

**TOWN OF EAST LYME, CONNECTICUT**  
**CAPITAL IMPROVEMENT PLAN (CIP)**  
**DRAFT Dated SEPTEMBER 18, 2024**

## Purpose:

In order to effectively plan, manage and protect the Town's capital assets, the Town has developed a capital improvement program. The goals of the program are:

- Effectively manage the Town's assets by investing in basic infrastructure and facility needs
- Prepare a framework to make consistent decisions related to capital improvements aligned with overall Town goals and objectives regarding the physical and economic development of the community, asset management and the provisions of public services.
- Promote financial stability and focus attention on the Town's long-term financial capacity to meet capital needs by ensuring adequate capital investment.
- Effectively communicate the Town's priorities and plans for undertaking capital projects to internal and external stakeholders.
- Coordinates the activities of municipal departments to reduce or avoid duplication

A comprehensive capital program will help ensure the future financial health of the Town and the continued deliver of public services to our stakeholders.

## Scope:

The **Capital Improvement Program** establishes the framework, policies and procedures to develop a **Capital Improvement Plan (CIP)** is a five-year plan that identifies the Town's prioritized investments in capital assets and corresponding financial plans. A **Capital Improvement** (or Capital Project) is a planned activity, with an expenditure over \$25,000 and a useful life of over 5 years, that creates, improves, maintains, replaces, or repairs Town capital assets. Capital improvements are generally not of a recurring nature and not included in the regular operating budget process. They usually involve one of the following actions:

- Acquisition of property, equipment, or assets;
- Construction of new facilities; and/or
- Rehabilitation, reconstruction, renovation or upgrade of an existing asset to a condition which extends its useful life and/or increases its capacity.

The CIP is updated annually and the current year capital improvements, and their proposed funding, is approved as the **Capital Budget**, part of the municipal budget process in accordance with the requirements of Connecticut General Statutes 7-536. This is adopted in conjunctions with the annual operating budget process and is the spending authorization for capital items.

Expenditures that meet this definitions above, but cost less than \$25,000 will be included in the Town's annual operating budget. In addition to the above items, the CIP may include certain recurring expenditures that, due to their nature and anticipated costs, are best appropriated through the CIP such as the periodic revaluation.

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## Committee:

The CIP Committee is a standing committee that will

- Review the department's detailed capital improvement requests for the current year,
- Review the department's projected capital improvement requests for the subsequent 4 years,
- Compile, evaluate and rank project requests to meet the Town's financial constraints, and
- Propose a 5-year CIP, updated annually, and a capital budget for the annual budget process

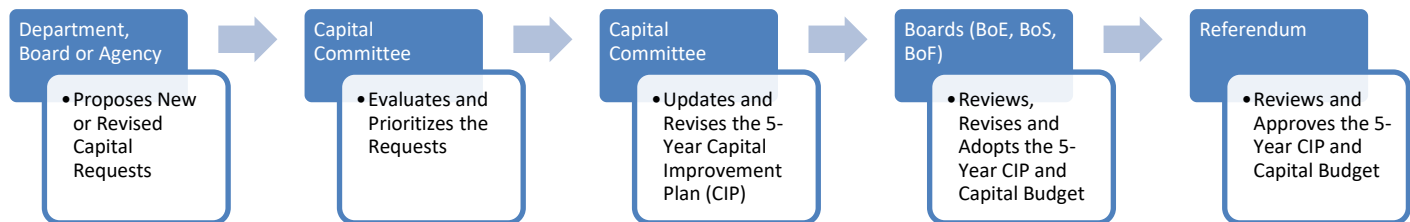
The CIP Review Committee will be made up of the following

- A. Two Members of the Board of Selectman + One member of the public
- B. Two Members of the Board of Finance + One member of the public
- C. Two Members of the Board of Education + One member of the public

The CIP Review committee will have Department heads and other town employees as resources to throughout the process.

The Town Finance Department will be responsible for coordinating the activities of the CIP Review Committee and producing the annual 5-year CIP document in accordance with the CIP Review Committee.

## The Process:



### Identification of Needs -

Annually, each department, board or agency shall submit their capital improvement needs for the next 5-years, and any necessary revisions to previously submitted capital improvements on the plan, to the Capital Committee in accordance with the CIP schedule (below) and in the form/format specified. Capital improvement requests received outside the capital improvement process are highly discouraged, but will be forwarded to the First Selectman for review and possible recommendation for a mid-year amendment to the Capital Improvement Plan subject to the approval process for additional appropriations, as needed.

### Estimated Costs -

Costs shall be estimated for all items requested as part of the CIP.

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- Costs for the current year should be the actual cost estimated. No contingency should be added for the current year cost except for major construction projects (discussed below). An undesignated, shared contingency will be added in the CIP for all current year capital improvements by the CIP Review Committee.
- Costs for items requested in years two through five shall anticipate an escalation rate to be determined by the CIP Review Committee at the beginning of the process.
- Annual operating costs and savings for the capital improvement should be disclosed.
- For major construction projects, those estimated to exceed \$250,000, will generally include the following phases:
  - Evaluation and feasibility phase, as necessary
  - Preliminary design and cost estimating phase
  - Final design and construction phase

Cost estimates for major construction projects should include preliminary design fees, final design fees, architectural fees, construction management fees, construction costs, acquisition costs, contingency, escalation, legal and financing fees, including short term interest, and any other costs applicable to the project. The scope and estimated costs of in kind services shall be identified and presented along with the initial cost estimates for the project.

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**Priorities -**

All capital improvements competing for funding and being submitted for consideration will undergo a scoring process by the committee to assist in prioritizing projects for the limited funding that is available.

**High (Point Range: 7 to 10)**

- Protects health & safety of the Town
- Federal, State, or contractual mandate
- Leverage Federal, State, or other funding sources
- Planned or ongoing project coordination of private or public improvements by others
- Prevents irreparable damage to existing facilities

**Medium (Point Range: 4 to 6)**

- Results in increased efficiency
- Maintains existing service levels
- Preserves or enhances existing facilities
- Reduces operational costs

**Low (Point Range: 1 to 3)**

- Provides an expanded level of service
- Deferrable (non-urgent)

Department heads are to present their top-priority 5-year capital submissions using the categorization system below and an explanation of how the category was determined. The committee will review the categorization across all departments and may make adjustments to equalize the categories throughout all projects. We appreciate the department head's best, unbiased evaluation of the categorization levels to be fair to all potential projects.

<b>Category</b>	<b>Description</b>	<b>Points</b>
1 - Must Do	Projects that cannot be postponed and doing so would result in harmful and potentially detrimental consequences	4
2 - Should Do	Projects that clearly demonstrate a genuine need in the community	3
3 - Could Do	Projects that benefit the community but could be delayed and won't result in an unfavorable impact on basic services	2
4 - Nice-to-Do	Desirable to the community but does not pose a threat to safety or delivering basic services if not funded	1

In addition, department heads submitting multiple projects within a category level are asked to prioritize them to help the committee in case not all projects can be funded.