Capital Improvement Program (CIP) Toolkit

Executive Summary

Local governments across the United States face increasing pressure to maintain infrastructure, address growth, and manage aging public assets—often with limited staffing, constrained revenues, and competing priorities. Through professional experience and research, we identified a consistent gap among small and mid-sized municipalities and counties, particularly those serving populations under 150,000 residents, where capital planning is frequently informal, reactive, and driven by individual requests or short-term urgency rather than a structured, long-range strategy.

In many communities, capital projects are initiated in response to commissioner requests, citizen concerns, or emerging needs without a formal Capital Improvement Program (CIP) policy, standardized evaluation criteria, or consistent integration with financial planning and the annual budget process. This approach can result in uncoordinated project selection, unclear priorities, funding uncertainty, deferred maintenance, and avoidable disruption to operations and public trust.

The Capital Improvement Program (CIP) Toolkit was created to address this gap.

Developed as an ICMA Leadership Capstone Project, the CIP Toolkit provides a practical, scalable framework that helps local governments transition from informal, reactionary capital decision-making to a disciplined, transparent, and repeatable process. While intentionally designed to support municipalities and counties with populations under 150,000, the toolkit is adaptable and applicable to organizations of all sizes and levels of CIP maturity.

The toolkit is organized around a rolling **10-year Capital Improvement Program**, providing a long-term planning horizon that allows local governments to align capital investments with strategic goals, asset lifecycle needs, and long-term financial capacity. It establishes a formal process for identifying, evaluating, prioritizing, funding, implementing, and closing out capital projects with an estimated cost of $50,000 or more, while remaining flexible enough to reflect local governance structures and resource constraints.

Key elements of the CIP Toolkit include:

- A lifecycle-based approach to capital planning, from project concept through closeout
- Standardized templates and readiness checklists to improve consistency, transparency, and project preparedness
- Guidance on integrating capital planning with the operating budget, funding sources, and long-term maintenance impacts
- Best practices drawn from ICMA, GFOA, and practitioner experience
- A model CIP Policy Template that may be adopted by resolution to formally establish governance over the CIP process

By creating a structured yet accessible 10-year capital planning framework, the toolkit helps local governments reduce the chaos of unorganized planning, minimize financial and operational risk,

and make better-informed infrastructure investment decisions. It provides elected officials, staff, and the public with a shared understanding of how capital projects are evaluated and advanced, strengthening accountability, fiscal discipline, and long-term stewardship of public assets.

In developing this toolkit, the project team relied on professional experience, literature review, and stakeholder input. **ChatGPT and Grok were used as assistive tools** to support research synthesis, drafting, and organization of content, with all final judgment, structure, and policy decisions made by the authors.

Ultimately, the CIP Toolkit is intended to help local governments plan proactively rather than reactively—transforming capital planning from an impromptu response to urgency into a strategic, long-term tool for community sustainability and public trust.

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Capital Improvement Program (CIP) Toolkit

Section 1. Introduction & How to Use This Toolkit

Purpose

This Capital Improvement Program (CIP) Toolkit provides a comprehensive, standardized framework for planning, evaluating, funding, delivering, and closing out capital projects. It is designed to ensure transparency, fiscal discipline, project readiness, and accountability throughout the capital lifecycle.

Intended Users

- Department Directors and Project Managers
- Budget and Finance Staff
- Executive Leadership (Manager/Administrator)
- Governing Body (Council/Commission/BOCC)

How the Toolkit Is Used

Projects flow through the toolkit in the following order:

1. Project idea identification
2. Project charter and one-pager development
3. Readiness verification
4. Detailed project worksheet and funding analysis
5. Inclusion in the adopted CIP and budget
6. Project implementation and monitoring
7. Project closeout and lessons learned

Section 2. CIP Governance & Policy Framework

Capital Improvement Plan (CIP) Policy

The Capital Improvement Program (CIP) Policy establishes the formal governance framework for capital planning. A model CIP Policy Template is included as **Appendix F** and may be adopted by the Governing Body by resolution

This policy establishes:

- Definitions of capital projects
- Roles and responsibilities

- Project eligibility requirements
- Funding and debt principles
- Integration with the annual budget

Departments must comply with this policy when proposing or managing capital projects.

Section 3. Capital Planning Best Practices

Guiding Principles

- Align capital investments with long-range plans and strategic goals
- Prioritize maintenance of existing assets
- Use transparent, objective evaluation criteria
- Integrate operating and lifecycle costs
- Engage stakeholders early and consistently

Best Practice Highlights

- Maintain a rolling multi-year CIP
- Link the CIP to a long-term financial forecast
- Use condition-based asset management
- Conduct post-project evaluations and continuous improvement

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Section 4. Project Intake & Scoping

Project Charter Template

The Project Charter defines the project's purpose, scope, stakeholders, risks, schedule, and success criteria. It is required for all proposed capital projects. A template for a Project Charter is included in **Appendix A**.

CIP Project One-Pager

The One-Pager provides a concise, visual summary of the project for executive leadership, the governing body, and the public.

Projects must complete both documents prior to readiness review. A template for a CIP Project One Pager is included in **Appendix B.**

Section 5. Project Readiness & Evaluation

Project Readiness Checklist

Before a project may be considered for inclusion in the CIP, departments must confirm:

- Site control
- Preliminary engineering
- Permitting and environmental review
- Utility coordination
- Cost estimate validation
- Funding source identification
- Community engagement
- Risk assessment

Projects that are not sufficiently ready may be deferred. A template for the Project Readiness Checklist is included in **Appendix C.**

Section 6. Project Request, Costing & Funding

CIP Project Worksheet

The Project Worksheet is the primary technical document used to:

- Evaluate scope and justification
- Validate cost estimates
- Identify and confirm funding sources
- Assess operating and maintenance impacts
- Schedule projects across fiscal years

This worksheet supports project prioritization and budget development. A template for the CIP Project Worksheet is included in **Appendix D.**

Section 7. CIP Adoption, Implementation & Monitoring

Adoption

The recommended CIP is presented to the Governing Body as part of the annual budget process and adopted by resolution.

Implementation

Approved projects are managed in accordance with procurement, contracting, and project management standards.

Monitoring

Departments provide regular updates on:

- Schedule
- Budget
- Scope changes
- Risks and issues

Section 8. Project Closeout & Continuous Improvement

Project Closeout & Lessons Learned

Upon completion, all capital projects must complete a closeout summary documenting:

- Budget and schedule performance
- Change orders
- Contractor performance
- Operational impacts
- Lessons learned

Lessons learned are used to improve future project planning and delivery. A template for Project Closeout and Lessons Learned is included in **Appendix E**.

Appendices

Appendix A: Project Charter Template

Appendix B: CIP Project One-Pager Template

Appendix C: Project Readiness Checklist

Appendix D: CIP Project Worksheet

Appendix E: Project Closeout & Lessons Learned Summary Sheet

Appendix F: Capital Improvement Program (CIP) Policy Template

Appendix A

Example Project Charter Template

Project Overview

Example: This project involves the construction and improvement of a roadway segment to enhance safety, mobility, and long-term transportation capacity within the community.

Purpose & Objectives

Example: The purpose of this project is to improve traffic operations, reduce congestion, and increase roadway safety while supporting planned growth and economic development.

Scope (In/Out)

Example: In scope includes roadway reconstruction, drainage improvements, sidewalks, signage, and pavement markings. Out of scope includes utility relocations beyond the project limits and ongoing roadway maintenance after completion.

Key Stakeholders

Example: Key stakeholders include the local government, residents, businesses along the corridor, emergency services, utility providers, and construction contractors.

Deliverables

Example: Project deliverables include completed roadway construction, updated traffic control devices, final as-built plans, and inspection and compliance documentation.

Major Milestones

Example: Major milestones include design completion, permitting approval, bid advertisement, construction start, substantial completion, and final acceptance.

Budget Summary

Example: The total project budget includes design, permitting, construction, inspection, and contingency costs, funded through a combination of capital improvement funds and external grants.

Risks & Constraints

Example: Potential risks include weather delays, material cost fluctuations, utility conflicts, and traffic impacts during construction. Constraints include funding availability and regulatory requirements.

Success Criteria

Example: The project will be considered successful if construction is completed on schedule and within budget, safety is improved, and stakeholder impacts are minimized.

Appendix B

Example CIP Project One-Pager Template

Project Title

[Insert project title]
Road Name Expansion

Summary

[Brief overview and example picture of the project]

Expansion of County Road

Cost & Schedule

Total Cost: $2 million
Timeline: $ 1 Year

Location / Map

[Insert image/map]

Benefits

[List key community benefits]
Improved safety through better road design, lighting, signage, and drainage

Reduced congestion by increasing capacity and improving traffic flow

Shorter travel times for commuters, emergency services, and freight

Economic growth by improving access to businesses, jobs, and development sites

Lower vehicle operating costs due to smoother surfaces and fewer delays

Enhanced connectivity between neighborhoods, schools, hospitals, and commercial areas

Support for future growth by accommodating population and land-use changes

Improved resilience with upgraded materials and designs that better withstand weather events

Environmental benefits from reduced idling and more efficient traffic movement

Increased property values in areas with improved access and infrastructure

Appendix C

Example Project Readiness Checklist

☐ Site control secured

Example: All required property rights, easements, and right-of-way necessary to construct the project have been secured or identified for acquisition.

☐ Preliminary engineering complete

Example: Preliminary engineering and conceptual design have been completed to define project limits, alignment, and major design elements.

☐ Permitting requirements identified

Example: All applicable local, state, and federal permits have been identified, along with anticipated approval timelines.

☐ Environmental review completed

Example: Required environmental reviews have been completed, and no significant impacts have been identified that would delay the project.

☐ Utility impacts assessed

Example: Existing utilities have been reviewed, and potential conflicts or required relocations have been identified and coordinated.

☐ Cost estimate validated

Example: The project cost estimate has been prepared using current pricing and validated through engineering review.

☐ Funding sources identified

Example: Funding sources have been identified and aligned with project phases, including local funds, grants, or other financing mechanisms.

☐ Community engagement completed

Example: Public outreach has been conducted to inform stakeholders and address concerns related to the project.

☐ Risk assessment completed

Example: Project risks have been evaluated, and mitigation strategies have been identified to minimize schedule, cost, and construction impacts.

Appendix D

Capital Improvement Plan (CIP) Project Worksheet

I. Project Overview

Project Title	Jensen Beach Road Bridge Replacement
Department/Division	Public Works / Engineering
Prepared By	John Smith, Capital Projects Manager
Date Submitted	06/15/2025
Fiscal Year of Request	FY 2026
Location/Address	Jensen Beach Rd over South Fork River
Map ID/Parcel Number	Map ID: 012-345-6789

II. Project Description

Project Type	☑ Replacement ☐ New ☐ Expansion ☐ Rehab ☐ Land Acquisition

Project Description	Replacement of a structurally deficient bridge on Jensen Beach Road to meet current safety and design standards.
Justification	The existing bridge has been rated structurally deficient by FDOT. It poses safety risks and is not compliant with current load standards.
Consequences of Delay	Delaying this project may result in bridge closure, rerouting traffic, and increased safety risks.

III. Financial Summary

Total Estimated Cost	$5,200,000
Design/Engineering	$400,000
Land Acquisition	$0
Construction	$4,500,000
Equipment/Furnishings	$0
Contingency	$300,000
Other (specify)	$0

IV. Funding Sources

Source	Amount	Confirmed (Y/N)
Ad Valorem (General Fund)	$1,000,000	Y
MSTU (specify)	$0	N/A
Impact Fees	$500,000	Y
Enterprise Fund	$0	N/A
Grant (specify)	$2,700,000 (FDOT)	Y
Developer Contribution	$0	N
Bond Proceeds	$1,000,000	N
Other (specify)	$0	N/A
Total Funding	$5,200,000	Partial

V. Schedule

Phase	Start Date	End Date
Design/Planning	11/01/2025	04/30/2026

Land Acquisition	N/A	N/A
Bidding/Procurement	05/01/2026	07/01/2026
Construction	08/01/2026	10/31/2027
Project Completion	11/15/2027	11/15/2027

VI. Operating Impact

Annual Operating Cost (est.)	$15,000
Staffing Requirements	No additional staff required
Maintenance/Utilities	Routine bridge maintenance covered by Public Works
Funding Source for Operating Costs	General Fund – Transportation

VII. Strategic Alignment

Supports Comprehensive Plan?	Yes – Consistent with MCCGMP Policy 6.1.C
Required by Law or Regulation?	Yes – FHWA and FDOT bridge safety compliance

Meets Growth/Service Need?	Yes – Maintains connectivity and emergency vehicle access
Backed by Study or Master Plan?	Yes – 2024 Countywide Transportation Infrastructure Study

VIII. Attachments (Check all that apply)

☑ Location Map

☑ Conceptual Plans

☑ Cost Estimate Sheet

☑ Funding Commitment Letters

☐ Public Input Summary

Appendix E

Project Closeout & Lessons Learned Summary Sheet

Project Summary – A brief description of the project scope, objectives, and key outcomes.

Example: "Replaced 3 miles of water main to improve system reliability and reduce leaks."

Budget: Planned vs. Actual – Compare the original budget with what was actually spent; note variances.

Example: Planned: $1,000,000 | Actual: $1,050,000 (+$50,000 due to unexpected material costs).

Schedule: Planned vs. Actual – Compare the original timeline with actual completion dates; note delays or accelerations.

Change Orders – List approved changes to the original contract that affected cost, schedule, or scope.

Example: "Added $20,000 for additional stormwater drainage work requested by city."

Contractor Evaluation – Assess the contractor's performance in quality, timeliness, communication, and safety.

Example: "Contractor completed work on time, maintained strong safety standards, minor communication issues."

Operational Impacts – Document any effects on ongoing operations, including disruptions or improvements.

Example: “Water service interruptions lasted 4 hours per neighborhood; post-project maintenance reduced downtime by 30%.”

Lessons Learned – Capture insights or recommendations to improve future projects.

Example: “Early coordination with utilities reduced delays; consider longer lead time for specialized materials.”

Appendix F

🏛️ Capital Improvement Plan (CIP) Policy Template

1. Purpose

The purpose of this policy is to establish a formal, structured, and consistent process for the development, approval, and implementation of a multi-year Capital Improvement Plan (CIP) for **[City/County Name]**. The CIP serves as a roadmap to plan, prioritize, and fund infrastructure and capital asset investments that support community goals, safety, and quality of life.

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2. Definition of a Capital Improvement

For the purposes of this policy, a **capital improvement project** is defined as a project that meets **all** the following criteria:

- Has a useful life of **5 years or more**,
- Has an estimated total cost of **$50,000 or more**, and
- Involves one or more of the following:
    - Construction, expansion, renovation, or replacement of public buildings, facilities, or infrastructure
    - Major equipment purchases (e.g., vehicles, IT systems)
    - Land or property acquisition
    - Major upgrades that extend the useful life or capacity of existing assets

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3. Policy Objectives

This policy aims to:

- Support long-range planning and strategic decision-making
- Maintain and improve public assets responsibly and equitably
- Align capital spending with fiscal sustainability and comprehensive planning goals
- Provide transparency and consistency in evaluating capital investments

- Integrate lifecycle costs and operational impacts into project decisions

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4. Applicability

This policy applies to all departments, offices, and agencies of **[City/County Name]** that propose, fund, or manage capital projects. The Capital Improvement Plan shall guide the inclusion of projects in the annual operating and capital budgets.

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5. CIP Development Process

[City/County Name] shall maintain a **rolling 10-year Capital Improvement Plan**, updated annually as part of the budget process.

CIP Process Phases:

1. **Policy Review & Department Training**
2. **Project Solicitation & Submission**
3. **Project Evaluation & Prioritization**
4. **Financial Analysis & Funding Alignment**
5. **Public Review & Legislative Adoption**
6. **Implementation & Monitoring**

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6. Project Submission Requirements

Departments must complete a standardized Capital Project Request Form that includes:

- Project title, location, and description
- Justification and alignment with strategic plans
- Estimated cost and schedule
- Funding sources
- Operating and maintenance (O&M) impacts
- Risk of deferral or failure

Submissions must be made by the date specified in the **[City/County's]** annual budget calendar.

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7. Evaluation & Prioritization Criteria

All proposed projects will be reviewed and prioritized using a transparent and consistent set of evaluation criteria, such as:

- Urgency (e.g., legal/regulatory mandate, public safety)
- Asset condition (e.g., deferred maintenance, risk of failure)
- Impact on operations or service delivery
- Alignment with comprehensive and strategic plans
- Economic development or community benefit
- Environmental sustainability or resilience

A weighted scoring rubric may be used to support project ranking and decision-making.

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8. Capital Financing Principles

Projects shall be funded using a combination of:

- **Pay-as-you-go (PAYGO)** from operating revenues, reserves, or fund balance
- **Debt financing**, where appropriate, for long-lived assets
- **Grants** or external funding
- **Impact fees, developer contributions**, or other revenue mechanisms

The Finance Department shall conduct a debt affordability analysis annually to ensure sustainable financing.

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9. Operating Budget Integration

All project proposals must include:

- Estimated annual operating and maintenance (O&M) costs or savings
- Staffing impacts
- Equipment or supplies required for ongoing use

These costs shall be incorporated into the long-term operating forecast.

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10. CIP Document & Adoption

The CIP document will include:

- An executive summary
- A prioritized project list by fiscal year
- Detailed project descriptions and maps
- Funding source breakdowns
- Tables and graphics to aid public understanding

The CIP will be presented to the **[Governing Body]** and adopted by resolution as part of the annual budget or capital appropriations process.

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11. Public Transparency & Engagement

The CIP process will include opportunities for public input through:

- Public meetings or workshops
- Online publication of the draft and adopted CIP
- Citizen advisory committee participation (optional)

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12. Emergency and Mid-Year Amendments

Projects not included in the adopted CIP may only be added under the following conditions:

- Declared emergency
- Time-sensitive grant opportunities
- Amendments approved by the **[Governing Body]**

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13. Roles & Responsibilities

Entity	Responsibility
Departments	Submit project requests, cost estimates, and O&M impacts
Budget Office	Evaluate funding availability and debt capacity, Coordinate CIP schedule, compile requests, draft CIP
City/County Manager or Administrator Review	Review requests with Budget and requesting Departments

Entity	Responsibility
City/County Manager or Administrator	Recommend final CIP to governing body
City/County Council/Commission	Review and approve CIP annually

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14. Policy Review

This policy shall be reviewed at least every **5 years** or upon adoption of a major strategic plan or financial policy update.

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15. Effective Date

This policy shall take effect on **[Insert Date]** and remain in effect until amended or replaced by the **[City/County's Governing Body]**.
