



## CAPITAL IMPROVEMENT PLAN PROGRAM BUDGET YEAR 2022-2023

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### Introduction

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**Capital Improvement Project** is defined in §22-27 of the Town of Westerly Code of Ordinances:

A. Major projects or purchases undertaken by the Town that generally do not recur on an annual basis. Improvements that are the type of project or acquisition that require bonding or multiyear funding, to include:

- (1) Purchase of major items of equipment having an anticipated life expectancy of three or more years.
- (2) Acquisition or lease of land.
- (3) Construction of new buildings or facilities, including engineering, design and other preconstruction costs.
- (4) Improvements or additions to existing buildings or facilities, not including annual replacements or items of routine maintenance and repair.

B. Improvements shall have a minimum cost more than \$61,000.

- Expenditures for projects that meet the threshold are considered capital items, and those below this amount is considered operating items.
- The dollar threshold for capital items is to be increased by 4% every three years.
- A capital item must stand alone, that is, like items may not be bundled into one project to meet the minimum cost threshold.

### Definitions

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The projects are designed to follow a multi-tiered approach to assessing Capital Improvement Projects. These projects have been classified into three (3) categories: New Capital, Projects in Process, and CERF (Capital Equipment Replacement Fund), as defined below.

- **New Capital**  
Projects being proposed that have not been the subject of a capital funds request in the past.
- **Projects in Process**  
Projects underway with continued funding or not completed are included in this category. These projects may or may not have been funded over the past year and will be reviewed to determine whether funding should continue.
- **CERF (Capital Equipment Replacement Fund)**  
Projects that do not constitute improvements, but rather replacement of existing equipment. This is a revolving fund that spans multiple years and is only used when needed. An example of this type of fund is the Town's Vehicle Replacement Plan.

### Restricted Funds

Purchases which do not fall into the above three categories but that should be budgeted over several years are submitted as part of the Restricted Funds and should not be included in these submissions.



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### Procedures

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Each department must submit their capital needs for the next budget year to the Town Manager. Their submissions will include:

- 1. Capital Request**  
Name of the Project
- 2. General Summary of the Capital Item**  
Provide a description of the project, purpose, and any pertinent information which will help the reviewers and approvers understand the scope and need.
- 3. Department Ranking**  
Use a range of high, medium or low to identify the urgency of the project
- 4. Time Schedule**  
Provide the timeline of the proposed capital item.
- 5. Prior Related Projects**  
Provide projects that are related and explain how this capital request supports those initiatives.
- 6. Employee Responsible for Managing the Project**  
This may be the department head, a supervisor or other staff member. Please be specific and, if other than a department head, explain why they have been assigned this role.
- 7. Project Priority**  
Use the following criteria to rank the project; you may assign more than one code to the project:

| <u>Criteria</u>                                   | <u>Code</u> |
|---|-------------|
| Protection of life                                | A           |
| Maintenance of the public health                  | B           |
| Protection of property                            | C           |
| Provision of necessary public services            | D           |
| Replacement or improvement of obsolete facilities | E           |
| Reduction of operating costs                      | F           |
| Provision of public recreation                    | G           |
| Social, cultural or aesthetic values              | H           |
| Conservation of resources                         | I           |

- 8. Total Project Cost**  
Please provide all costs from start to completion; this should include architect costs and planning. If available attach quotes or documents related to the project for clarification.
- 9. Projects by Year and Funding Source**  
Please use a separate form for each project and, if applicable, provide the funding over the applicable budget years.  
Prior year funding (carryover budgets) should be identified if they are available.



## **CAPITAL IMPROVEMENT PLAN PROGRAM BUDGET YEAR 2022-2023**

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### **Review and Approval of Capital Improvement Plans**

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The Planning Board and the Town Manager, with the assistance of the Finance Director, shall review the requests. The Town Manager may amend the proposed capital improvement budget and capital improvement plan prior to its submission to the Board of Finance.

After it has been acted upon by the Board of Finance, the Town Council shall take final action on and adopt a capital program concerning municipal improvements and proposed capital projects for the ensuing fiscal year and for the four fiscal years thereafter.