

Chapter 310. Capital Improvement Plan

[HISTORY: Adopted by the Legislative Council of the Town of Newtown 3-6-1997; amended 9-18-2002. Subsequent amendments noted where applicable.]

§ 310-1. Goal.

A.

The goal of the Board of Finance in adopting this regulation is to:

(1)

Prioritize, on a Town-wide basis, proposed major capital projects.

(2)

Establish a consistent level of spending for such capital projects.

(3)

Integrate financial planning, budgeting and debt issuance for the Town.

(4)

Encourage careful project design.

B.

This Capital Improvement Plan (CIP) regulation hereby:

(1)

Creates a process by which the Board of Finance adopts a proactive position regarding the capital expenditures of the Town of Newtown.

(2)

Creates a process by which the Board of Finance identifies, prioritizes, evaluates, justifies, monitors, postpones or eliminates proposed capital expenditures.

(3)

Creates a process by which the Board of Finance and the Legislative Council work compatibly in enacting Subsections **B(1)** and **(2)**.

§ 310-2. Description; annual review.

The Capital Improvement Plan is Newtown's five-year program of major capital purchases of a nonrecurring nature. The CIP is based on assigned priorities which consider Town needs, desires, and mandates for various improvements and coincides with Newtown's current and anticipated financial capability to finance such improvements. The CIP shall be reviewed at least annually by the Board of Finance. The Board of Finance shall amend the CIP as required to address changing priorities and maintain the CIP at a five-year projection time frame.

§ 310-3. Implementation and amendments.

The Board of Finance is hereby charged with the responsibility of implementing the goals expressed above in § **310-1** and all changes, additions and deletions to the CIP. In addition, among others, the Town Financial Director, First Selectman, Chairman of the Board of Education, Superintendent of Schools and Legislative Council members may advise the Board of Finance, but do not have voting privileges.

§ 310-4. Presentation of proposed purchases to Board of Finance.

Proposed purchases may be brought to the Board of Finance at any time; however, except for **exigent circumstances as determined by the Board of Finance**, purchases not presented in the Board of Selectmen or Board of Education yearly five-year CIP projection shall not be considered by the Board of Finance until the next June through October period. The Board of Selectmen shall submit its five-year projected CIP proposal at the first regularly scheduled Board of Finance meeting in August. The Board of Education shall submit its five-year projected CIP proposal at the

first regularly scheduled Board of Finance meeting in June. The Board of Finance shall hold its review period from June through October.

§ 310-5. Eligible purchases and expenditures.

To be eligible for inclusion in the CIP, a proposed purchase shall have an estimated cost that is at least 0.25% of the Town budget for the year in which the request is made (excluding projects funded with LoCIP money). Listed below are some of the guidelines which would make a request eligible for inclusion in the CIP, assuming the proposed purchase meets the 0.25% requirement set forth above:

A.

Purchases requiring debt obligation.

B.

Acquisition or lease of land.

C.

Purchase of major equipment and vehicles with life expectancy of five years or more.

D.

Construction of new building facilities, including engineering, design and other preconstruction costs.

E.

Major building improvements that are not routine expenses, including those that substantially enhance the safety of the occupants of the building and/or the longevity of the building itself.

F.

Major equipment or furnishing required for a new building or other projects.

G.

Major studies requiring the employment of outside professional consultants.

§ 310-6. Process overview.

All requests for inclusion in the CIP will adhere to the following process and shall be submitted on a form as prescribed by the Town Financial Director:

A.

Each Town department shall submit to the Board of Selectmen a prioritized list of proposed capital purchases.

B.

The Board of Selectmen will identify, prioritize and approve, on a Town-wide basis, purchases it proposes to include in the CIP, excluding items requested by the Board of Education. The Board of Education will likewise identify, prioritize and approve purchases it proposes to be considered for placement on the CIP.

C.

The requesting agency or department will plan for and be responsible for funding any professional estimating for a project in their operational budget. If applicable, alternative sources of funding can and should be identified, such as the Cap Non-Recurring Account, and be reimbursed upon actual borrowing if appropriate.

D.

The Board of Selectmen and the Board of Education shall also include in the request(s):

(1)

The identification of any grants, revenues or reimbursements anticipated each year.

(2)

A financial impact statement as provided by the Town Financial Director.

(3)

An indication whether the item/project requested is eligible for LoCIP funds.

E.

The Town Financial Director will review and compile the two lists to be presented to the Board of Finance.

F.

The Board of Selectmen and the Board of Education will then present their prioritized purchase requests to the Board of Finance.

G.

The Board of Finance will consider all requests made through this process and determine those that will be recommended for inclusion in the CIP and those that are to be rejected or postponed. If rejected, the proposed purchase can be resubmitted to the appropriate board at the first step of the process. If postponed, the request shall be reviewed by the Board of Finance with respect to its new priority level.

H.

The Board of Finance will prioritize, on a Town-wide basis, all requests it approves for inclusion in the CIP, and establish a time frame for proceeding with each purchase in view of the financial implications of such a purchase.

I.

The Board of Finance will forward its **formal and approved** recommendation to the Legislative Council by November 30. The Legislative Council may accept the plan in its entirety, reject any item or reduce any item in capital costs, or reduce any item in priority. Any new item addition, increase, **decrease or change** in proposed capital expenditure for an item by the Legislative Council shall be referred back to the Board of Finance for further review and recommendation with written comment by the Legislative Council as to its reasoning. Within a reasonable time thereafter, the Board of Finance will resubmit its recommended CIP plan, noting any changes it has made.

J.

The CIP plan approved by the Legislative Council shall be the single and final adopted CIP plan for the Town of Newtown; except, should the Legislative Council not return a proposed plan by the Board of Finance to the Board of Finance for further review within 60 days of its submission, and not pass the final CIP plan presented by the Board of Finance within 60 days of submission to the Legislative Council, the proposed CIP plan presented by the Board of Finance shall be the single and final adopted CIP plan for the Town of Newtown.

J.

Once the CIP is adopted by the Legislative Council, the projects identified for year one and their associated costs will be considered final in terms of bonding and any appropriation actions.

§ 310-7. Prioritization.

The Board of Finance shall consider the following criteria during its prioritization:

A.

The cost of the purchase.

B.

The impact of the purchase versus the benefit to the Town.

C.

The year it will be implemented.

D.

The source of financing.

E.

The impact on future operating budgets.

F.

The benefit or risk to the Town should the purchase not be made.

§ 310-8. Town budget.

All purchases which are proposed for the ensuing fiscal year and included in the final CIP by the Legislative Council shall be included as proposed expenditures in the budget presented to the Board of Finance. Except for exigent

circumstances, any capital improvement expenditure that falls within § **310-5** of this plan regulation and is not contained in the CIP shall not be considered for implementation.

New section:

310-9. Capital Project Process

Projects in Year 1 on the Capital Improvement Plan are designated for implementation during that fiscal year.

Projects to be implemented must go through the Special Appropriations process, as determined by Charter.

Steps in this process include:

1. Prepare bonding resolution for project as listed in CIP - Director of Finance executes upon request of the Department;
2. Resolution submitted to Board of Finance for discussion/action;
3. If approved by BoF, Resolution submitted for Legislative Council discussion/action;
4. If approved, Resolution submitted to Board of Selectmen for discussion/action;
5. If requested appropriation is \$500,000 or greater but less than \$10,000,000 then BoS schedule a Town Meeting; **
6. If requested appropriation is \$10,000,000 or greater then BoS schedules a referendum. **
7. **Once the Special Appropriation process is complete, project planning may proceed, including the issuance of public bids.**

**** A Charter change proposal to be voted on in 2015, calls for project approval to be included in the annual Budget Referendum. If this Charter change is enacted, then steps #5 and #6 above will be modified accordingly.**

To manage an approved project (after BoF, LC, BoS, and if necessary Town Meeting or Referendum)

- a. Project assigned to Public Building and Site Commission. PB&S may decline if project too small or if commission too busy;
- b. Other building committee or owner's rep may be appointed by BoS or BoE, if PB&S declines to take on the project oversight;
- c. PB&S (or other) works with Project Advisory Committee – (i.e. BoE facilities subcommittee, Park and Rec subcommittee, CoA, etc.);
- d. PB&S (or other) and Project Advisory Committee create and advertise RFQ/RFP for AE and CM or other professionals;
- e. Select professionals – develop contracts with attorney and purchasing authority input;
- f. Monitor/manage project to completion.