

Town of Provincetown Financial Policies and Procedures Manual

2. Capital Improvement Program (CIP)

Purpose

To set standards and guidelines for the development of the Town's five year Capital Improvement Program (CIP).

Authority

Town Charter:

- Section 4-3-m Powers & Duties - Town Manager CIP Responsibilities
- Section 6-6a through 6-6d Financial Procedures – The Capital Improvements Program
- Section 6-7 Financial Procedures – Publication of Financial Information

Policy

Any single capital item costing \$25,000 or more or twice this threshold (\$50,000) for a capital project consisting of multiple line items costing less than \$25,000 each shall be included in the CIP. Any capital item funded from a fund other than the general fund, such as the parking fund, shall also be included in the CIP. The capital item should have a useful life of five years or longer.

Capital projects shall be undertaken in order to satisfy documented needs or demands of the Town. The CIP shall be a realistic multi-year plan of capital spending, based on estimated revenues and other financial sources, which may be anticipated over the five-year term of the plan. All capital projects shall be evaluated in terms of their estimated impact on the annual operating budget.

Capital improvement projects shall meet one or more of the following criteria:

- Ensure compliance with state or federal law or an administrative regulation or decree.
- Enhance protection of public health and safety.
- Reduce and/or stabilize operating budget costs.
- Prolong the functional life of a capital asset of the Town by more than 10 years.
- Enhance the town's tax base.

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Procedures:

- a. The Town Manager’s Office shall distribute the capital improvement guidelines and worksheets.**

The town manager’s office will distribute capital project guidelines and worksheets to Town departments in order to identify and inventory the multi-year capital needs of the Town. The worksheets distributed to the department heads will request information as follows:

- Project Title
- Cost Estimate by year and the basis for the estimate
- Estimated useful life of the capital project
- Priority area as defined in the criteria above
- Description of the project
- Estimated annual impact on the operating budget
- Benefits of the project
- Other information including possible funding sources
- Estimated implementation schedule and completion date

- b. The Department heads return their CIP requests to the Finance Department**

The department heads shall return the completed worksheets to the finance director. The finance director shall combine the worksheets into the CIP plan and shall provide a tentative funding plan for the five year CIP plan.

- c. The Town Manager shall meet with department heads to review CIP requests.**

The town manager and department heads shall meet to discuss and prioritize all CIP requests. The Finance Director shall produce a tentative funding schedule. The Town Manager shall review the tentative funding schedule.

- d. The Town Manager submits CIP to the Board of Selectmen and Finance Committee**

The Town Manager shall develop a proposed budget policy directive for the upcoming fiscal year. The prioritized CIP plan including the funding plan shall be presented by the Town Manager to the Board of Selectmen.

Timeline: No later than 3rd Tuesday in January

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e. The Board of Selectmen shall meet with staff and vote their CIP recommendations

The Board of Selectmen shall meet with staff and vote their recommendations on the CIP plan. The Finance Department shall include the CIP recommended by the Board of Selectmen in the five year financial forecast.

f. The Board of Selectmen shall submit their approved CIP plan to the Finance Committee

The Board of Selectmen shall act thereon or before the thirty-first day of January and shall then submit it to the finance committee, which shall issue its recommendations as part of its printed report on the annual budget.

Timeline: No later than January 31st

g. The Finance Committee shall publish CIP

The finance committee shall publish, in one or more newspapers of general circulation in the town, the general summary of the capital program and notice stating:

(a) the times and places where copies of the capital improvement program are available for inspection; and

(b) the date, time, and place, not less than seven days following such publication, when the committee shall conduct a public hearing on said program.

h. The Board of Selectmen presents proposed CIP to Town Meeting

The Board of Selectmen shall present the capital improvements plan to the annual town meeting.

Timeline: Town Meeting

Adopted by the Provincetown Board of Selectmen on February 26, 2018. 3-0-0

Revised and Approved by the Select Board October 15, 2019