

Capital Planning

Best Practices | June 27, 2017



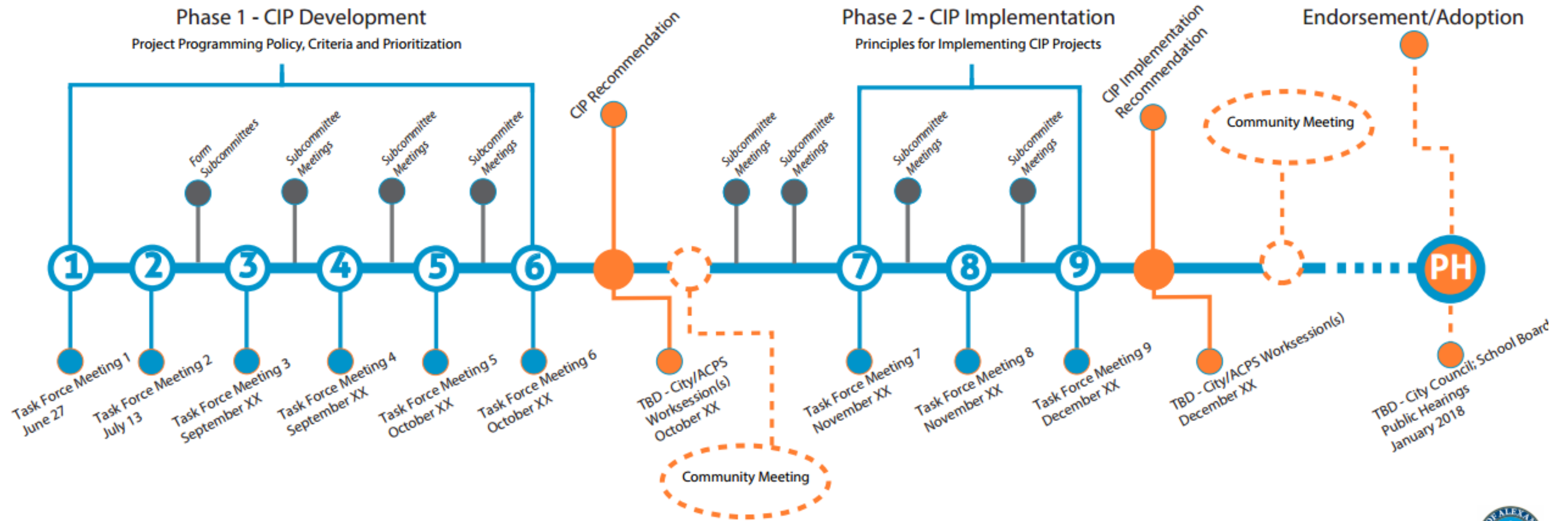
Ad Hoc Joint City-Schools Facility Investment Task Force

Capital Project Programming Best Practices Discussion

- Task Force Work Plan Diagram
- Introduction
- Project Identification
- Prioritization Criteria
- Summary CIP Development Process
- Policy
- Wrap Up & Next Steps

Ad Hoc Joint City-Schools Facility Investment Task Force

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DRAFT Work Plan, June 2017 - January 2018



06/14/17 DRAFT



Link: www.alexandriava.gov/97580

Introduction

Capital Improvement Planning



Capital Improvement Planning

Introduction: Master Plan vs. Capital Improvement Plan

Master Plans provide long range strategies and guidance for addressing a community's needs over time (typically 10 to 25 years)

Capital Improvement Plans are financial plans that establish a schedule of funding for each capital project, including cost estimates and sources of financing (typically 5 to 10 years)

Master Plan

- ◆ Provide vision and framework for investments
- ◆ Realistic forecast of all needs
- ◆ Periodic updates (usually 3 – 5 year cycle)

CIP

- ◆ Financial “Blueprint” of the master plan
- ◆ Dynamic and regularly updated (typically annually)
- ◆ Sometimes requires tough minded prioritization of master plan objectives

Master Plan Example: ACPS Long Range Educational Facilities Plan (LREFP)

Capital Improvement Planning

Introduction

Identification

Prioritization

Financial Plan

Capital Improvement Planning

Project Identification

Data
Collection

Preliminary
Evaluation

Capital Improvement Planning

Prioritization Criteria

Typical
Categories

Typical
Criteria



Capital Improvement Planning

Prioritization Criteria

Example of
range of
criteria
used by
others:

Criteria	Description
Required Project	Is the project required to meet legal, compliance, or regulatory mandates?
Strategic Alignment	To what extent is the project aligned with our organization's overall strategies?
Value to Citizens	How much value will the outcome of this project bring to our citizens?
Importance to Risk Mitigation	Would the city be exposed to a risk or impact if the project is not implemented?

Source: samples taken from various GFOA conference presentations

Summary

CIP Development Process

Project Identification

- ◆ Government assets review and needs assessment
- ◆ Evaluate project options and alternatives for achieving goals
- ◆ Identify scope, duration, and cost as well as preferred timeframe of implementation
- ◆ Evaluate impact to operating costs
- ◆ Identify project as candidate for prioritization



Project Database

Project Prioritization

- ◆ Understand strategic vision and needs, including existing master plans
- ◆ Set priorities and categories of projects for balancing purposes
- ◆ Apply criteria to **project database** to arrive at prioritized list of projects
- ◆ Review & discuss results – the human factor & logistical considerations



Prioritized Project List

Develop Financial Plan

- ◆ Identify funding sources
- ◆ Develop scenarios balancing projects against funding across identified time frame
- ◆ Review and refine the plan
- ◆ Communicate the plan and prepare for implementation



Capital Improvement Plan



Capital Improvement Planning

Policy

“CIP policies establish a framework in which stakeholders understand their roles, responsibilities, and expectations for the process and end result.”

- ◆ Describe how an organization will approach CIP development, including departments and stakeholders
- ◆ Provide a definition of a capital improvement project
- ◆ Establish committees and identification of members
- ◆ Describe role of public and other external stakeholders
- ◆ Identify decision making and prioritization process
- ◆ Financial consideration and strategies
- ◆ Monitoring and oversight of the CIP program

Wrap Up & Next Steps

Discussion Questions

1. General questions or reactions on CIP planning?
2. What are your initial thoughts on project identification?
3. What are your initial thoughts on criteria for prioritization?

Homework: Review materials and provide feedback to Katherine Carraway, katherine.carraway@alexandriava.gov, by July 5th

The background features a photograph of a school building with a prominent glass entrance and brick upper levels. The name 'JEFFERSON-HOUSTON' is visible on the building's facade. A large, semi-transparent red geometric shape, resembling a stylized 'A' or a series of overlapping triangles, is overlaid on the image. The text is centered in white.

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Thank you & Community Comments



**Ad Hoc Joint City-Schools Facility
Investment Task Force**

Alexandria, VA

June 2017 - December 2017