

CAPITAL IMPROVEMENT FUND

The **Capital Improvement Program (CIP)** and the **Infrastructure Capital Improvements Program (ICIP)** represent Bernalillo County's plan for financing and implementing long-term public projects. Such projects include the planning, purchase, design, rehabilitation, renovation, construction and development of facilities and infrastructure that will yield benefits for several years. Often projects will entail the acquisition of property. Because capital outlays are frequently large, the decisions that the county makes to undertake them impacts the most basic needs and quality of life of Bernalillo County residents. The CIP and the ICIP allow the community to provide for the orderly replacement and development of public facilities, maintain the quality and efficiency of public services like water and sewer systems, roadways, storm drainage, and allow for the purchase of library materials, enhance public safety, and allow for the development of parks and recreation facilities.

New capital needs as well as replacement of existing capital must be taken care of within the limited capital resources of the county. The Board of Commissioners sets a schedule for the development of the Infrastructure Capital Improvements Program and the Capital Improvements Program. Capital project needs are identified through research by staff and an extensive process of soliciting public input.

The CIP may affect the operating budget by increasing operating costs when new or rehabilitated projects are brought on-line. Capital improvements for the County are primarily funded with **General Obligation (GO) Bonds**, which are self-imposed by the voters on all taxable property within the county, and **Gross Receipts Tax (GRT) Revenue Bonds**, which are funded from gross receipts taxes collected within the county. The GO bonds are submitted to the voters for approval in November of each even numbered year. Other funding sources for capital improvements include state and federal grants, other intergovernmental grants, and impact fee revenue

The CIP submission and approval process includes the general obligation bond program, composed of projects to be funded through the issuance of general obligation bonds to be approved in the general election year 2008. The size of the CIP program is dependent on the available bonding capacity within the constraints of tax revenue.

A six-year ICIP for the years 2008 through 2013 is composed of projects funded through all available county resources. This program is mandated by the state for all local governments. The ICIP is submitted to the state on an annual basis. All projects in the plan are to conform to adopted master plans, ordinances, policies, and other defined community goals.

Capital Improvement Planning:

Purpose

To improve the quality of life and safety of the individuals within the community, while ensuring full value of tax dollar expenditures.

Vision

To design and construct public facilities in a cost effective, expeditious, coordinated, professional manner that results in a safe quality environment to the end user.

Strategies

- Develop a C.I.P. oversight team with front line responsibilities.
- Establish standard protocols for real-time monitoring of all aspects of programs/projects.
- Eliminate necessity for change orders.
- Decrease average duration of new construction, additions and renovations.
- Ensure programs/projects are completed within budget.
- Develop comparative data to ensure quality in vendors and products.
- Create an historical library of issues and resolutions for future reference.

Advantages of Capital Improvement Planning

Capital improvement planning enables the county to identify and assess community needs on an ongoing basis. Bernalillo County's Capital Improvements Program includes a citizen participation component that provides valuable input about needed county investments. In addition:

1. CIP provides a framework for decisions about area growth and development. Planning for water and sewer lines, transportation, public safety and recreation are critical to those who develop residential, commercial and industrial tracts.
2. CIP enables the County to prioritize public investments. A particular project may seem important until compared to a project list of countywide capital needs.
3. CIP helps preserve existing property values. Well-maintained public roads, storm drains and buildings positively affect property values and may encourage property owners to maintain and upgrade their property.
4. CIP helps distribute public costs equitably over a longer period of time. Financial planning for public infrastructure can avoid the need to impose “crisis” rate and tax increases and enhances opportunities for Federal and State financial assistance. Bond underwriters look favorably on communities that have a strategy for capital investment.
5. CIP can assure funding for needed repair of existing facilities before they fail. Failure is almost always more costly, time-consuming and disruptive than planned repair and/or replacement.
6. CIP promotes efficient government operation. Coordination of Capital Projects can reduce scheduling conflicts among projects and save time and money.
7. CIP is a tool for community involvement. Citizens who participate can become informed about all aspects of County government and help to identify needed public investments.

**General Obligation Bond Program
& Six-year Capital Improvement Program**

The County’s Capital Improvements Program (CIP or ICIP) includes a listing of projects which include priority order, anticipated cost, anticipated revenue sources and projected total project cost of each project. The County Manager submits the ICIP for 2008-2013 to the Board of Commissioners to meet deadlines imposed by the Local Government Division of the State Board of Finance. Within the CIP are 2008 bond projects that will be placed on the General Election Ballot in November.

In August 2008, an Administrative Resolution authorizing the 2008 Capital Improvement Program will be presented to the Commission as part of the CIP process as illustrated on the CIP calendar of events below. The 2008-2013 Capital

Improvements Plan for Bernalillo County is an inventory of existing and proposed capital projects. The County prepares a five-year CIP every two years. It is intended to guide the County’s state and federal funding requests and to develop the General Obligation Bonds presented to voters. The CIP also forms the county’s component of New Mexico’s Infrastructure Improvement Plan. Public input and participation into the program was encouraged and solicited through various methods. Each Commission District hosts a minimum of one neighborhood meeting. In addition, handbooks describing the process were mailed to neighborhood associations and made available Countywide at public libraries, community centers, and on Bernalillo County’s website.

CIP SCHEDULE FOR 2008 – 2013 Six Year Program & 2008 GO Bond Projects	
February	Meetings with Departments Notification /Advertisement of Public Input meeting Handbook sent to Neighborhood Association, Libraries, etc.
April	Neighborhood Meetings in all Commission Districts
May	Deadline for citizen input Citizen input requests sent to Departments and to Commissioners Set CIP schedule for CIP Department presentation to CIP Committee
June	Departments to submit project requests Informational meeting for CIP Committee
July	CIP Presentation to County Managers & Division Directors
August	Presentation of CIP plan to Commission for the 2008 – 2013 Six Year Program and 2008 GO bond projects
September	Submission of ICIP to State
November	General Election for GO Bond Projects