

MEMORANDUM

DATE: February 24, 2009

TO: The Board of Supervisors

FROM: Members of the Planning Commission

SUBJECT: Capital Improvements Program

The James City County Planning Commission has recognized the need to more closely align the Capital Improvements Program (CIP) with the County's Comprehensive Plan. The benefits of such alignment are substantial and include greater predictability of project completion dates; a more rigorous analysis and vetting of CIP priorities; enhanced transparency to citizenry; creation of a rolling five-year capital outlay plan to improve financial management; identification and evaluation of project escrows carried over from year to year; more strategic utilization of debt to accomplish Comprehensive Plan objectives; and optimizing buying opportunities within the marketplace.

Accomplishing this objective will require fundamental changes to the CIP process. These changes will involve both governmental and non-governmental agencies. It is also anticipated that James City County will explore innovative procurement practices and rely more on Public-Private Partnerships to accomplish CIP and Comprehensive Plan objectives wherever practicable.

The Policy Committee has previously explored with staff the various time lines under the current CIP process. That process begins in the fall with requests for project funding coming from the various departments and non-governmental agencies and culminates in Board of Supervisor approval of an annual budget in May of each year. The Policy Committee reviews each request and assigns a priority to each that is reviewed by the entire Planning Commission and recommended to the Board of Supervisors.

The CIP process is the mechanism for planning, scheduling, implementing, and evaluating Capital projects. James City County should use the CIP process to support the objectives of the Comprehensive Plan through the calculated sizing, timing, and location of public facilities such as roads, schools, park and recreation facilities, attractions, water and sewer facilities, and drainage structures. Each project should meet a specific need identified in the Comprehensive Plan, compete with other projects for limited resources, receive funding in accordance with a priority rating system, and be formally adopted as an integral part of the biannual budget.

The new CIP process will begin much earlier in the budget cycle, perhaps as early as February of the preceding budget year, with requests for funding. These requests will be vetted by staff and the Policy Committee to ensure compliance with the Comprehensive Plan. Each project will receive a ranking which will reflect its place in the overall CIP. A corresponding financial plan will be developed which details the sources of funding for the various projects as well as the projected timing of the availability of those funds, costs to construct, and estimated date of completion. A new five-year rolling CIP financing plan will account for all capital improvements in James City County debt regardless of funding source.

To effectively align the CIP with the Comprehensive Plan, significant revisions to the Comprehensive Plan will be required. The Planning Commission expects that such revisions will begin to be incorporated into the current update and that the new CIP process will be implemented for FY 2011. These revisions will require a high level of detail and specificity in the Comprehensive Plan. The Planning Commission intends to use the Comprehensive Plan process to identify community needs for new facilities and to develop community-wide consensus on CIP priorities.

Capital Improvement Program

February 24, 2009

Page 2

The Planning Commission recommends that Capital Repairs and Maintenance be identified as a separate budget category. A capital replacement plan should be developed for every capital asset owned by James City County using industry standards for life expectancy of each component. We expect opportunities for savings in this initiative and view it as an important component to overall project implementation and management.

Significant time and staff resources will be required to develop a plan of implementation for this initiative. We request your support in this initiative and look forward to its timely implementation.

LAR/gb

CIP_mem

Attachments:

1. Additional summary of CIP process changes memorandum
2. Resolution of statement of fiscal goals, adopted by the Board of Supervisors November 14, 2000