

 <p>Sedgwick County... working for you</p>	<p>Capital Improvement Program</p> <p><i>Adopted on: 12/6/1989</i></p>
<p>Last Revision Date: 04/03/2024</p>	<p>Policy No. 2.203</p>
<p>Last Enabling Resolution: 58-2024/903-2024</p>	<p>Developer/Reviewer: Chief Financial Officer</p>

1. Policy Statement

The Board of County Commissioners (BOCC) is committed to the provision of facilities and infrastructure needed to cultivate a healthy, safe and welcoming community through exceptional public services, effective partnerships and dedicated employees. Capital projects will be funded and undertaken only in conformance with the terms of this policy and within the scope of related policies, including the Debt Policy, Special Assessment Policy, Capital Asset Policy, and the Charter 68 Purchasing and Contracting Policy.

2. Scope

The policy applies to any and all capital improvements projects for or by Sedgwick County Government and its component units.

3. Definitions

- A. **Capital Improvement Program** – A complete listing of all capital projects to be undertaken in a five-year period. The Capital Improvement Program (CIP) may include capital projects to be initiated within five years, but completed after the end of the five-year planning horizon.
- B. **Capital Project** – A project that helps maintain, improve, or expand county assets *other than* heavy equipment, vehicles, operating equipment, office furniture and equipment, or software; and that meets one of the following criteria:
 - 1. It is a new construction, expansion, renovation, or replacement project for an existing asset, and has a total cost of at least \$50,000 over the life of the project; or
 - 2. It is a major maintenance or rehabilitation project for an existing asset, and has a total cost of at least \$25,000 and an economic life of at least five years.
- C. **Capital Projects Coordinator** – Two or more people appointed by the County Manager and County Engineer to guide the preparation of the CIP and the completion of approved capital projects.
- D. **CIP Amendment** – A change of the adopted Capital Improvement Program that adds or deletes a project, modifies the total adopted budget of a project, or alters the approved scope of a project.

- E. **CIP Committee** – A body which recommends the CIP and CIP amendments to the County Manager. This committee is comprised of the Chief Financial Officer (chair), County Engineer, Deputy County Engineer, Deputy County Manager, Assistant County Managers, Chief Information Officer, Facilities Director, and the Metropolitan Area Planning Director, along with any other members appointed by the County Manager.
- F. **Project Manager** – The person, designated by the head of the department that is fiscally responsible for the project, who is responsible for the planning, organization, resource management, and discipline pertaining to the successful completion of a specific project.

4. Facilities Project Procedures

A. Development

1. The Facilities Department Capital Projects Coordinator will solicit project proposals from operating managers
 - a. Project proposals will be submitted in a format and include content to be determined by the Capital Projects Coordinator.
 - b. The Capital Projects Coordinator will present all submitted project proposals to the CIP committee for review and prioritization.

B. Review

1. The CIP committee will evaluate each submitted project proposal and assess its relative importance based on the criteria specified in Attachment 1, which may be revised by the County Manager.
2. The Chief Financial Officer will recommend funding sources for each project proposal and may propose that the timeline for project completion be altered to match the availability of funding.
3. Projects deemed to be unnecessary, insufficiently planned, proposed to be initiated more than five years in the future, or for which sufficient available funding cannot be identified, may be placed either on a 'watch list' containing known projects that may be added to the Capital Improvement Program in the future or rejected from consideration in their current state. The final proposed Capital Improvement Program will be submitted by the CIP committee to the County Manager for review and, as the County Manager deems appropriate, revision.

5. Road/Bridge/Drainage Project Procedures

A. Development

1. In January or February of each year, the Public Works Capital Projects Coordinator will work with the CIP budget analyst to obtain updated projections for sales and use tax collections dedicated to sales and bridge projects.
2. The Public Works Capital Project Coordinator will utilize the sales and use tax projections to develop a five-year plan for road, bridge, and drainage projects based on traffic volume, sufficiency ratings, community growth, and other factors deemed appropriate by the County Engineer.

B. Review

1. The Public Works Capital Projects Coordinator will present proposed projects to the CIP committee to justify their relative importance based on available funding and explanation of the factors identified above.
2. The County Engineer and Chief Financial Officer will recommend funding sources for each project proposal, and may propose that the timeline for project completion be altered to match the availability of funding.
3. Projects for which sufficient available funding cannot be identified may be rejected from the CIP without prejudice.
4. The final proposed Capital Improvement Program will be submitted by the CIP committee to the County Manager for review and, as the County Manager deems appropriate, revision.

6. Capital Improvement Program Approval

- A. The County Manager will submit a recommended 5-year CIP annually for review by the Board of County Commissioners pursuant to the timeline established in the annual budget preparation schedule.
- B. The CIP will provide:
 1. A statement of the objectives of the CIP and its relationship with the comprehensive plan.
 2. An implementation schedule for each of the proposed capital improvements.
 3. An estimate of the costs and sources of revenue for financing each project, and an estimate of the impact of each project on the county operating budget.
 4. For the systematic improvement and maintenance of the county's capital assets.
 5. A schedule of debt issuance proposed to fund any portion of the CIP.
 6. An estimate of the impact of proposed debt issuance on the debt ceiling established by the county's debt policy.
- C. The recommended CIP will be presented to the Metropolitan Area Planning Commission, which will assess the extent to which the recommended CIP is consistent with the adopted Wichita-Sedgwick County Comprehensive Plan.
- D. The BOCC will revise the recommended CIP as appropriate before adopting a 5-year Capital Improvement Program each year. The first year of the Capital Improvement Program shall be the adopted capital budget.

7. Amendment

- A. No work other than project planning on a capital project shall be undertaken if it is inconsistent with the approved scope of the project or if it will require expenditures that, when combined with all other project costs previously incurred or reasonably expected to be incurred, would cause the approved project budget to be exceeded.
- B. The approved scope and budget of a project may be revised by amendment.
 1. Departmental requests to undertake new projects in the current year will be considered as CIP amendments.

2. For Facilities projects, the Facilities Project Manager will submit proposed amendments in a form and with content to be determined by the Facilities Capital Projects Coordinator. The Facilities Capital Projects Coordinator will assess the need for the amendment and make a recommendation for approval, denial, or revision to the CIP committee.
 3. For Public Works projects, the Public Works Capital Projects Coordinator will submit necessary amendments to the CIP committee.
 4. The CIP committee will review the proposed amendment and recommendation, and will by majority vote, recommend approval, denial, or revision to the County Manager.
 5. The County Manager will approve or deny the recommended action.
 6. If approved, the project amendment will be placed by Public Works on a BOCC agenda for approval or denial.
- C. Exceptions to the process for amendment may be made only when the cost of an authorized project increases within the scope of the Purchasing Director's change order authority under Charter Resolution 68; when the cost increases are due to variations in estimates vs. actuals, not because of scope changes; and when the CIP budget analyst can confirm adequate budget authority and corresponding cash are available in the Road and Bridge CIP Reserve or Facilities CIP Reserve for facilities or drainage projects. Under such circumstances, the appropriate Capital Projects Coordinator shall verify the exception is valid and forward their recommendation to the County Manager. The County Manager may approve the exception. If approved, the appropriate Capital Projects Coordinator should immediately notify the CIP budget analyst, who will complete the transfer and notify the Budget Director. The Budget Director will then notify the BOCC of the change in consistency with the notification timeline in the Budget Transfer & Allotment Policy.

8. Reporting

- A. Within 90 days of project completion, the Public Works and Facilities Capital Projects Coordinators will close out all open contracts, and the Chief Financial Officer will transfer any remaining unused budget authority to appropriate capital project reserve account, from which it may be reallocated to other projects. Exceptions to this provision may be made when external funding partners fail to provide necessary information to close out the project.
- B. The Chief Financial Officer will provide commissioners with a report each quarter showing the status of each approved capital project.

Attachment 1:

FACILITY CAPITAL PROJECT EVALUATION CRITERIA

Legal Mandates: Will the proposed project bring the County into compliance with an existing or new legal mandate?

- ✓ Is the mandate local, state or federal?
- ✓ What is the risk of non-compliance?
- ✓ Is there a mandated timeframe and/or deadline for compliance?

Maintenance of existing assets: Does the project enhance or maintain a current asset of the County?

- ✓ Does it extend the life cycle of an existing asset?
- ✓ Is it a replacement for a deteriorated asset?
- ✓ Is it an investment that is part of a larger county asset? Examples would be a shelter or restroom as part of Sedgwick County Park or mechanical/HVAC for an existing building?
- ✓ Will the project result in a change to operating costs, either positive or negative?

Sustainability: Is the project based not only on what makes the most sense now, but what makes the most sense for the future?

- ✓ Does it enhance organizational efforts to indefinitely maintain a healthy and habitable environment?
- ✓ Does it promote, initiate, support, and/or facilitate the creation of wealth and employment opportunities?
- ✓ Does it do what is fair to all, not just a few?
- ✓ Does the project represent a fiscally responsible decision considering the present and future impact to our organization?

Reduce or offset costs: Does the project provide for reduced cost (current or future) to Sedgwick County, offset costs through additional revenue or partnerships, improve services at the same cost or deliver service at less cost per unit of service as is being provided currently?

- ✓ Does it offer the prospect of reduced or beneficial operations and maintenance cost (cost/sq. ft.) for new or renovated facilities?
- ✓ Does it provide a favorable return on investment for revenue generating facilities (what is payback period)?
- ✓ Does the project allow a % reduction in cost to county through partnerships and or “other fund sources”?
- ✓ Does it provide economic efficiency—reduced cost per unit of service delivered?

Critical public safety needs or concerns: Does the proposal address an existing or potential threat to lives or property?

- ✓ Would the project reduce the risk of deaths and injuries due to transportation incidents?
- ✓ Would it reduce the risk of damage to or loss of public or private property?
- ✓ Would it facilitate response of emergency services?
- ✓ Would the project improve the safety of people using public facilities?

Commission priority: Does the project fulfill a stated priority of one or more commissioners?