

## PART I

### OVERVIEW OF CAPITAL IMPROVEMENTS PROGRAM

## Capital Improvements Program Process

The Capital Improvements Program (CIP) is the County's plan for expenditures on facilities, equipment, and vehicles over the next five fiscal years. Capital improvements are separated from the annual operating budget because they include any proposed public construction, acquisition of land, buildings and accessory equipment, or vehicles or equipment with a unit cost greater than \$50,000. The Code of Virginia provides that a CIP be prepared to carry out policies adopted through the Comprehensive Plan. The CIP performs this function by outlining anticipated County projects by year, by cost and by recommended funding source. The Comprehensive Plan includes the Community Facilities Plan which along with the CIP provides for capital improvements necessitated by growth for a twenty year period. Hanover County has maintained compliance with capital outlay programs as stated in Section 15.2-2239 of the Code of Virginia as follows:

"Local planning commissions to prepare and submit annually capital improvement programs to governing body or official charged with preparation of budget. -- A local planning commission may, and at the direction of the governing body shall, prepare and revise annually a capital improvement program based on the comprehensive plan of the locality for a period not to exceed the ensuing five years. The commission shall submit the program annually to the governing body, or to the chief administrative officer or other official charged with preparation of the budget for the locality, at such time as it or he shall direct.

The capital improvement program shall include the commission's recommendations, and estimates of cost of the facilities and the means of financing them, to be undertaken in the ensuing fiscal year and in a period not to exceed the next four years, as the basis of the capital budget for the locality. In the preparation of its capital budget recommendations, the commission shall consult with the chief administrative officer or other executive head of the government of the locality, the heads of departments and interested citizens and organizations and shall hold such public hearings as it deems necessary."

The purpose of having a CIP is to assess the County's existing condition and identify needs which must be addressed to accomplish planning goals. A principal goal is to provide for the orderly and timed development of land consistent with the County's ability to provide services in accordance with the Comprehensive Plan.

The CIP sets forth needs and priorities to coordinate development of County facilities with anticipated revenues, growth and the community's ability to pay. By saying where public schools, water or sewer lines, drainage, and other improvements should be constructed, the County can encourage development in appropriate areas. "Appropriate" is used here to mean consistent with adopted policies. This makes the CIP a key document in influencing and managing growth. The CIP is also an important tool in insuring efficient use of limited financial resources. By reviewing anticipated revenues with anticipated capital needs, priorities can be established to insure that essential public services can be continued and improved without interruption.

The CIP process is used to establish priorities between competing needs: 1) The County Departments recommend individual projects based on their needs assessment; 2) The Finance Department and County Administrator's office reviews and recommends proposals based on their assessment of community needs and financial resources available; 3) The Planning Commission reviews the recommendations and provides input to the Board of Supervisors; 4) The Board of Supervisors acts on the recommendations from public hearings, the County staff and the Planning Commission.