

## **About the Capital Facilities Program and Process**

### What are Capital Projects?

Capital improvement projects deal with the purchase, construction, replacement, addition, or major repair of public facilities and major equipment. Typically, these projects differ from routine maintenance in that their cost is greater than \$50,000 and they have a useful life of more than one year. Examples may include, but are not limited to, buildings, streets, utility systems, bridges, parks, fire trucks, and heavy equipment.

### Growth Management and the Capital Facilities Plan (CFP)

The Washington State Growth Management Act (GMA) requires cities and counties to prepare a Comprehensive Plan and a Capital Facility Plan (CFP). Comprehensive plans must be realistic and the municipality must be able to implement the plan. Requirements include setting level-of-service (LOS) standards, inventories, and forecasts of existing and needed capital facilities, and six-year financing plans. Planning under the GMA helps the County meet the challenges of growth in an environmentally and fiscally sound manner.

### What is a Capital Facilities Plan (CFP)?

The 6-year Parks Department Capital Facility Plan is used to identify and coordinate public facility and equipment needs in a way that maximizes the return to the community. The Capital projects budget is incorporated into the annual County Budget, which then appropriates the funds necessary to implement a capital improvement project. The first year of each 6-year Parks Department CFP becomes the Parks Department Capital Budget for the next year. The CFP is updated annually, usually from July to December.

This highly structured method takes into consideration other County and community plans, policies, goals and objectives, and includes an analysis of long-term overall County resources. Advance planning of all County projects helps the Board of County Commissioners, Parks and Recreation Advisory Board, Parks staff, and the public make choices based on thoughtful decision-making rather than reacting to events as they occur. Without this comprehensive approach, consideration and approval of capital improvements results in uncoordinated decision-making that could waste public funds through failure to thoroughly consider all the available information.

### Citizen Involvement in the CFP Process

The CFP process is an important public communication medium. It gives residents and businesses a clear and concrete view of the County's long-term direction for capital improvements and a better understanding of the County's ongoing need for stable revenue sources in order to fund large or multi-year capital projects. The County's residents are encouraged to participate in the public hearing and comment process prior to adoption of the annual budget. The County also offers information about its plans, policies, goals, and objectives via its Internet web site (<http://www.kitsapgov.com/das/>).

## The CFP Process

The development and update of the CFP is an ongoing activity. It is part of the overall budgeting process since current year capital improvements are implemented through adoption of the County budget. Specific activities in the process are:

1. *Timetables, Goals and Objectives.* At the onset of the budgeting process, the CFP update begins with formal budget planning discussions between the County Administrator, department heads, and the Board of County Commissioners. A timetable is set that extends through development and final adoption of the budget, and a review is conducted re-establishing County goals and objectives through the next budget cycle. The Parks Department is asked to submit its preliminary budget by July for inclusion in the following year's budget.

2. *Taking Inventory and Developing Proposals.* The staff gathers information about the County's capital facilities and equipment and assesses the condition of each. Construction, repair, replacement, and additions are considered and a list of proposed projects and equipment is developed.

3. *Conducting a Financial Analysis.* The staff conducts a financial analysis to examine historic and projected revenues and expenditures, and to estimate the County's cash flow and long-term financial condition. Present and future capital financing alternatives are identified and recommendations are prepared to match the type of funding most appropriate for specific kinds of capital improvements.

4. *Evaluation of Proposals.* The list of proposals and the financial analysis is reviewed and prioritized using criteria based on County policy, goals, and objectives. A preliminary CFP is submitted to the Parks and Recreation Advisory Board, the Board of County Commissioners and public review.

5. *Board of County Commissioners and Public Review/Adoption.* The Board of County Commissioners provides opportunity for public review and comment. Following incorporation of any changes, the Board of County Commissioners formally adopts the Plan. The first year of the Plan is adopted as the Capital Budget for incorporation into the County's next annual budget.