

Proposed Budget Process Changes for the Capital Improvement Program

The following document provides additional details regarding the proposed changes to the Capital Improvement Program process.

These changes stem from stakeholder input received during last year's (FY16) review process and a special meeting held on May 11, 2015 to specifically address CIP improvement ideas. The meeting attendees were Lori Allshouse, Dean Tistadt, Rosalyn Schmitt, Joe Letteri, Trevor Henry, Lindsay Harris, Wayne Cilimberg, India Adams, Bernadette Palmeri and Bill Letteri.

Over the course of several other meetings, the recommendations were reviewed by the CIP process owners - Lori Allshouse, Lindsay Harris and Trevor Henry - for further development. The opportunities for improvement identified will uphold the excellence of the County's CIP process and the integrity of the programming and planning. Benefits that will be achieved by the process changes include: time savings for submitting agencies and reviewers; increased time for analysis/reporting; and improved opportunity for addressing the County's responsiveness to highest priorities. The summary below outlines the recommendations for improvements to this year's CIP cycle.

Process Improvement Recommendations

Generally speaking, the Review Committee identified three areas that hold great potential for improving the CIP process: 1) abbreviating request forms and processes; 2) returning to a biennial budget cycle; and 3) eliminating process redundancy by reducing the number of meetings which will prevent the duplication of work in the areas of materials and time (preparation and meeting attendance for officials, staff, and public), and will efficiently provide pertinent information for the same inquiries to multiple stakeholders. The most significant recommended change is to distribute the Oversight Committee (OC) recommendation via a report in lieu of a set of work sessions traditionally held after the OC meetings. This will achieve the same outcome (distribution of information and opportunity for feedback/direction) without an extra meeting and is discussed in more detail in item 3 below. The formal budget work session and detailed review of the CIP budget recommendation would remain after the County Executive recommends the new budget.

1. Abbreviated Request Forms & Process:

- Simplify the Request Forms for projects requesting funding beginning in or after Year 6 (Capital Needs Assessment (CNA) projects) for high level evaluation of project scope, need, and cost.
- Streamline the process for resubmitting projects requesting funding in Years 1-5 (Capital Improvement Plan (CIP) projects). Resubmitted projects will only require an update of the information previously provided as to project cost, scope or timing changes.

In an effort to reduce the amount of manual work required to create new forms each year, Staff continues to evaluate the implementation of an abbreviated request form for all projects regardless of the year and potential new software systems for managing the CIP process.

2. Biennial budgeting: Staff recommends returning to a formal two-year cycle with a full ten-year program development in Year 1 and Amendments/Emergencies allowed only in Year 2.

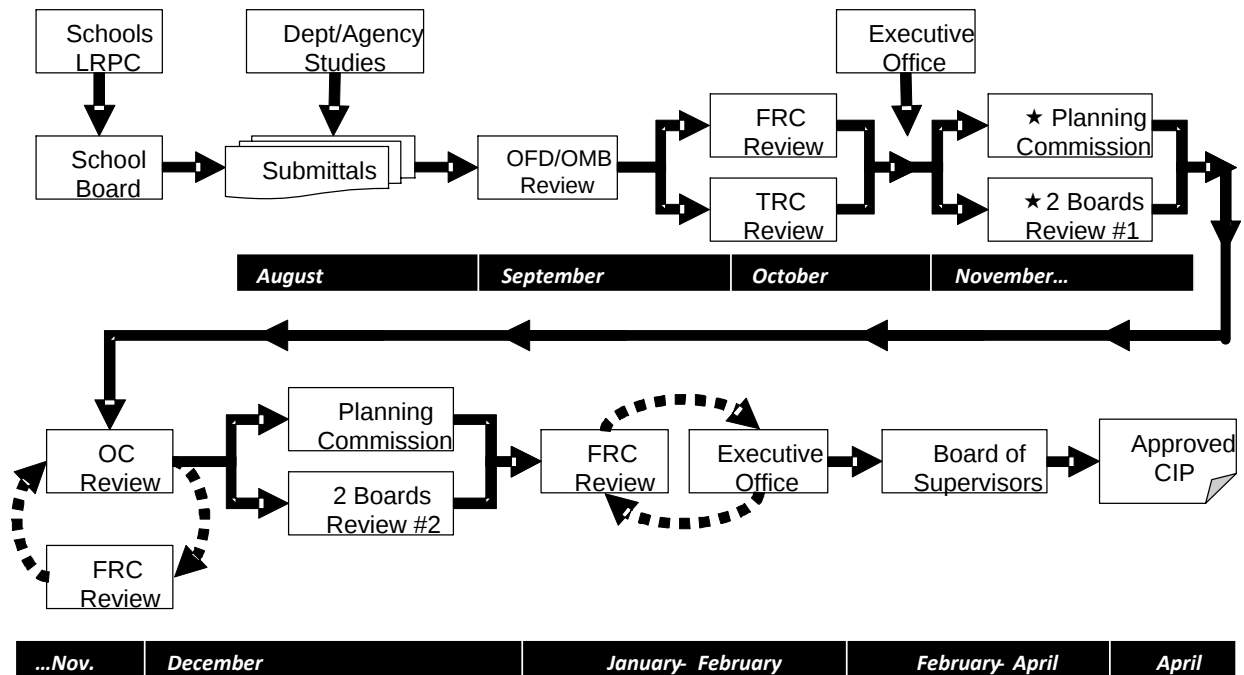
- Year One - Development Year: During year one of the two-year CIP cycle, all project requests are eligible to be submitted. The Technical Review Committee (TRC) will rank CIP requests falling within the first five years; CNA requests do not fall within the first five years and therefore will not be ranked by the TRC but listed in order to understand the volume of work and timing of projects in the "out-years."
- Year Two – the Second year of the two year cycle or Amendment/Emergency Year: During this year, no new project requests are eligible to be submitted with the following described exceptions. Changes to the adopted projects and the submission of new requests may only be considered in the event that there is a demonstrated emergency or critical need. TRC will not rank any projects except for the Amendment/Emergency requests and any CNA requests (previously unranked) moving into Year 5.

3. **Eliminate Process Redundancy and number of meetings:** Staff recommends reducing the number of hours for formal meetings of the TRC, the Oversight Committee (OC), and the elected/appointed Boards. Staff believes this reduction can occur with a re-emphasis on the documented roles and responsibilities of the TRC, Financial Review Committee (FRC) and OC. The benefits resulting from this change include: (a) a truncated overall process timeline including shortening the time between request due dates; (b) an improvement of the timing of the CIP plan development to be in better coordination with the County revenue updates; (c) an allowance for requestors and reviewers to complete work on projects crossing multiple fiscal years prior to commencing planning for the next FY.
- Reduce the number of hours TRC is meeting: Assuming the biennial CIP budgeting is implemented along with the abbreviated request forms, the TRC can reduce the current number of meetings from an average of 7 times per CIP cycle to an average of 4 meetings in Year 1 (Development Year) and 2 meetings in Year 2 (Amendment/Emergency Year). TRC members will continue to review and rank the submitted projects outside of meeting times.
 - Reduce the observed overlap and redundancy between the OC, the FRC and the multiple Board/Planning Commission (PC) work sessions: This year the process will place an emphasis on the documented roles and responsibilities of the TRC, FRC and OC. This should reduce the number of OC meetings from an average of 3 meetings to 1 meeting (2 if needed) and reduce the CIP work sessions from 4 to 2 (one work session for the Planning Commission and one joint meeting of the Board of Supervisor (BOS) and the School Board). The documented roles and responsibilities of the committees are as follows:
 - FRC: primarily responsible for reviewing and recommending a CIP plan that adheres to the County's Financial Policies. FRC will also provide a report regarding CIP financial policy adherence to the OC and County Executive Office.
 - TRC: primarily responsible for confirming project requests are appropriately classified then objectively review and rank the projects in accordance with the Board approved ranking criteria. Main deliverable is a listing of ranked projects by type. Works with FRC to develop an initial CIP budget/model as a deliverable to the OC.
 - OC: primarily focuses on validating the TRC process and rankings. Determines to fund or not fund the projects based on the rankings and available revenues. After completion of the OC phase, the OC recommendation will be distributed by way of a report to the County Executive's Office (CEO), the BOS, the School Board, and the Planning Commission in lieu of another work session.

CIP Work Sessions: Staff recommends maintaining one set of work sessions being held prior to the OC meetings with a continued focus of the detailed review of the projects. One set of work sessions includes one work session held jointly for the BOS and School Board and one work session held for the Planning Commission. These sessions provide an opportunity for all the elected officials to deliver input/direction on priorities directly to Staff, the OC committee members representing the respective boards and commissions, and the CEO.

CIP Development Flowchart (As-Is)

CIP- Capital Improvement Plan (Five Year Period)
 FRC- Financial Review Committee
 LRPC- Long Range Planning Committee
 OC- Oversight Committee
 OFD- Office of Facilities Development
 OMB- Office of Management & Budget
 TRC- Technical Review Committee
 ★ New for the Development of the FY 16 CIP



CIP Development Flowchart (Recommended)

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