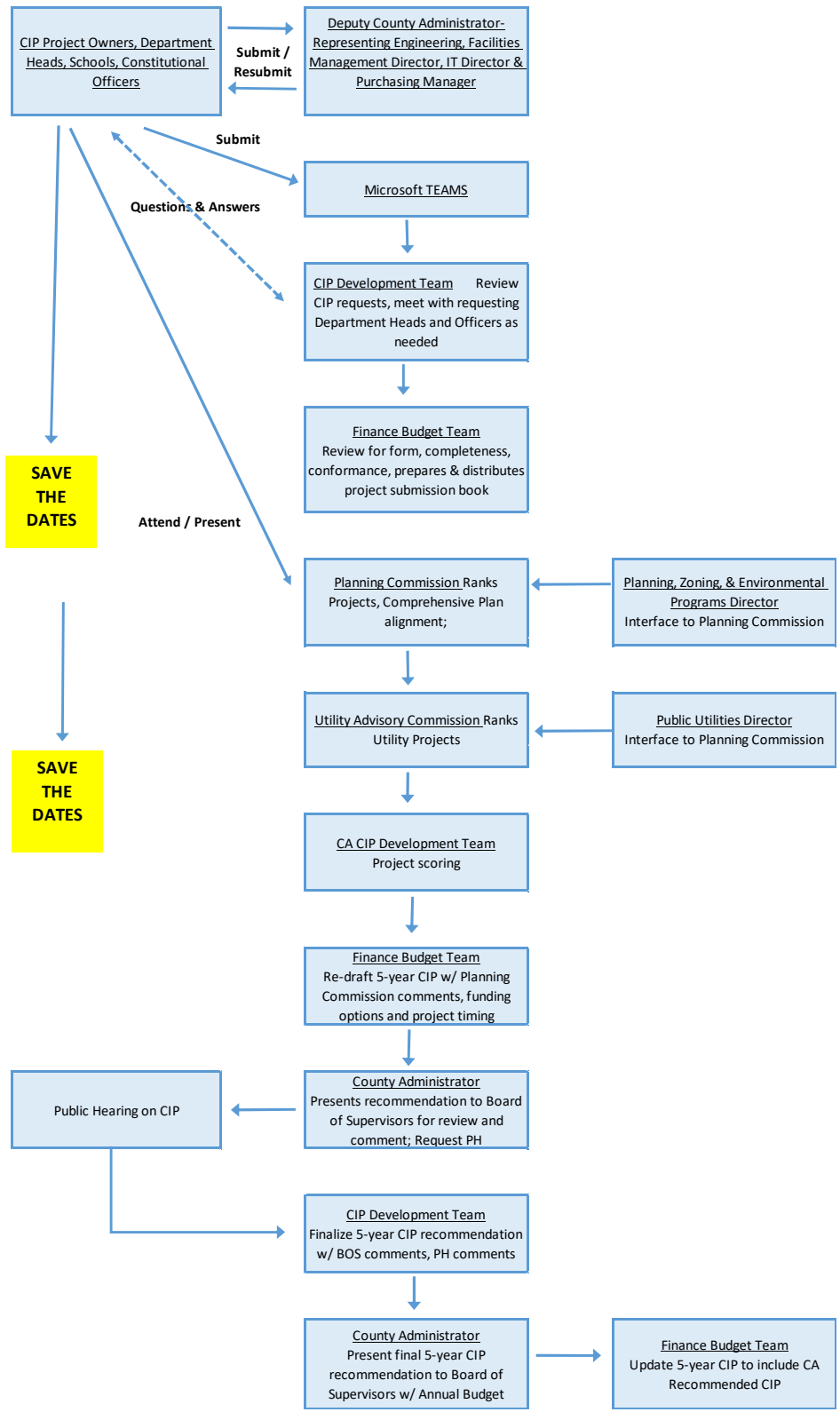
What's New this Year?

1. **Microsoft TEAMS** – CIP Project Submission forms will be uploaded to Microsoft TEAMS. An invitation to this new TEAM will be sent to all Department Heads and State & Constitutional Officers from Justin Newhouse, Budget & Accounting Analyst.
2. **Modified Calendar** – Key dates of the CIP development process calendar has been modified, as shown in the manual, beginning with a later start date of 8/26/2022 with minimal effect on the amount of time provided to prepare and submit the CIP Project Submission form. Early submission is encouraged.
3. **CIP Project Submission form** – The 1-page form and instructions have been revised with a focus on clarity and uniformity. Documentation that supports project submission numbers, including quotes and sources of information is required to be prepared and maintained for discussions with the CIP Development Team. This supporting documentation should **not** be uploaded to TEAMS and will not be included in the CIP Projects Submission book.
4. **Priorities and Rankings** – Preparers should leave “Primary Board Priority” and “Department Ranking” blank when initially preparing the CIP Project Submission form. New guidance on prioritization is being developed with a focus on clarity and simplicity. This guidance will be distributed prior to the 9/28/2022 submission due date.

Key Dates of 2024-2028 CIP Development Process

Date	Responsible Parties	Action Items
Friday 08/26/2022	Chief Financial Officer	Update and Distribute FY24-FY28 CIP Submission Request Package
08/26/2022 thru 09/26/2022	Subject Matter Experts	Provide CIP assistance to Department Heads, State & Constitutional Officers, and Schools
By Monday 08/29/2022	Budget & Accounting Analyst	Send TEAMS invitation to Department Heads, State & Constitutional Officers, and Schools. Provide guidance on uploading project submission forms.
By Wednesday 09/28/2022. Early submission is encouraged.	Department Heads State & Constitutional Officers Schools	Upload CIP project submission forms to CIP Development Team FY24-FY28 TEAMS files. Prepare and maintain documentation that supports project submission numbers, including quotes and sources of information for discussions with CIP Development Team. This supporting documentation should not be uploaded to TEAMS.
09/29/2022 thru 10/05/2022	CIP Development Team	Review CIP requests, meet with requesting Department Heads and Officers as needed for any necessary revisions/ clarifications.
By 10/07/2022	Finance Budget Team	Finalize and print CIP notebooks and scoring sheets
Thursday 10/13/2022 or Thursday 10/20/2022	Planning Commission CIP Development Team Department Heads Schools	Work Session- CIP Project Requests presented to Planning Commission. The County Administrator and requesting Department Heads & Officers to make presentations
Thursday 12/01/2022	Planning Commission	Provide input on CIP Project Requests; confirm Comprehensive Plan alignment, score projects
Thursday 12/01/2022	Utilities Advisory Committee	Score Utility Projects
By Friday 12/09/2022	CIP Development Team	Score CIP Project Requests
January 2023	County Administrator	Prepare and present recommended 5-Year CIP to Board of Supervisors; Request Public Hearing
February 2023	Board of Supervisors County Administrator	Conduct Public Hearing.
February 2023	CIP Development Team Finance Budget Team	Revise 5-Year CIP as necessary for submission with FY2023 Annual Proposed Budget
March 2023	County Administrator	Present Final Proposed 5-Year CIP with FY2023 Proposed Annual Operating Budget
April 2023	Board of Supervisors	Approve 5-Year CIP Plan with Annual Operating Budget

Flowchart of Process for Submission, Recommendation and Adoption



Capital Improvement Plan Guidance

The Capital Improvement Plan (CIP) is a financial blueprint that helps prioritize the public improvements needed to achieve goals set forth by the Board of Supervisors. The CIP sets forth needs and priorities to coordinate the development of County facilities with anticipated funding sources, growth, and the community's ability to pay.

CIP Eligibility

To qualify as a capital project to be requested in the CIP, a project must fulfill the following requirements:

1. Have a minimum established cost of \$50K and have a minimum useful life of five years or be of a significant nature as to prevent its being funded in the Operating Budget.
2. Be a major expenditure for:
 - a. Construction provided either on a contractual basis by private contractors or by county work forces. Costs may include planning and designing; grading, landscaping, other site improvements; relocation costs; and provision of equipment and facilities that are integral parts of a structure. If a project involves upgrades or renovations to an existing facility, it should substantially increase the life of the facility and/or its value. Materials utilized by County forces during the construction of a qualifying capital project should be included.
 - b. Purchase of Land and Existing Structures – Purchase of land and rights-of-way, title searches, and similar activities associated with the purchase transaction.
 - c. Communications and Information Technology Projects – Equipment, major software applications and infrastructure improvements to develop or enhance the County's communications, automation, and information capabilities.
 - d. High dollar equipment except vehicles and other rolling stock.
The following are not eligible to be submitted as a CIP project; rather, these should be requested in the Operating Budget.
 - Vehicles and other rolling stock,
 - Master plans and studies,
 - Maintenance, repairs, and modifications, which do not increase the useful life of existing facilities, and
 - Small capital acquisitions, or those with short life cycles.

CIP Project Submission Request Process

Finance will provide a CIP Project Submission Request form, an Excel spreadsheet, that must be used to submit a project for consideration. Please contact any member of the Finance Budget Team with questions or other assistance.

Finance Budget Team

Cheryl Spivey	Chief Financial Officer
Maria Calloway	Fiscal Services Manager
Justin Newhouse	Budget & Accounting Analyst

The Schools have a separate process, which involves requests that are approved for submission into the 5 Year CIP development process by the School Board.

Requestors - Any department or agency in the County and the Schools can request that one or more projects be considered for inclusion in the Capital Improvement Plan by adequately preparing and timely submitting the form following the guidance in this manual. Requestors are encouraged to contact any of the following **subject area experts** for guidance related to their areas of knowledge.

Subject Matter Experts

George Bains	Deputy County Administrator-Representing Engineering
Wes McIntyre	Facilities Management Director
Eric Beach	IT Director
Christine Joyce	Purchasing Manager (or Cheryl Spivey on 8/26/2022-9/2/2022)

Gloucester County residents can also submit their ideas and recommendations for capital projects by contacting County Administration, the Planning Commission, or through the scheduled Public Hearing(s). Residents' submissions will be referred to the most relevant department and/or agency to develop a formal CIP submission request, if applicable.

Instructions on Completing the CIP Project Submission Form

An image of the current form is shown below.

Enter Project Name									
Requesting Department	click drop-down list				Project Status	click drop-down list			
Location	enter address, landmark, or well-known building				Start Year	click drop-down list			
Primary Board Priority	Leave Blank for Now				Est. Completion Year	click drop-down list			
Magisterial District	click drop-down list				Category	click drop-down list			
Project Number	To Be Assigned By Finance				Est. Useful Life	click drop-down list			
Annual Recurring Cost	click drop-down list								
Category/Description	Total Project Cost	FY2022 or Earlier	FY2023 Budgeted	5-Year CIP					Beyond 5 Years FYI only
				Budget Year FY2024	Planning Years				
				FY2025	FY2026	FY2027	FY2028		
Expenditures									
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A&E	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Proposed Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source of Funding									
click drop-down list	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
click drop-down list	-	-	-	-	-	-	-	-	-
click drop-down list	-	-	-	-	-	-	-	-	-
Total Capital Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Variance-over (short)	\$ -								
<div style="border: 1px solid gray; padding: 20px; width: fit-content; margin: auto;"> <p style="color: red; font-size: 1.2em;">Insert Map</p> </div>			Project						
			Service						
			Project						
Department Ranking	Leave Blank		Planning Commission Ranking	Leave Blank		Budget Team Ranking	Leave Blank		

Project Name – Enter the Project Name

Requesting Department – Select the requesting Department from the drop-down list.

Location – Enter the address, landmark, or a well-known building name

Board Priority – Leave blank for now. New guidance is being developed and will be available before the project submission deadline.

Magisterial District – Use the drop-down list to select the magisterial district in which the project will be located.

Project Number – Leave blank. The Finance Budget Team will insert the project number after the project is submitted. This same project number should be used for any future submissions for this project.

Annual Recurring Cost – There generally is a recurring change in overall operating costs when a new project is placed in service. Estimate the increase or decrease of operating costs related to this project after it is placed in service and choose the closest range from the drop-down list. The drop-down list includes both positive (+) and negative ranges (-). Positive amounts represent an expected increase in operating costs. Negative amounts represent an expected decrease in operating costs.

Project Status – Use the drop-down list to select one of the project status types as defined below.

- **New Submission** – A CIP project that has never been submitted for consideration.
- **Approved-Partially Funded** –
 - A CIP project approved in a prior year that needs additional unplanned funding to complete the approved project, or
 - A CIP project approved in a prior year for funding of preconstruction and/or stand-alone phases of construction costs that also included additional phases of construction or purchase of equipment in the planning years.
- **Previously Requested-Not Funded** – A project that was previously requested but not funded.

Start Year - Use the drop-down list to select the first year that the project was or will be budgeted. For new submissions, the year will be 2024.

Estimated Completion Year - Use the drop-down list to select the year that the project is expected to be substantially complete.

Category - Use the drop-down list to select from the following project categories:

- **New Facilities,**
- **Replacement,**
- **Replacement & New Facilities,** and
- **Capital Maintenance Program** – Use for School projects and County paving projects only. Other County maintenance programs should be requested in the Operating Budget.

Estimated Useful Life - Use the drop-down list to select the estimated useful life of the project.

Expenditures – Enter estimated project costs for the following categories on the CIP Project Submission Form.

- **Land Acquisition,** the cost of buying the land - Land acquisition costs should be entered in the column representing the year that the land is expected to be purchased.

- **A&E**, Architectural and Engineering - A&E costs should be entered in the column(s) representing the year(s) that each related contract is expected to be executed.
- **Construction**, including land improvements - Construction costs for projects designed to be constructed in one phase should be entered in the column representing the year the construction contract is expected to be executed. Construction costs for projects designed to be constructed in stand-alone phases should be entered in the years that contracts for each phase of construction is expected to be executed.
- **Equipment** - Equipment costs should be entered in the column representing the year(s) that the equipment is expected to be purchased. and
- **Other** - Other costs should be entered in the column representing the year(s) that the costs are expected to be incurred.

Documentation that supports project costs, including quotes and sources of information is required to be prepared and maintained for discussions with the CIP Development Team. This supporting documentation should **not** be uploaded to TEAMS and will not be included in the CIP Projects Submissions book.

Total estimated project costs, which will automatically compute, include:

- Amounts spent in prior fiscal years,
- Amounts budgeted in the fiscal year in which the CIP is being prepared, e.g., the 2024-2028 5-Year CIP is being prepared in FY2023, and
- Amount in the 5-Year CIP, i.e., the FY2024 Budget Year plus the 4 planning years (FY2025-FY2028).

However, only the Budget Year 2024 will be funded and appropriated for a project approved by the Board of Supervisors in this 5-Year CIP. In other words, the only amounts available for spending in FY2024 will be the amounts shown in the Budget Year (FY2024) and possibly unspent amounts approved by the Board of Supervisors to be carried forward from FY2023. (See **red highlighted box** in illustration below).

Category/Description	Total Project Cost	Actual Cost Pre FY2023	Budgeted FY2023	Budget Year FY2024	5-Year CIP				
					Planning Years				Beyond 5 Years
					FY2025	FY2026	FY2027	FY2028	FYI only
Expenditures									
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A&E	75,000	54,735	20,265						
Construction	1,750,000			750,000			1,000,000		
Equipment	225,000				100,000			125,000	
Other	-								
Proposed Capital Costs	\$ 2,050,000	\$ 54,735	\$ 20,265	\$ 750,000	\$ 100,000	\$ -	\$ 1,000,000	\$ 125,000	\$ -
Source of Funding									
Grant	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	25,000		25,000						
Bonds	1,950,000			825,000			1,125,000		
Total Capital Funding	\$ 2,050,000	\$ 75,000	\$ 25,000	\$ 825,000	\$ -	\$ -	\$ 1,125,000	\$ -	\$ -

Amounts in the Beyond 5 Years column are for information only, and not included in the total estimated project costs.


Estimated Revenues - Use the drop-down lists to select one or more sources of funding as described below.

- **Bonds**, municipal bonds - Municipal bond are debts securities issued by a state, municipality, or county to finance its capital expenditures. They can be thought of as loans that investors make to local governments. Bonds provide financial resources to purchase capital. The related principal and interest must be repaid over 10-20 years, depending on the estimated life on the asset(s) being financed, and is included in the operating budget. Any use of bonds or other long-term debt, including leases, must comply with the County’s debt policy and must anticipate the impact of the repayment of debt service on current and future budget years.
- **Donations** – A gift.
- **Fund Balance-Committed** – Revenues generated in the General Fund in prior years that can be used only for the specific purposes determine by a formal action of the Board of Supervisors.
- **Fund Balance-Restricted** – Revenues generated in the General Fund in prior years that can be spent for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- **Fund Balance-Unassigned** – Revenues generated in the General Fund in prior years that has not assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the County’s General Fund.
- **General Fund Operating** - Revenue expected to be generated in the General Fund during the budget year.
- **Grant** – Revenue provided by the State, federal government, or nonprofit organization to provide facilities promoted by those agencies.
- **Proffers** - Cash proffers can only be used to finance the related construction or public improvements for which the payments were received.
- **Utility Fund Operating** - Revenue expected to be generated in the Utility Fund during the budget year.
- **Utility Fund Reserve** – Unspent restricted and unrestricted funds generated in the Utility Fund in prior years.
- **Other Sources** – Revenue that is not listed above.

Criteria for Project Prioritization and Ranking - This information will be provided later.

Example of a Completed FY2024-2029 CIP Project Submission Form

Construction of New Football Fields									
Requesting Department	Financial Services			Start Year	2024				
Location	George Washington Hwy & T.C.Walker Rd			Est. Completion Year	2028				
Primary Board Priority	TBD			Category	Replacement				
Magisterial District	Abingdon			Est. Useful Life	30 Years				
Project Number	To Be Assigned By Finance			Project Status	Approved-Partially Funded				
Annual/Recurring Cost	\$20,001-\$30,000								
Category/Description	Total Project Cost	Actual Cost Pre FY2023	Budgeted FY2023	5-Year CIP					
				Budget Year	Planning Years				Beyond 5 Years
				FY2024	FY2025	FY2026	FY2027	FY2028	FYI only
Expenditures									
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A&E	75,000	54,735	20,265	-	-	-	-	-	-
Construction	1,750,000	-	-	750,000	-	-	1,000,000	-	-
Equipment	225,000	-	-	-	100,000	-	-	125,000	-
Other	-	-	-	-	-	-	-	-	-
Proposed Capital Costs	\$ 2,050,000	\$ 54,735	\$ 20,265	\$ 750,000	\$ 100,000	\$ -	\$ 1,000,000	\$ 125,000	\$ -
Source of Funding									
Grant	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	25,000	-	25,000	-	-	-	-	-	-
Bonds	1,950,000	-	-	825,000	-	-	1,125,000	-	-
Total Capital Funding	\$ 2,050,000	\$ 75,000	\$ 25,000	\$ 825,000	\$ -	\$ -	\$ 1,125,000	\$ -	\$ -
Variance-over (short)	\$ -								



Project Description - Youth Football Fields in Gloucester County.

Service Impact/Project Justification - Lack of adequate youth football fields in Gloucester County. Keep youth football in Gloucester County.

Project Alternatives (other than do nothing)- Research potential field space elsewhere in the county to lease or purchase.

Department Ranking	TBD	Planning Commission Ranking		Budget Team Ranking	
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Review and Approval Process

The County Administrator’s CIP Development Team is responsible for reviewing related policies and procedures and making any recommended changes prior to the start of the CIP budget development process. The team reviews the project submissions for eligibility, understandability, completeness of justification, and reasonableness of the capital and future operating cost estimates. The team discusses and evaluates potential funding options. Where appropriate, department and agency representatives attend specific team meetings to provide information about specific projects under consideration, clarifying any issues in the submissions, and verifying costs and funding sources. The team also assists the County Administrator in developing a Proposed 5 Year CIP that balances appropriations with estimated funding sources for the five-year period, considering demands that projects may make on the operating budget in the future, and commitments for approved projects beyond the five-year CIP period.

As a member of the team, the Chief Financial Officer, is responsible for providing an estimate of debt capacity and unassigned fund balance available based on the County Debt Policy.

CIP Development Team

Carol Steele	County Administrator
George Bains	Deputy County Administrator
Steve Wright	Deputy County Administrator
Cheryl Spivey	Chief Financial Officer
Anne Ducey-Ortiz	Planning, Zoning, & Environmental Director

Planning Commission - The Planning Commission reviews project submissions for consistency with the Comprehensive Plan pursuant to Article 5 of Section 15.2-2239 of the Code of Virginia, as shown in the following link: [CIP-Code of Virginia](#) , and provides citizen prospective and input to the process.

Utilities Advisory Board - The Utilities Advisory Board reviews water and sewer projects for prioritization of needs.

Board of Supervisors - The Board of Supervisors makes the ultimate decisions about capital projects and their funding and must, by law, approve projects and any changes to supporting revenues. The School Board, in its capacity as an independently elected body, recommends a School capital program to the Board of Supervisors. However, the Board of Supervisors is responsible for authorizing appropriations and, therefore, must give final approval to School projects as a part of the approved 5 Year CIP.

The Board of Supervisors may add, defer, or delete projects, approve new revenues or additional revenues, and may change the scope of a project. Approval occurs at the same time as the operating budget (April or May), which means they must receive the recommended 5 Year CIP by March of each year to allow adequate time for public hearings, study, and deliberation. The Board of Supervisors acts on the recommendations from the Planning Commission, County Administrator, and information presented at public hearings.

Once a project is approved by Board of Supervisors, it requires Board action to substantially change that project. This applies not only to a substantial increase in funding but to the scope and description of the project as well. It is critical that requesting departments and agencies ensure the accuracy of project costs and information so that corrections are not needed after Board approval. Such changes may cause a delay in project execution and may require re-evaluation through the next CIP development process. If external conditions beyond the County’s control (e.g., federal regulation change, change in the State budget) force a change in project scope or cost, these changes must be approved by the Board of Supervisors. This should be done as soon as accurate information on the needed change is available but must be done prior to procurement or contract amendment action is taken.

While projects can be approved by action of the Board of Supervisors any time during a fiscal year, the formal CIP development begins in July of each year and culminates in Board of Supervisors approval of the CIP typically no later than the following May for the next five-year period. Projects requested and approved out of cycle should be limited to emergencies or unforeseeable emerging trends for which action cannot be postponed until the next CIP development cycle.

Conclusion

The CIP is primarily a planning document. As such, it is subject to change each year as the needs of the County become more defined and projects move closer to final implementation. The adoption of the Capital Improvement Program is neither a commitment to a particular project nor a limitation to a particular cost.