

Creating and Managing a Capital Improvement Plan

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I. Introduction

North Carolina local governments face mounting pressures to maintain and expand critical infrastructure—from repairing aging roads and bridges to upgrading water systems for climate resilience—while navigating fiscal constraints, economic volatility, and state oversight. These challenges have only intensified in recent years, as more frequent hurricanes, supply chain disruptions, and inflationary pressures underscore the need for proactive, long-term planning. Amid these demands, the capital improvements plan (CIP) emerges as an important tool, offering a structured roadmap to identify, prioritize, and fund projects that deliver lasting benefits to our communities. This bulletin explores how North Carolina counties and municipalities can leverage CIPs to foster fiscal sustainability and support resilient growth using best practices identified in the literature, by professional organizations, and in examples of CIPs from around the state and nation.

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Historically, many local governments have treated capital investments as flexible line items, often deferring them during downturns to balance operating budgets—a strategy that provides short-term relief but risks compounding long-term costs through delayed maintenance and missed economic opportunities.¹ As seen in analyses of past recessions, such as the Great Recession, reductions in capital spending can exacerbate infrastructure deficits, stifle job creation, and hinder recovery efforts. In North Carolina, where local governments enjoy high levels of professionalism and typically follow best practices, adoption of formal CIPs remains uneven, yet promising examples abound. For instance, the Town of Wake Forest employs a five-year CIP to align road and park investments with community needs. Wake Forest’s road connections project serves two of their strategic goals: (1) “Fostering a Safe, Diverse, and Welcoming Community” and (2) “Investing in Transportation and Infrastructure.”² CIPs can be used to not only help navigate immediate fiscal stress but also to build public trust and enhance borrowing capacity by demonstrating disciplined planning. See Appendix A for an example of a transportation project page as outlined in Wake Forest’s comprehensive CIP.

This bulletin will equip North Carolina budget practitioners with practical, actionable guidance on creating and managing a CIP. Grounded in best practices from the Government Finance Officers Association (GFOA) and academic resources, it demystifies the CIP process, emphasizing strategies to avoid common pitfalls such as ad hoc project approvals or overreliance on debt. Targeted at city and county managers, budget and finance directors, budget analysts, and elected officials, the bulletin focuses on multiyear planning horizons to balance limited resources with pressing community priorities, with particular attention to robust project prioritization. By adopting a CIP, local leaders can transform reactive budgeting into strategic foresight.

II. Defining the Capital Improvement Plan (CIP)

At its heart, a CIP is a future-facing strategic document that maps out a multiyear—typically five to seven years—agenda for investing in the physical assets that keep communities running smoothly. Think of it as a blueprint for projects such as building new roads, upgrading wastewater treatment plants, or replacing aging fire trucks—initiatives that deliver benefits for years or even decades beyond the current budget cycle. Unlike the annual operating budget, which covers everyday expenses such as salaries and utilities funded by that year’s revenues to meet balanced-budget requirements, a CIP targets those bigger, one-off investments with lasting impact. These are often financed through longer-term mechanisms such as issuing bonds, tapping into reserves, or securing grants, allowing local governments to spread costs over time without straining immediate cash flow.

1. William C. Rivenbark, Whitney Afonso, and Dale J. Roenigk, “Capital Spending in Local Government: Providing Context Through the Lens of Government-Wide Financial Statements,” *Journal of Public Budgeting, Accounting & Financial Management* 30, no. 4 (2018): 402–14; Whitney Afonso, “Planning for the Unknown: Local Government Strategies from the Fiscal Year 2021 Budget Season in Response to the COVID-19 Pandemic,” *State and Local Government Review* 53, no. 2 (2021): 159–71; Whitney Afonso, “Local Government Capital Spending During and After Recessions: A Cause for Concern?,” *International Journal of Public Administration* 37, no. 8 (2014): 494–505.

2. [Capital Improvements Plan Update 2025-2030](https://www.wakeforestnc.gov/sites/default/files/uploads/departments/finance/CIP/cip_fy_25-30_final_draft.pdf) (Town of Wake Forest, NC, 2024): T-12, https://www.wakeforestnc.gov/sites/default/files/uploads/departments/finance/CIP/cip_fy_25-30_final_draft.pdf.

CIPs in Two Smaller Jurisdictions

The capital improvement budget policy for Moore County, North Carolina, is based on a simple but clear framework and is a practical and accessible model for smaller local governments seeking to create similar policies. (The county's capital improvement budget policy is reproduced in Appendix B.) The CIP policies and procedures of King George County, Virginia, another small jurisdiction, are informed by and rooted in Virginia law.^a The county notes that "[t]o be included in the County's Capital Improvement Plan, items must be in alignment with the County's strategic plan, have a unit cost greater than \$50,000 and a life span of more than five years."^b The county's policy also provides that the CIP will span a five-year period and be revised annually, and it prescribes the process for the preparation and adoption of the CIP. By utilizing similar frameworks, localities seeking to begin or formalize their CIPs can avoid potential pitfalls—like deferred maintenance during tight budget times—and create actionable and comprehensive plans for future projects and related expenditures.

^a "Capital Improvements Plan (CIP) Policy & Procedures," King George County, VA, accessed November 24, 2025, <https://www.kinggeorgecountyva.gov/2394/Capital-Improvements-Plan-CIP-Policy-Pro>.

^b Ibid.

A CIP is characterized by its holistic approach: it not only identifies needs but also sequences the work, estimates costs, and lines up funding in a way that's realistic and transparent. The CIP process usually kicks off with department submission of detailed project proposals, complete with justifications and rough cost breakdowns. Next, a review committee—typically interdepartmental—ranks the projects based on need and feasibility and produces a prioritized schedule, which is then approved by the governing board. The first year of this schedule is included in the operating budget as the "capital budget," with the goal of seamless execution; the remainder of the CIP guides financing in future years.

Key elements of a well-crafted CIP include:

- **Prioritized project descriptions:** A clear list of proposed work, ranked by urgency and alignment with community goals, including everything from new construction to essential repairs.
- **Year-by-year schedules and cost estimates:** Timelines that break down when projects will start and finish, paired with phased funding projections to avoid overwhelming any single year's budget.
- **Financing sources:** Specific strategies for paying the bills, such as general obligation bonds for voter-approved infrastructure, pay-as-you-go financing from fund balances for more urgent needs, or federal grants like those from the Community Development Block Grant Program.
- **Integration with the operating and capital budgets:** Ensures the CIP isn't just a wish list but an actionable extension of annual planning, with built-in checks for operating impacts such as future maintenance costs.

In North Carolina, CIPs must navigate state-specific rules to stay compliant and effective. Under Chapter 159 of the General Statutes, which governs local government finance and debt, localities can fund capital outlays through bonds or reserves. They must, however, adhere to debt limits tied to property values, submit to voter approvals for certain issuances, and receive approval for debt issuance from the Local Government Commission.

III. Advantages of Implementing a Capital Improvement Plan (CIP)

In an era of tightening budgets and escalating infrastructure demands, a well-executed CIP enables local governments to extend limited resources while delivering tangible, enduring value to residents. Far from being just another bureaucratic exercise, a CIP acts as a steady compass, promoting policies that prevent costly surprises down the road and position communities for sustainable growth. By shifting from reactive fixes to proactive planning, localities can avoid the pitfalls of on-the-fly projects and instead build a foundation that supports a plethora of enduring community assets, from safer streets to more reliable utilities. Drawing on proven practices, a well-planned and -executed CIP provides clear and compelling advantages and will ultimately help budget practitioners navigate fiscal pressures with confidence.

The benefits of adopting a CIP extend across operational, financial, and community dimensions, as outlined below.

- **Orderly and comprehensive asset management.** Without a coordinated CIP, capital projects can sprout up haphazardly, leading to duplicated efforts, wasted funds, and missed opportunities for smart replacements. A CIP streamlines the capital procurement process by evaluating all requests together, factoring in available financing and realistic timelines. This disciplined approach ensures that assets such as vehicles, buildings, and sewer lines are replaced systematically, thus minimizing disruptions and extending useful lifespans. Rotating tires on a fleet to avoid breakdowns is a typical example of this strategy.
- **Continuity through leadership transitions.** Staff and elected-official turnover is a fact of local government life, but a CIP provides a stable framework intended to outlast any single administration. By “locking in” multiyear priorities, a CIP keeps essential projects on track, shielding them from the whims of new commissions or the instability of economic shifts. This continuity is invaluable for maintaining momentum on long-lead initiatives, such as water system expansions. Of course, CIPs are flexible and can be adapted in the face of changes in priorities, fiscal realities, community needs, and funding options—even when adopted as an ordinance.³
- **Enhanced long-range fiscal planning.** Many localities grapple with the temptation to address current-year deficits by deferring maintenance, only to face ballooning repair bills later. A CIP shines a light on accumulating needs, helping to forecast imbalances and build reserves proactively. It encourages strategies such as dedicated funding streams, ensuring that capital demands don’t overwhelm operating budgets and damage overall fiscal health. Such strategies are critical for financial stability and resilience.⁴
- **Improved project timing and coordination.** Undertaking large projects without fully vetting them can lead to costly and intractable problems. If a county were to construct a new school without considering future population growth, for example, that school may require almost immediate renovation and expansion. To avoid redundancies and capture efficiencies, a CIP promotes thoughtful sequencing and coordination of efforts

3. For information about adopting or amending a local ordinance, see Benjamin Hitchings and Adam Lovelady, [Chapter 160D: Amending an Ordinance](https://www.sog.unc.edu/sites/www.sog.unc.edu/files/0_Principles%20for%20Ordinance%20Drafting-Draft_6-24-20.pdf) (UNC School of Government, June 2020), https://www.sog.unc.edu/sites/www.sog.unc.edu/files/0_Principles%20for%20Ordinance%20Drafting-Draft_6-24-20.pdf.

4. For more information on the relationship between capital investment and financial resilience, see Rivenbark et al., “Capital Spending in Local Government.”

across departments. Timing roadwork with utility upgrades, as another example, can slash costs and disruptions, turning potential headaches into opportunities and savings. Project vetting and coordination provides another advantage. Federal funding opportunities are typically more appropriate for shovel-ready projects. Communities that do not have a CIP may struggle to take advantage of those funds or move forward with projects that have not been vetted or are not strategic priorities. A CIP ensures local governments can undertake previously selected projects and use federal funds effectively and efficiently when they become available.

- **Upgraded bond ratings and reduced borrowing costs.** Bond-rating agencies reward governments that demonstrate foresight, and a robust CIP signals exactly that: a commitment to transparent, multiyear financing. In North Carolina, where debt issuance is governed by strict statutes, this foresight and transparency can translate to lower interest rates and increased access to capital markets. Localities with strong CIPs often see improved credit ratings, saving taxpayer dollars on everything from school bonds to stormwater projects.
- **Enhanced public relations and engagement.** Transparency builds trust, and a CIP opens the door for meaningful public input through hearings and outreach. This not only garners support for funding measures—like bond referenda—but also positions local government as a responsible steward of resources. Civic groups and the media appreciate the clear, organized presentation of projects. A comprehensive and coherent CIP can defuse opposition early and highlight how investments align with resident priorities such as equitable access to parks or resilient flood controls. Little else shapes the future of a community as much as infrastructure and capital investment. Getting buy-in and input from residents is critical.
- **Economic growth and resilience.** A well-executed and thoughtful CIP provides advantages beyond the accounting ledger. It can fuel job creation and bolster the local economy by promoting investment in infrastructure that attracts business and withstands challenges such as natural disasters or population surges. In North Carolina's diverse landscapes—from coastal counties to growing urban areas to the mountains and everything in between—a CIP can prioritize resilience-focused projects, leveraging state grants and fostering partnerships that amplify impact without overextending budgets.⁵

5. Adapted from Sabrina Wiley Cape, Richard W. Campbell, Paul E. Glick, and Patti Lee, "[Capital Improvements Planning](https://www.accg.org/docs/handbook/Capital%20Improvements%20Planning.pdf)," in *2010 Handbook for Georgia County Commissioners* (ACCG, 2010), 446–47, <https://www.accg.org/docs/handbook/Capital%20Improvements%20Planning.pdf>.

Capital Improvement Planning in Concord, North Carolina

The benefits of a CIP aren't theoretical; they're playing out in North Carolina today. The current CIP for the City of Concord, North Carolina, provides an excellent example of the synthesis of long-term planning, community engagement, and economic insight. Concord's CIP document includes the city council's strategic plan, the different mechanisms available to fund infrastructure projects, project details, an overview of how to read and understand project summaries, and even a glossary.^a It also includes an accessible memorandum, reproduced in Appendix C, that synthesizes this complex plan.

^a [CIP: 2023–2027 Capital Improvement Plan](https://concordnc.gov/Portals/0/Concord/Departments/Finance/Documents/Financial%20Archive/FY%202023-2027%20Capital%20Improvement%20Plan.pdf) (City of Concord, NC, 2022), <https://concordnc.gov/Portals/0/Concord/Departments/Finance/Documents/Financial%20Archive/FY%202023-2027%20Capital%20Improvement%20Plan.pdf>.

IV. The Capital Improvement Plan (CIP) Implementation Process

Turning a CIP from concept into reality doesn't require reinventing the wheel—it's more like following a well-marked trail, with each step building on the last to create a plan that's both ambitious and achievable. By breaking the CIP down into clear phases, budget practitioners can keep momentum high, involve the right voices, and deliver a document that truly serves the community. Here's how to roll it out, step by step.

Step 1: Prepare a CIP calendar. Map out a timeline in a simple, shareable format—perhaps a one-page grid of key dates—from initial plan submissions to final project approval. This timeline will keep everyone on track and prevent last-minute scrambling. Approve it early at a board meeting, assigning owners to each task and highlighting predictable rhythms that sync with state and federal funding windows.

Step 2: Assign staff to coordinate the CIP. Designate a neutral lead—perhaps the budget or finance director in larger jurisdictions or the city or county manager in smaller ones—to steer the ship but not steer decisions. The lead role is logistical: circulating guidelines, soliciting plan submissions, and ensuring a fair process. This central point person frees up elected officials to focus on priorities. In Orange County, North Carolina, for example, the CIP is managed by the county manager's office.

Step 3: Inventory current assets. Inventorying current assets is a foundational step that involves creating a comprehensive, up-to-date list of all existing public infrastructure and facilities owned by the jurisdiction, such as roads, bridges, buildings, parks, water and sewer systems, vehicles, and equipment. This inventory documents each asset's location, age, original cost, current physical condition, expected remaining useful life, historical maintenance records, and replacement value. Performing this inventory establishes an accurate baseline of what the government currently owns and operates. It identifies assets that are deteriorating or nearing the end of their service lives, highlights immediate safety or compliance risks, and provides essential data for subsequent CIP phases, including condition assessments, prioritization, and long-term financial forecasting of capital needs and funding requirements.

Step 4: Develop data-gathering forms. Create user-friendly templates that capture the essentials: project overviews, phased costs, operating ripple effects, and background information such as quotes or maps. As much as possible, use digital formats to reduce lost paperwork and promote timely reviews. This part of the process isn't a meaningless bureaucratic exercise; the completed forms are the foundation for defensible choices, justifying requests and ensuring that needed information is available for next steps.

Data-Gathering Forms for CIP Preparation

A data-gathering form for a project should include the following:

- Title
- Description
- Location
- Purpose

It may include the following:

- Justification of the need for the project, including relevant data
- An explanation of the relationship between the project and other existing projects
- A budget detailing project costs
- Estimated annual income from the project, if applicable
- Estimated annual operating costs of the project
- Status of plans and specifications
- Year the project should begin
- The submitting department's internal ranking of the project^a

^a Adapted from Kurt H. Schindler, "[Prioritizing Capital Investments; Capital Improvement Program: Part 2](https://www.canr.msu.edu/news/prioritizing_capital_investments_capital_improvement_program_part_2)," Michigan State University Extension Planning (March 21, 2014), https://www.canr.msu.edu/news/prioritizing_capital_investments_capital_improvement_program_part_2.

Step 5: Solicit project requests and proposals. Begin the process with a kickoff meeting or memo to departments, including the calendar, forms, and ground rules. Set high but realistic expectations—remind teams that not every idea makes the cut, but all get a fair hearing. Communities with established processes might provide a quick refresher for new hires; other localities could conduct town halls to generate ideas, fostering the buy-in that turns staff skeptics into advocates.

Step 6: Review, analyze, and prioritize projects. Gather the review committee to sift through submissions, scoring them against policy criteria (as detailed in Section VII) and fiscal realities. Adjust as needed—maybe prioritize a bridge repair for safety reasons or trim a wish list item for budget accommodation. This is where the magic happens: transforming a collection of proposals into a lean, impactful lineup that balances urgency with opportunity and sustains existing infrastructure while shaping the community's future. In this step proposals are evaluated and prioritized and a funding plan is developed.

CIP Ranking Process in Sandpoint, Idaho

The transportation master plan of Sandpoint, Idaho, is easy to understand and implement but also thorough and tailored to the municipality's needs-and-priorities-ranking system. The ranking process is described as follows:

A CIP team can be assembled using staff representatives from City departments and if desired, partnering agencies (ITD, SPOT, etc.). A council member, the Mayor, and/or community members that are key stakeholders could also be invited to participate. During a day-long workshop, every potential capital project is analyzed against the criteria and given a score. Each member's scoring is averaged per criteria, then summarized to arrive at a total project score. Each project score, along with relevant project info (Project Name, Brief Description, Estimated Cost, Department Responsible, Staff Contact, Funding Source, 2020 Project Cost, etc.), is included in the CIP Matrix.^a

After the ranking process, the team assesses projects based on a 34-question set of criteria that can be adapted to changing needs. These criteria address issues such as funding, impact on safety, location, and how a project fits into the existing infrastructure.

^a [Typical Capital Improvement Plan Ranking Methodology](https://www.sandpointidaho.gov/media/3506) (Sandpoint, ID, Multimodal Transportation Master Plan, accessed November 25, 2025): 1, <https://www.sandpointidaho.gov/media/3506>.

Step 7: Encourage public engagement. Once the initial prioritization has occurred, host hearings or online forums to share the plan and gather feedback. This is an integral step in the process; it involves forging allies, refining rough edges, and promoting support for future funding asks, like bond referenda. Ideally, there have been previous opportunities for the public to participate in the process—for example, to help develop strategic priorities and the ranking criteria—but it is beneficial to re-engage the community at this point.

Step 8: Approve and integrate the CIP. Present the final plan to the governing board, highlighting top priorities and funding paths. Once the plan is approved, Year 1 becomes the capital budget for the current year and includes the projects that will receive immediate attention, with the rest of the plan becoming a living guide.⁶

With these steps, implementing a CIP becomes less about overhauling operations and more about channeling energy into planning and achieving strategic goals.

Citizen Capital Improvement Panel: Durham, North Carolina

The City of Durham's Citizen Capital Improvement Panel (CCIP) is an example of how jurisdictions can formally engage with citizens. The city's CIP highlights the role of the CCIP as follows:

The Citizen Capital Improvement Panel (CCIP) is composed of business and community leaders charged with:

1. Helping City staff prioritize the right combination of new capital improvement projects.
2. Advising the City Council of the most critical CIP projects to meet the City's ongoing needs.
3. Evaluating and recommending projects for funding in the Capital Improvement Plan.^a

^a [Capital Improvement Plan FY 2016–2021](https://www.durhamnc.gov/DocumentCenter/View/6067) (City of Durham, NC, accessed November 25, 2025): 1, <https://www.durhamnc.gov/DocumentCenter/View/6067>.

6. Adapted from Cape et al., "[Capital Improvements Planning](#)," 448–54.

CIP Citizen Engagement in Lawrence, Kansas

Lawrence, Kansas, uses an online platform to facilitate conversations with internal and external stakeholders around the prioritization of capital projects.^a This tool presents participants with a budget of \$55 and asks them to spend it on capital projects ranging from a new aquatics center for \$26, to pickle ball courts for \$6, to bike lane construction for \$3. The tool is dynamic; it briefly describes each project and allows users to choose projects they support, see their remaining budget, and change the projects if necessary. Participants are then prompted to order them according to priority. This simple tool publicizes the CIP and helps public officials understand the preferences of the community.

^a “[LEAD CIP Prioritization](https://lawrenceks.abalancingact.com/LEAD),” *A Balancing Act*, accessed November 25, 2025, <https://lawrenceks.abalancingact.com/LEAD>.

V. Establishing Capital Improvement Plan (CIP) Policies

Crafting a solid policy foundation is the bedrock of any successful CIP, much like setting clear rules for a team sport ensures fair play and steady progress. For local governments, these policies aren’t rigid mandates but flexible guides that adapt to unique community needs—whether that community is a coastal county fortifying infrastructure against storms or an inland municipality expanding parks for a growing population. The GFOA champions this approach, recommending that CIP policies focus on the “how” of planning rather than mandate specific projects, allowing elected officials and staff to make informed choices amid competing demands. Formalizing these policies via a board resolution not only lends them authority but also signals to stakeholders—from department heads to bond investors—that the jurisdiction’s process is deliberate and defensible.

GFOA’s best practices for creating these policies provide a roadmap tailored to organizational realities.⁷ An effective policy includes several core elements to create a balanced framework for a CIP. These are described in Table 1. Drawn from GFOA’s comprehensive guidelines, these elements will enable practitioners to sidestep common pitfalls like siloed decision-making or overlooked maintenance. Starting with this foundation, budget teams can transform policymaking from an exercise in paperwork into a practical, real-world ally for resilient, community-focused growth.

7. “[Capital Planning Policies](https://www.gfoa.org/materials/capital-planning-policies),” Government Finance Officers Association, approved September 30, 2013, <https://www.gfoa.org/materials/capital-planning-policies>; “[Multi-Year Capital Planning](https://www.gfoa.org/materials/multi-year-capital-planning),” Government Finance Officers Association, approved September 23, 2022, <https://www.gfoa.org/materials/multi-year-capital-planning>.

Table 1. Capital Improvement Plan (CIP) Best Practices

Best Practice (<i>Jurisdiction</i>)	Description	Example
Jurisdiction's approach to capital planning (<i>City of Davenport, IA</i>)	Define how the CIP integrates with broader strategies, such as comprehensive land-use plans, the strategic plan, or economic development goals, to ensure projects align with the community's vision.	Davenport defines <i>key performance pillars</i> and ties each program to one of these pillars. Every project page is formatted identically and includes a timeline, costs, and the pillar associated with it. Program pages are easy to read and help users understand how each program aligns with anticipated outcomes of interest. ^a
Identification of stakeholder departments (<i>City of Little Rock, AR</i>)	Identify key players, such as public works and parks departments for greenways or utilities for water systems, to foster collaboration from the outset.	The City of Little Rock highlights stakeholders alongside descriptions of costs and funding sources for each project, particularly the department(s) that will maintain a program with ongoing costs, or lists external partners. ^b
Definition of a capital project (<i>Town of Castle Rock, CO</i>)	Set clear thresholds—for example, projects costing over \$50,000 with a useful life exceeding five years—to distinguish true capital needs from routine upkeep. The threshold should reflect the government's budget.	Castle Rock provides CIP guidelines in an introductory letter at the beginning of the document. Project pages then include guideline thresholds as they relate to each project's qualifications. ^c
Establishment of a CIP review committee (<i>Milwaukee County, WI</i>)	Form a diverse group—spanning departments, finance, and elected officials—to oversee submissions and recommendations, blending expertise with accountability.	Establishing the committee is required by Milwaukee County ordinance. Committee members include the following: <ol style="list-style-type: none"> 1. director of the Department of Transportation, or alternate; 2. fiscal and budget administrator, or alternate; 3. comptroller (committee chair as appointed by the chair of the county board), or alternate; 4. chair of the Committee on Community, Environment and Economic development, or alternate; 5. co-chair of the Committee on Finance, Personnel and Audit, or alternates; 6. Two appointments of the county executive who are mayors or village board presidents of municipalities located in Milwaukee County, or alternate.^d
Role of public and external stakeholders (<i>City of Santa Rosa, CA</i>)	Provide opportunities for input, like public hearings or citizen advisory sessions, to build buy-in, receive feedback, and address concerns early on.	The city holds an annual public hearing for the community to voice budget priorities. Citizens also have an opportunity to participate in a workshop identifying community goals for the upcoming fiscal year. ^e
Formation of decision-making processes (<i>City of Rochester, NH</i>)	Establish structured methods, such as scoring matrices for evaluations, to promote transparency and reduce bias in approvals.	Nine initial criteria, based on goals, objectives, health and safety concerns, etc. are used to evaluate projects. Projects are then sorted into four bins by the committee ("Essential/Mandatory," "Necessary," "Desirable," and "Not a CIP"). ^f

Table 1. (continued)

Best Practice (<i>Jurisdiction</i>)	Description	Example
Setting criteria for prioritizing projects (<i>Kansas City, MO</i>)	Set out factors for ranking projects (discussed in Section VII), ensuring decisions weigh urgency against affordability, always keeping community goals in mind. Consider which portions of the jurisdiction and residents are being served and which are not, and consider conducting a spatial analysis.	Kansas City's robust scoring system includes a variety of topics. Some of the categories are intrinsically linked to spatial analyses, such as the health equity category. ^g
Establishment of a resource allocation process (<i>Town of Cary, NC</i>)	Link project funding to revenue projections, helping allocate dollars equitably without overcommitting future budgets. Develop plans and criteria for financing tools for projects, keeping in mind legal requirements.	The town developed "funding principles" to serve as guidelines for choosing funding sources and using revenue. The capital budget includes projected costs for project areas, categorized by personnel and operations/maintenance. ^h
Assessment of fiscal capacity (<i>Town of Vienna, VA</i>)	Regularly evaluate affordability through metrics such as debt-to-revenue ratios, guarding against unsustainable borrowing.	The town's CIP discusses debt-issuance timing, interest-rate projections, and borrowing capacity, and is reevaluated every two years. ⁱ
Procedure for accumulating capital reserves for new/replacement purchases (<i>Town of Ocean View, DE</i>)	Detail steps for building dedicated funds for replacements or new buys, smoothing out spikes in spending.	In its ordinances, the Town of Ocean View includes three types of trusts to prevent spending spikes: an Emergency Reserve Trust, a Capital Replacement Trust, and a Street Repair and Replacement Trust. Each trust has a dedicated funding source, which includes a percent of transfer tax revenue. ^j
Policy for debt-limit restrictions to be linked to useful life of the assets (<i>City of Olympia, WA</i>)	Tie borrowing caps to asset lifespans, aligning debt service with the benefits the projects provide over time. Debt should be repaid before the end of the asset's useful life.	Olympia's debt policy ensures that borrowing is fiscally responsible and aligned with asset lifespans, limiting total bonded debt to 2.5 percent of assessed property value and requiring that the term of any debt not exceed the useful life of the project. Before issuing long-term debt, officials must conservatively estimate revenues and confirm that a project's benefits outweigh its total financing costs. ^k
Requirement for inclusion of larger capital-maintenance projects (<i>City of Rockville, MD</i>)	Require budgeting for large-scale upkeep, like HVAC overhauls, to prevent small issues from snowballing into larger ones.	Projects with recurring costs include this provision on their project pages: "Project Funding: This project is fully funded. This project is considered a routine capital maintenance project and is funded in five year increments." ^l
Provisions for monitoring and oversight of the CIP program (<i>City of Dublin, OH</i>)	Build in regular reviews, such as annual audits or progress dashboards, to track performance and adapt processes as needed.	Dublin has a map-based dashboard that allows users to view where CIP projects are taking place. Brief descriptions of the projects include project categorization (transportation, public parks, etc.), projected year of construction, and estimated costs. ^m

a. [City of Davenport FY 2026 Operating and Capital Improvement Budget: July 1, 2025–June 30, 2026](https://cdnsm5-hosted.civiclive.com/UserFiles/Servers/Server_6481372/File/Departments/Finance/Budget/FY2026/FY%202026%20City%20of%20Davenport,%20Iowa%20Budget%20Book.pdf) (City of Davenport, IA, 2025), 443–642, https://cdnsm5-hosted.civiclive.com/UserFiles/Servers/Server_6481372/File/Departments/Finance/Budget/FY2026/FY%202026%20City%20of%20Davenport,%20Iowa%20Budget%20Book.pdf.

b. [2024 Annual Operating Budget](https://www.littlerock.gov/media/21796/2024-city-of-little-rock-budget-book_gfoa.pdf) (City of Little Rock, AR, 2023), 96–124, https://www.littlerock.gov/media/21796/2024-city-of-little-rock-budget-book_gfoa.pdf.

c. [Five Year Capital Improvement Plan](https://www.crgov.com/DocumentCenter/View/46632/2025-to-2029-Capital-Improvement-Plan-PDF) (Town of Castle Rock, CO, 2025), <https://www.crgov.com/DocumentCenter/View/46632/2025-to-2029-Capital-Improvement-Plan-PDF>.

- d. [Milwaukee County 2025 Recommended Capital Budget](https://county.milwaukee.gov/files/county/administrative-services/PSB/BudgetsCopy-1/2025-Budget/2025-Recommended/Recommended-Capital-Budget-2025.pdf) (Milwaukee County, WI, accessed November 25, 2025), 15, <https://county.milwaukee.gov/files/county/administrative-services/PSB/BudgetsCopy-1/2025-Budget/2025-Recommended/Recommended-Capital-Budget-2025.pdf>.
- e. [Capital Improvement Program Budget Fiscal Year 2025–26](https://www.srcity.org/ArchiveCenter/ViewFile/Item/4571) (City of Santa Rosa, CA, 2025), 4, <https://www.srcity.org/ArchiveCenter/ViewFile/Item/4571>.
- f. Seth Creighton, [Memo to Katie Ambrose, City Manager, Rochester, NH](https://www.rochesternh.gov/sites/g/files/vyhlif9211/f/uploads/fy2026_cip_ranking_memo.pdf) (April 15, 2025), https://www.rochesternh.gov/sites/g/files/vyhlif9211/f/uploads/fy2026_cip_ranking_memo.pdf.
- g. [Submitted Budget Fiscal Year 2024–25](https://www.kcmo.gov/home/showpublisheddocument/12250/638579373100000000) (Finance Department, City of Kansas City, MO, 2024), <https://www.kcmo.gov/home/showpublisheddocument/12250/638579373100000000>.
- h. [2025 Adopted Operating Budget July 1, 2024–June 30, 2025](https://www.carync.gov/home/showpublisheddocument/33718/638750739086970000) (Town of Cary, NC, accessed November 26, 2025), <https://www.carync.gov/home/showpublisheddocument/33718/638750739086970000>.
- i. [Town of Vienna CIP Review Adoption, Fiscal Years 2024–2038](https://www.viennava.gov/files/assets/town/v/1/finance/budget-files/current-capital-improvement-plan-cip.pdf) (Town of Vienna, VA, 2023), <https://www.viennava.gov/files/assets/town/v/1/finance/budget-files/current-capital-improvement-plan-cip.pdf>.
- j. [Town of Ocean View FY2026 Operating, 5-Year Capital Improvement Plan and Water System Budget](https://www.oceanviewde.gov/media/TownCouncil/CouncilMeetingMaterial/February%202025/7C%20FY2026%20Operating%205-Year%20CIP%20and%20Water%20System%20Budget_02%2011%202025.pdf) (Town of Ocean View, DE, 2025), 35–36, https://www.oceanviewde.gov/media/TownCouncil/CouncilMeetingMaterial/February%202025/7C%20FY2026%20Operating%205-Year%20CIP%20and%20Water%20System%20Budget_02%2011%202025.pdf.
- k. [City of Olympia's Comprehensive Plan—Volume II: 2025–2030 Capital Facilities Financial Plan](https://cms7files.revize.com/olympia/Document_center/Government/Budget%20Financial%20Reports/Budget%20documents/Capital%20Facilities%20Plan%202025-2030.pdf) (City of Olympia, WA, Finance Department, 2024), 31–32, https://cms7files.revize.com/olympia/Document_center/Government/Budget%20Financial%20Reports/Budget%20documents/Capital%20Facilities%20Plan%202025-2030.pdf.
- l. [Fiscal Year 2025 Adopted Operating Budget and Capital Improvements Program, July 1, 2024–June 30, 2025](https://www.rockvillemd.gov/wp-content/uploads/2025/07/Fiscal-Year-2025-Adopted-Budget.pdf) (City of Rockville, MD, 2024), 302–23, <https://www.rockvillemd.gov/wp-content/uploads/2025/07/Fiscal-Year-2025-Adopted-Budget.pdf>.
- m. “[CIP Operations Map](https://www.arcgis.com/apps/dashboards/fb0d38a874aa4a418f11028107bf6892),” City of Dublin, OH, accessed November 26, 2025, <https://www.arcgis.com/apps/dashboards/fb0d38a874aa4a418f11028107bf6892>.

VI. Prioritizing Capital Projects

As cities and counties balance limited resources with multiple demands, deciding which capital projects get the green light first isn't just a routine task—it's the art of making tough calls that shape a community's future. For North Carolina local governments, where everything from hurricane-hardened levees to school expansions competes for funding, effective prioritization turns potential chaos into focused progress. It ensures dollars go to priorities (repairs on a potentially dangerous crumbling bridge, for example) while sidelining nice-to-haves until a more fiscally appropriate time. The GFOA underscores the importance of prioritization by promoting objective criteria that ground decisions in data, not just current preferences. Establishing a jurisdiction's criteria for prioritization helps practitioners defend their budget choices to elected officials, residents, and external stakeholders such as grantors and bond-rating agencies.

At its core, prioritization safeguards equity and sustainability in the context of finite funding. It spotlights projects that deliver the biggest bang—those that address immediate risks, spur growth, or serve overlooked neighborhoods—while curbing subjectivity that could favor flashy over foundational. Without it, plans risk becoming wish lists, leading to uneven service delivery or ballooning debt. GFOA recommends a multifactor scoring system, where each project earns points across weighted categories, yielding a total that ranks them objectively. This method, simple yet robust, allows committees to compare apples to oranges, from sewer upgrades to park revitalizations.

Core categories, adapted from GFOA guidance, form the backbone of this system and include the following:

- **Health and safety:** Top-weighting projects for urgent threats, such as seismic retrofits or lead-pipe replacements, where delays could endanger lives.
- **Legal mandates:** Prioritizing projects enforcing compliance, such as ADA ramps or North Carolina environmental standards, to avoid fines or shutdowns.
- **Economic development:** Investing to create jobs, such as extending broadband for rural industries, and to boost tax bases over time.

Approaches to CIP Project Prioritization in Two Municipalities

In its prioritization process, the City of Bryan, Texas, weights quality of life higher than public safety and legal mandates.^a (The city's ranking criteria are provided in Appendix D.) In contrast, the city of Sault Ste. Marie, Michigan, ranks each category on an equal scale but sets out a 0–15 point system. For example, if a project significantly reduces operating costs, it receives 15 points; if it has a net impact of 0 on the operating budget it receives 5 points, and if it increases the operating budget, it receives 0 points.^b Similarly, the greater the proportion of the population that benefits from a project, the higher the project is ranked. The rubric is thorough and clear, an excellent example of how rankings can be conducted; it is reproduced in Appendix E.

^a [Capital Improvements Plan Ranking System Summary](https://docs.bryantx.gov/CIP/future_CIP/ranking_system_summary.pdf) (City of Bryan, TX, accessed December 1, 2025), https://docs.bryantx.gov/CIP/future_CIP/ranking_system_summary.pdf.

^b [Capital Improvement Plan 2025-2031](https://www.saultcity.com/sites/g/files/vyhlf13741/files/media/engineering/file/13071/cip_book_-final_2025-2031.pdf) (City of Sault Ste. Marie, MI, approved January 20, 2025), https://www.saultcity.com/sites/g/files/vyhlf13741/files/media/engineering/file/13071/cip_book_-final_2025-2031.pdf.

- **Asset condition and urgency:** Drawing from inventories to prioritize maintenance, limiting deferrals that turn minor repairs into major renovations.
- **Community impact:** Considering the nonfinancial impacts on a community. How are the different populations affected, not only in terms of financing but also by the distribution of benefits?
- **Cost-benefit analysis:** Weighing the return on investment, including downstream savings from projects such as energy-efficient buildings.
- **Strategic alignment:** Syncing projects with comprehensive plans or resilience targets such as flood barriers in coastal zones.⁸

To begin the process of prioritization, assemble a diverse review committee—including engineers, budget and finance professionals, and even community representatives—to score projects collaboratively, foster buy-in, and promote fresh perspectives. Tools such as Excel matrices make prioritization straightforward: simply input scores and apply weights to generate the rankings. Despite the similarities between prioritization categories and processes, rankings should reflect the needs of and be customized for a particular community.

Of course, hurdles arise—political favorites might nudge scores, or shifting priorities, such as repairs needed after a major weather event, could upend ranks. Counter these with a commitment to transparency: publish criteria up front and document rationales, then revisit rankings annually, using fresh data to make adjustments. One best practice is to mandate justifications for any low-scoring projects that are moved forward, thus building accountability and trust in the community. The city of San Diego, for example, clearly defines a low-scoring project as one whose score is in the bottom third of ranked projects. It also provides that “[l]ow scoring projects may proceed due to unique funding source restrictions,”⁹ suggesting that no other low-scoring projects will be prioritized.

8. “[Capital Planning Policies](https://www.gfoa.org/materials/capital-planning-policies),” Government Finance Officers Association, approved September 30, 2013, <https://www.gfoa.org/materials/capital-planning-policies>; “[Multi-Year Capital Planning](https://www.gfoa.org/materials/multi-year-capital-planning),” Government Finance Officers Association, approved September 23, 2022, <https://www.gfoa.org/materials/multi-year-capital-planning>.

9. [Fiscal Year 2017 Adopted Budget: Capital Improvements Program](https://www.sandiego.gov/sites/default/files/v3prioritization_0.pdf) (City of San Diego, CA, accessed December 1, 2025): 47, https://www.sandiego.gov/sites/default/files/v3prioritization_0.pdf.

A robust prioritization process isn't about saying no—it's about saying yes to what matters most, equipping your jurisdiction to weather fiscal storms, adapt to population changes, and address evolving needs with comprehensive, sustainable planning. These disciplined choices stretch budgets while strengthening communities, one ranked project at a time.

VII. Funding Options and Strategies

Securing the right funding mix is a critical component of a CIP, transforming prioritized projects outlined in committee documents and reports into new schools, upgraded facilities, and resilient infrastructure. In local governments, where project scales range from a \$100,000 fire truck to multimillion-dollar wastewater plants, project financing must be linked to the work's timeline, risk, and community impact—and avoid overreliance on any single funding source that could create fiscal strain. By blending conservative reserves with targeted borrowing and grants, practitioners can keep debt in check while taking advantage of opportunities such as low-interest periods or federal transfers. This strategic layering funds current needs while preserving future borrowing capacity and aligns with the rhythm of state fiscal and economic cycles.

Funding options for capital projects can typically be characterized as either *pay-as-you-go* or *pay-as-you-use* financing. Pay-as-you-go financing involves funding infrastructure investments, such as roads or public buildings, directly from current revenues, reserves, grants and transfers, or dedicated taxes without incurring debt. This approach ensures immediate coverage for expenditures and avoids interest costs or future fiscal burdens. In contrast, pay-as-you-use financing relies on borrowing mechanisms such as bonds, spreading costs over the asset's useful life so that future beneficiaries contribute through ongoing repayments. This approach promotes intergenerational equity (discussed in detail in Section VIII) but introduces debt service obligations and potential interest expenses. While pay-as-you-go offers greater fiscal conservatism and flexibility for smaller or non-urgent projects, pay-as-you-use is often preferred for large-scale initiatives where upfront funding would strain budgets, allowing governments to align payments with the long-term benefits derived from the asset. Economic conditions also impact the choice between pay-as-you-go and pay-as-you-use financing. For example, during periods of economic contractions or when interest rates are low, pay-as-you-use or debt financing may be particularly beneficial, whereas when interest rates are unfavorable, pay-as-you-go may be the more efficient choice.

For larger endeavors, debt instruments such as general obligation bonds—backed by the full faith of the jurisdiction and often voter-approved—are more appropriate for extensive public goods such as schools or parks, while revenue bonds, repaid from project-specific streams such as utility fees, are more beneficial for self-sustaining assets such as toll roads. When considering debt financing, a local government should relate the duration of the debt to the useful lifespan of the asset being financed. In North Carolina, these strategies must also align with state guardrails, which cap debt at percentages of property valuation and mandate voter approval for general obligation issuances exceeding certain thresholds.¹⁰

10. General obligation debt is limited to 8 percent of the appraised taxable property value. There are exceptions for certain debt issuances, such as for water and sewer facilities. (See Chapter 160B, Section 15 of the North Carolina General Statutes.) *Coates' Canons*, a School of Government blog about aspects of North Carolina local government law, provides more information about bonds and other types of debt, such as two-thirds bonds. [Coates' Canons: NC Local Government Law](https://canons.sog.unc.edu/), UNC Chapel Hill School of Government, accessed December 1, 2025, <https://canons.sog.unc.edu/>.

Pay-As-You-Go Financing in Burke County, North Carolina

Burke County, North Carolina, favors pay-as-you-go financing methods but recognizes that these may not be feasible for large capital projects.^a These preferences and policies are evident in the county's financing choices. All short- and medium-term projects, except for a \$25 million Health and Human Services building, are financed with grants or cash. In contrast, long-term projects are financed with a mix of cash, grants, and debt—with a demonstrated preference for pay-as-you-go and grants even for these. The county's policy for prioritizing revenue sources for capital projects is reproduced in Appendix F. Funding amounts and sources for capital projects in the 2022–24 fiscal years are provided in Appendix G.

^a [Capital Improvement Plan, 2024–2028](https://www.burkenc.org/DocumentCenter/View/2750/2023-CIP---Capital-Improvement-Plan) (Burke County, NC, accessed December 1, 2025), <https://www.burkenc.org/DocumentCenter/View/2750/2023-CIP---Capital-Improvement-Plan>.

Grants are another important source of capital funding. The North Carolina Department of Environmental Quality channels Community Development Block Grant Program funds into equity-driven work in low-income areas, and the recent \$50 million Hurricane Helene Local Government Capital Grant Program funded repairs for storm damages until late 2025.¹¹ Other tools, such as system development fees or special assessments on benefiting properties, are intended to capture growth's true cost, ensuring newcomers help foot the bill for expanded services.

Inevitably, inflation and other events may disrupt estimates and projects. Local governments should build in contingency plans and budget surpluses to address costs related to these circumstances. Ultimately, the smartest strategies blend these elements to form a custom solution, including both conservative options for stability and opportunistic options for growth.¹²

VIII. Intergenerational Equity

Capital improvements, by their nature, span generations: a new landfill or regional library constructed today may serve residents for fifty years or more, long after the officials who approved it, taxpayers who funded it, and construction crews have moved on. This temporal disconnect creates one of the most profound ethical and fiscal issues in local government finance—intergenerational equity. This principle holds that the costs of long-lived public assets should be distributed fairly across the generations that benefit from them rather than

11. “[Helene Local Government Capital Grant Program](https://www.osbm.nc.gov/grants/helene-local-government-capital-grant-program),” NC Office of State Budget and Management, accessed December 1, 2025, <https://www.osbm.nc.gov/grants/helene-local-government-capital-grant-program>.

12. Kara Millonzi has written extensively about ways to finance capital investments. See [Coates' Canons: NC Local Government Law](https://canons.sog.unc.edu/), UNC Chapel Hill School of Government, accessed December 1, 2025, <https://canons.sog.unc.edu/>. See also Renee Fuller Paschal, “Capital Planning,” in *Budgeting in North Carolina Local Governments*, 2nd ed., ed. Whitney Afonso (School of Government, 2021), 197–234; Connor H. Crews, “Financing Capital Projects,” in *Introduction to Local Government Finance*, 5th ed., ed. Connor H. Crews (School of Government, 2023), 165–216.

imposing undue burdens on current taxpayers or depriving future taxpayers of essential services. Intergenerational equity asks a simple but consequential question: Who should pay for benefits received by whom, and when? In practice, three distinct groups rarely align perfectly:

- the deciders—today’s elected officials, staff, and voters who select and approve projects;
- the payers—current and near-term taxpayers, ratepayers, or grant recipients who provide the revenue or accept the debt obligation;
- the users—current residents plus all future citizens who will rely on the asset over its useful life.

When these groups overlap substantially—in the case of a five-year roof replacement on a municipal building, for example—the equity concern is minimal. Tension emerges with long-lived, high-cost infrastructure whose primary benefits accrue decades into the future. Financing choices become the primary lever for achieving—or undermining—intergenerational equity.

The two broad approaches to financing capital projects, pay-as-you-go and pay-as-you-use, each have different implications. Pay-as-you-go financing, funded from current revenues, reserves, or dedicated taxes, places the full cost on today’s payers. This approach is undeniably conservative and avoids interest expense, but it can violate intergenerational equity when applied to assets with decades-long service lives. Requiring current residents to bear 100 percent of the cost for a facility that will serve three or four succeeding generations risks overtaxing the present while leaving future taxpayers with little fiscal obligation for benefits they enjoy. However, it places the burden on those who selected and supported the investment, which may be viewed as more equitable.

Pay-as-you-use (debt) financing, by contrast, spreads repayment over time through bonds or installment purchases, aligning costs more closely with periods of benefit receipt. When debt terms are matched to an asset’s useful life—twenty-year bonds for a twenty-five-year sewer plant, for instance—each generation contributes roughly in proportion to the benefits it receives, embodying intergenerational equity in its purest form. This financing method also preserves current budget flexibility, allowing governments to undertake necessary projects without sharp tax or rate spikes that disproportionately burden today’s households. Intergenerational equity suffers, however, if a debt-funded project is not supported by future residents or has limited benefits moving forward. In these cases the deciders of today are unfairly burdening the taxpayers of tomorrow.

Neither approach is inherently superior; both have legitimate roles. Pay-as-you-go is more appropriate for shorter-lived assets and routine replacements, when interest rates are unfavorable, or when the economy is strong. Debt financing is generally preferable for major, long-lived infrastructure, especially during periods of low borrowing costs or when population growth is adding new users who will share in future benefits. Many North Carolina localities adopt hybrid policies that express a preference for pay-as-you-go when feasible while explicitly authorizing debt for large, long-duration projects—striking a pragmatic balance that respects both fiscal caution and fairness across time.

The tension between the two types of financing in the context of intergenerational equity is real but manageable. Overreliance on debt can shift too much burden forward, leaving future taxpayers to service obligations for assets that may require replacement sooner than anticipated or projects that they do not support. Conversely, excessive pay-as-you-go restraint can slow investment and lead to a shortage of facilities, effectively forcing future generations to play

catch-up under less favorable economic conditions. Well-designed CIP policies address this tension by requiring staff to document expected useful life, propose financing that aligns with policies and respects the tensions between the two financing options, and periodically reassess assumptions as projects move from planning to reality.

Ultimately, intergenerational equity is not about achieving perfect mathematical equality—an impossible standard given uncertain population growth, inflation, changing preferences, and technological innovation—but about intentionality. By consciously weighing who decides, who pays, and who uses, North Carolina local governments can ensure that today's ambition to build a better community does not become tomorrow's regret. A CIP grounded in this principle does more than allocate dollars; it honors a basic covenant between present stewardship and future prosperity.

IX. Impacts on the Operating Budget

Every shiny new capital project—from a renovated town hall to a beefed-up stormwater system—comes with a downside: the day-to-day costs that linger long after the ribbon-cutting. For local governments, where operating budgets are often tight, these ripple effects, such as unanticipated or costly utility bills, can appear unexpectedly, straining resources if not accounted for at a project's outset. A CIP assists in financial planning and preparation by forcing a hard look at these downstream demands, ensuring that today's investments don't torpedo tomorrow's balanced books. By baking operating impacts into the planning process, practitioners can sidestep surprises and focus on sustainable service delivery.

In the context of capital projects, the most disruptive budget effects are often ongoing expenses associated with capital assets: maintenance crews to prevent roof leaks, energy bills for climate-controlled facilities, or additional staff to operate expanded water-treatment plants. A \$5 million fire station might cost an additional \$300,000 annually in upkeep and insurance, quietly eroding fund balances if such expenses are not anticipated. In North Carolina, where hurricanes can accelerate wear and tear, these costs multiply quickly. Additional examples include extra patrols for new parks or compliance testing for upgraded utilities; such routine costs can potentially increase operating budgets by 5–10 percent over a project's life. This lack of foresight creates a vicious cycle: defer more maintenance to free up cash, only to face pricier emergencies later.

The antidote to this harmful fiscal cycle lies in proactive estimation right from the CIP submission stage. Project requests should include detailed projections of operating costs—staffing needs, utility hikes, even insurance adjustments—drawing on historical data or vendor quotes for realism. This isn't guesswork; it's life-cycle costing, a tool promoted by the GFOA that tallies the full cradle-to-grave price tag, from construction to decommissioning. By weighing these costs against benefits, such as energy savings from efficient HVAC systems, committees can greenlight projects that truly pay off, not just in new infrastructure but in smooth and cost-efficient operations as well.

One best practice to address operating expenses for new projects is to carve out 1–2 percent of the annual operating budget explicitly for capital-related upkeep, treating the set-aside as a nonnegotiable rainy-day fund for assets. In fact, about half of capital projects experience cost

CIP Strategies in Carrboro, North Carolina

In its CIP, the Town of Carrboro, North Carolina, provides that individual project descriptions will include contingencies as an expenditure category. The category is described as “a percentage of the total project construction costs to provide funds for unforeseen costs or cost increases.”^a The CIP also highlights operating effects, described as “an estimate of the additional funds needed in the annual operating budget for each fiscal year.”^b See Appendix H for a sample project description from Carrboro’s CIP. The page includes the expenses, funding sources, and operating budget impacts associated with improvements to a fire station.

^a [Capital Improvement Plan](https://townofcarrboro.org/DocumentCenter/View/17055/FY2025-2030-Council-Approved-CIP) (Town of Carrboro, NC, accessed December 2, 2025): 1.1, <https://townofcarrboro.org/DocumentCenter/View/17055/FY2025-2030-Council-Approved-CIP>.

^b Ibid.

overruns;¹³ this number jumps to 90 percent for megaprojects.¹⁴ There are many causes of cost overruns, but some evidence points to the systematic underestimation of project risk, complexity, and scope change as a likely culprit.¹⁵ Careful, thorough analysis of the future funding required for capital projects can also help local governments proactively combat these financial shocks. Moore County, North Carolina, provides an excellent example of such forward thinking. Its policies and CIP forecast operating and maintenance costs alongside capital expenditures, providing short- and long-term solvency and stability.

Viewing capital projects and related expenses from an operations perspective turns potential budget pitfalls into calculated fiscal steps forward. Recognition of the true budgetary impacts of capital investments combined with an initial financial analysis is a best practice for funding public services without the sting of surprise costs.

X. Maintaining and Updating the Capital Improvement Plan (CIP)

A CIP isn’t a set-it-and-forget-it document—it’s a living roadmap that evolves with the community. For North Carolina local governments, where priorities can shift after a natural disaster or with sudden population surges, ongoing maintenance keeps the plan relevant and responsive. By embedding review habits into budget rhythms, practitioners can spot financial drifts early on, refine rankings, and ensure projects stay on course. This approach turns a potentially static report into a dynamic tool for fiscal agility and community trust.

The annual review cycle forms the foundation of plan maintenance and typically aligns naturally with the preparation of the operating budget. As the fiscal year wraps, the CIP advances into the next year. As completed projects drop from the plan, emerging needs will

13. Maureen Thom, “[Cost Overrun: What Is, How to Prevent & Predict It](https://galorath.com/cost/overrun/),” Galorath, October 20, 2025, <https://galorath.com/cost/overrun/>.

14. “[Megaprojects: Challenges, Opportunities, and the Role of the Project Profession](https://www.pmi.org/learning/thought-leadership/megaprojects-challenges-opportunities-and-the-role-of-the-project-profession),” Project Management Institute, July 10, 2025, <https://www.pmi.org/learning/thought-leadership/megaprojects-challenges-opportunities-and-the-role-of-the-project-profession>.

15. Bent Flyvbjerg, “[Over Budget, Over Time, Over and Over Again](https://www.researchgate.net/publication/235953357_Over_Budget_Over_Time_Over_and_Over_Again_Managing_Major_Projects),” in *The Oxford Handbook of Project Management*, ed. Peter W. G. Morris, Jeffrey K. Pinto, and Jonas Söderlund (Oxford University Press, 2011), 321–44, https://www.researchgate.net/publication/235953357_Over_Budget_Over_Time_Over_and_Over_Again_Managing_Major_Projects.

come to the forefront, and priorities should be rescored based on recent data such as asset condition reports or revenue forecasts. This refresh, typically beginning in mid-fall to early winter, guards against obsolescence.

Monitoring progress on a regular basis demands steady vigilance through quarterly check-ins; simple dashboards can help track spend rates, milestone hits, and variances from estimates. Although not necessarily directly related to the CIP, this practice can flag project delays or budget overruns, allowing quick pivots—perhaps reallocating funds or seeking extensions—while accommodating curveballs such as emergency repairs.

Oversight connects the CIP to overall budget planning, with the review committee reconvening periodically to vet updates and enforce accountability. The CIP should also be integrated into performance systems, linking project outcomes to departmental goals. Successful, timely completion of projects will affect future plan rankings. Annual audits will help confirm legal compliance—ensuring the stability of bond terms and grant strings—and asset management software can provide automated alerts to track depreciation and maintenance due dates.

XI. Conclusion

As local governments stand at the crossroads of fiscal prudence and community ambition, the CIP emerges not just as a planning tool, but as a vital ally in steering through uncertainty toward resilience, growth, and excellence. A CIP helps to ensure that a jurisdiction's investments are strategic, equitable, and adaptable. This bulletin describes the CIP process, providing clear definitions and examples of communities' best practices. It details proven advantages, robust policies, and adaptive procedures, creating a path that can transform potential budget chaos into manageable momentum. A viable, comprehensive, and well-planned CIP is an invaluable step your community can take as it addresses future infrastructure needs.

Ultimately, the CIP may be an effective tool for any jurisdiction working towards sustainable governance. Adopting a CIP policy outlining roles and process is a good way to begin. Annual refinements to the CIP will make it resilient and adaptive to shifting realities such as grant opportunities or disaster recovery. A CIP shouldn't be a dusty binder on the shelf; it should serve as a living blueprint, one that evolves with your community and empowers leaders to make bold but prudent investments.

XII. Additional Resources

American Planning Association. [Capital Improvement Programming](https://planning-org-uploaded-media.s3.amazonaws.com/document/PAS-Report-151.pdf). October 1961. <https://planning-org-uploaded-media.s3.amazonaws.com/document/PAS-Report-151.pdf>.

[Coates' Canons: NC Local Government Law](https://canons.sog.unc.edu/) (blog). Accessed December 3, 2025. <https://canons.sog.unc.edu/>.

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Appendix A. Town of Wake Forest, NC, Sample CIP Transportation Project Page

Strategic Goal 3: Fostering a Safe, Diverse, and Welcoming Community
Strategic Goal 4: Investing in Transportation and Infrastructure

GO BOND PROJECT LEVEL B

**TOWN OF WAKE FOREST
CAPITAL IMPROVEMENTS PROGRAM
CIP UPDATE FY 2025 - 2030**

DEPARTMENT	PROJECT MANAGER	DEPARTMENTAL PRIORITY
GTP	Tim Watson/Emily Hennessy	High
PROJECT TITLE	TYPE OF PROJECT	
Roadway - Road Connections	1 - Health/Safety/Welfare	
	2 - Maintenance/Replacement	
	3 - Existing Programs Expansion	X
	4 - New Program	

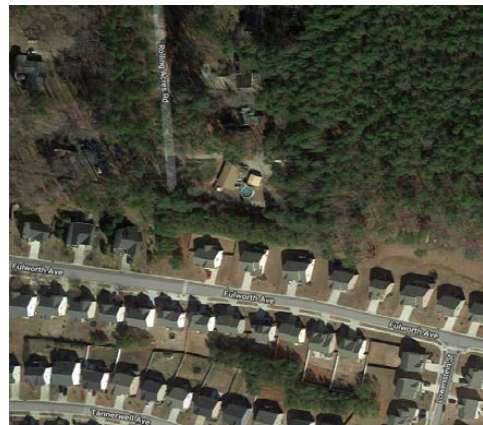
PROJECT DESCRIPTION

Construct roadway connections in roads that have missing sections.

JUSTIFICATION

Connect existing roadways with missing sections as part of the adopted Comprehensive Transportation Plan, which will allow for faster response time for Fire and EMS in case of an emergency, as well as alternate routes for traffic due to better connectivity.

Projected Start Year Project
FY 2023-24: Preliminary Engineering and Feasibility
FY 2024-25: South Allen (Middle Bridge Rd to Quail Ave) - 0.02 miles
Song Sparrow Road (Trawden Dr to Redstart Ct) - 0.02 miles
Pineview Drive (Woodland Dr to Dacus Pl) - 0.15 miles



PROJECT ALTERNATIVES

N/A

OPERATING IMPACT/OTHER COMMENTS

Roadway Connections prior to July 2019 were combined with street rehabilitation for one debt issuance (\$2.4 million - Installment Purchase Agreement)

Ensure to match latest CTP update for roadway cross-sections.

PROJECT STATUS

Funds Approved to Date

Continuation - FY 2017

\$ 4,000,000

Funds Expended to Date

\$ 2,377,410

CAPITAL COST BREAKDOWN	Prior to July 2025	2025-26	2026-27	2027-28	2028-29	2029-30	Future Years
Planning & Engineering	\$ -	\$ -	\$ 325,000	\$ -	\$ -	\$ -	\$ -
Purchase	-	-	-	-	-	-	-
Construction	-	-	-	3,000,000	-	-	-
Contingency	-	-	125,000	550,000	-	-	-
Total Project Costs	\$ -	\$ -	\$ 450,000	\$ 3,550,000	\$ -	\$ -	\$ -

FUNDING SOURCE(S)	Prior to July 2025	2025-26	2026-27	2027-28	2028-29	2029-30	Future Years
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GO Bonds - Bond Referendum 2022	-	-	450,000	3,550,000	-	-	-
Total Funding Sources	\$ -	\$ -	\$ 450,000	\$ 3,550,000	\$ -	\$ -	\$ -

TOTAL PROJECT COST: \$ 4,000,000

Source: [Capital Improvements Plan Update, 2025-2030](https://www.wakeforestnc.gov/sites/default/files/uploads/departments/finance/CIP/cip_fy_25-30_final_draft.pdf) (Town of Wake Forest, NC, 2024): T-12, https://www.wakeforestnc.gov/sites/default/files/uploads/departments/finance/CIP/cip_fy_25-30_final_draft.pdf.

Appendix B. Fiscal Policy Guidelines for Moore County, NC

FISCAL POLICY GUIDELINES

Moore County, North Carolina

Amended October 3, 2017



CAPITAL IMPROVEMENT BUDGET POLICIES

1. It is the responsibility of the County Board of Commissioners to provide for the capital facilities necessary to deliver municipal services to the citizens of the County, as well as facilities for the Moore County Public School and Sandhills Community College systems.
2. The County will consider all capital improvements in accordance with an adopted Capital Improvement Plan.
3. The Capital Improvement Plan is inclusive of Capital Improvements (renovations), Capital Replacement (vehicles and heavy equipment) and Major Capital Projects (new buildings).
4. The County will develop a ten-year Capital Improvement Plan and review and update the plan annually. The Moore County Public Schools and the Community College System will submit their respective ten-year capital improvement requests annually and will provide a prioritization for the improvements within their request for the County Commissioner's review.
5. The County will enact an annual capital budget based on the ten-year Capital Improvement Plan, while considering changes in population, changes in real estate development, or changes in assumptions in the capital budget projections.
6. The County, in consultation with the Moore County Public School and Community College Systems, will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
7. The Capital Improvement Plan will include the estimated costs for the County to maintain all County, Public School and Community College assets at a level adequate to protect the public's welfare and safety, the County's capital investment and to minimize future maintenance and replacement costs. A maintenance and replacement schedule will be developed and followed based upon these estimates.

Source: [Fiscal Policy Guidelines](https://www.moorecountync.gov/DocumentCenter/View/546/Fiscal-Policy-Guidelines-PDF) (Moore County, NC, 2017): 3–4, <https://www.moorecountync.gov/DocumentCenter/View/546/Fiscal-Policy-Guidelines-PDF>.

FISCAL POLICY GUIDELINES

Moore County, North Carolina

Amended October 3, 2017



8. The County, in consultation with the Moore County Public School and Community College Systems, will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted for approval.
9. The County will adopt the most cost effective financing consistent with prudent financial management.

Appendix C. Concord, NC, CIP Message

CIP Message

June 9, 2022

The Honorable [REDACTED], Mayor
Members of the City Council
Concord, North Carolina

Dear Mayor [REDACTED] and Members of the City Council:

I'm pleased to present you the Capital Improvement Plan (CIP) for the fiscal years 2023-2027. The CIP serves as a long-range planning tool used to help the City match revenues with major capital (items or projects with a unit cost over \$100,000) needs over a five-year period. Projects in the CIP are derived from City Council's 2020-2023 Strategic Plan, citizen requests, master planning efforts, and departmental recommendations. This CIP book is provided with my recommended budget. Fiscal year (FY) 2023 projects are included in the operating budget for City Council approval. Subsequent fiscal year projects are unfunded and presented for planning purposes only.

All budgets are constrained by available revenues and current economic conditions, and that is no different for Concord. With recent inflation, capital projects continue to be prioritized so that available funds are allocated based on need, Council priority, and their impact on service provision. FY 2023 includes funding for a variety of City projects.

Planning for the Future

Greenspace: In FY 2023, Parks & Recreation will complete design of several projects in anticipation of the \$60 million general obligation bond package that the City will place on the ballot this November. These designs include expanded park space at the David Phillips Activity Center and the Wilson Street Park. Within this package are updates to and the addition of parks throughout the City which will increase accessibility to recreation opportunities and greenspace.

Service Delivery: The City also is planning to bring solid waste and recycling services in-house and will construct a new equipment shed to house the vehicles needed to provide service. Concord-Padgett Regional Airport will begin a three-phase installation of a fiber redundancy relay, reducing outages and improving service delivery. In FY 2024, a new Fire Station 6 is planned with a new, collocated David District Police Substation. Due to extended lead times in fire vehicle purchases, Fire Engine 6 will be purchased in FY 2023 to be ready for service when the new station is constructed. Projects such as these reiterate the City's commitment to excellent service by laying the groundwork for expansions in service delivery.

Maintaining City Facilities & Infrastructure

Streets & Traffic: Our Transportation department continues to actively identify projects throughout the City to improve roadways and congestion. One such project is Poplar Tent at Harris intersection improvements, which will reduce congestion in a location that is currently operating beyond capacity. The Lincoln Street bridge replacement project will increase safety for both motorists and pedestrians by widening lanes and updating walkways to add more separation between vehicles and pedestrians.

Utilities: Reliable infrastructure and accessibility are important tenets of the City's capital improvement plan. The City's Water department will issue a revenue bond in FY 2023 to make necessary improvements to the Hillgrove Water Treatment plant as well as extend a 24" water line along Highway 49 to enhance system pressure and efficiency. Other improvements will also be made through the CIP to increase capacity, pressure, and flow. The CIP includes the construction of two new electric substations and funding to complete the new electric operations center to meet those two tenets. Other infrastructure projects include two sewer outfalls and one stormwater culvert.

First-Year CIP Project Listing

A total of \$33,493,521 in capital projects has been identified for FY 2023. A list of all first-year projects and their primary funding sources (in parenthesis) can be found below. Project costs listed below include both the amounts listed in the Capital Project Ordinance as well as the operating expenses included with each project. Additional project detail is available on the following pages of this document.

Parks & Recreation Capital Projects Fund

- Academy Recreation Center/Gibson Village Complex Development: \$929,400 (*Transfer from Parks & Recreation Capital Reserve*)
- Clarke Creek Greenway Development, Cox Mill Loop: \$375,000 (*Transfer from Parks & Recreation Capital Reserve*)
- Wilson Street Park Development: \$90,000 (*G.O. Bond Proceeds if approved*)
- David Phillips Activity Center Park Development: \$170,000 (*G.O. Bond Proceeds if approved*)
- WW Flowe Park Phase One Improvements: \$205,000 (*G.O. Bond Proceeds if approved*)
- Hector H. Henry II Greenway, Cannon Crossing/Trail Head Parking Phase & 73 Phase: \$160,000 (*G.O. Bond Proceeds if approved*)
- Les Myers Park Improvements: \$160,000 (*Transfer from Future Projects Reserves*)

Wastewater Capital Projects Fund

- Coddle Creek Tributary Outfall from Weyburn Drive to Sunberry Lane: \$601,000 (*Transfer from Future Projects Reserves*)
- Coddle Creek Tributary Outfall Extension from US Highway 29 to Rock Hill Church Road: \$418,000 (*Transfer from Future Projects Reserves*)

Transportation Capital Projects Fund

- Poplar Tent at Harris Intersection Improvements: \$1,500,000 (*2.5¢ Allocation from General Fund and STBG-DA Grant*)
- Lincoln St. Bridge Replacement: \$2,000,000 (*2.5¢ Allocation from General Fund*)
- Glen/Elm Sidewalk Construction: \$344,954 (*2.5¢ Allocation from General Fund – PIP Sidewalk Funds*)
- Spring Street Phase 1 of 3 Concrete Road Replacement: \$721,149 (*2.5¢ Allocation from General Fund*)

Fire Station Projects Fund

- Fire Station 6/David District PD Substation Equipment Purchase: \$772,000 (*Transfer from General Capital Reserve*)

Water Projects Fund

- GAC Contactors at Hillgrove WTP: \$3,200,000 (*Revenue Bond Proceeds*)
- Hillgrove WTP Settling Basin Improvements: \$750,000 (*Revenue Bond Proceeds*)
- NC Highway 49 24" Water Line Extension – Stough Road to General Services Drive: \$4,851,000 (*Revenue Bond Proceeds*)
- 5 MGD Water Booster Pump Station Expansion: \$3,034,000 (*Transfer from Water*)
- Stough Road 24" Water Line Extension (Roberta Road to NC Highway 49): \$500,000 (*Transfer from Future Projects Reserves*)
- US Highway 29/601 Bridge Over Irish Buffalo Creek: \$510,000 (*Transfer from Future Projects Reserves*)

Electric Projects Fund

- New Electric Substation S – US Highway 601 South: \$1,200,000 (*Transfer from Utility Capital Reserve*)
- New Electric Substation V – Weddington Rd Ext Southwest of Concord: \$6,945,500 (*Transfer from Electric*)
- Construction of New Electric Operations Center: \$1,876,268 (*Transfer from Electric*)

Stormwater Projects Fund

- Mall North Culvert Replacement: \$516,500 (*Transfer from Stormwater*)

General Capital Projects Fund

- Solid Waste – Equipment Shed: \$1,572,000 (*Transfer from General Capital Reserve*)

Aviation Capital Projects Fund

- Aviation Fiber: \$91,550 (*Transfer from Aviation*)

First-Year Revenue Sources

Pay-as-you-go: Whenever possible, pay-as-you-go (“operating revenue” or “Transfer from --- Fund”) is the preferred method of funding CIP projects.

Capital Reserve Funds: These funds have been set aside for use in funding capital projects. Currently, the City uses three separate Capital Reserve Funds: General Capital Reserve, Utility Capital Reserve, and Parks & Recreation Capital Reserve.

Future Projects: In some instances, capital projects are completed at a lower cost than originally budgeted. Any remaining funding from such projects can be re-allocated to new capital projects within the same fund.

Vehicle Fees: The City collects a \$30 fee for vehicles registered within City limits. Twenty-five dollars from this fee goes directly to fund transportation projects and street resurfacing. The remaining \$5 goes to the Concord-Kannapolis Rider Transit system.

Grant Funds: The City continues to aggressively pursue state and federal grant funding and has been successful in many of these efforts. Examples of grant funding include NCDOT reimbursements, Congestion Mitigation and Air Quality (CMAQ) grants, Parks and Recreation Trust Fund (PARTF) grants, and Surface Transportation Block Grants (STBG).

G.O. Bond Proceeds: General Obligation (“G.O.”) Bonds are a type of debt issued by the City that must be approved by voters and are backed by the full faith and credit of Concord’s taxing authority.

Revenue Bond Proceeds: The City may issue revenue bonds for projects that are backed by a specific revenue source – such as water, sewer, or electric fees. The main way debt is issued to the city is through bonds. The City follows a strict policy on when to take out debt. However, it is sometimes a necessary tool to finance capital projects.

Conclusion

The following pages of this document provide additional detail on the projects listed above as well as those in future planning years. This document is considered a “living” document that serves as a planning guide and will be adjusted as existing projects change and new needs arise.

Respectfully submitted,



City Manager

Appendix D. Bryan, TX, CIP Ranking Criteria



*Capital Improvements Plan
Ranking System Summary*

CIP RANKING CRITERIA

Project Ranking By Areas of Emphasis

1) Image (20%) - Quality of life is a characteristic that makes the city a favorable place to live. A park with amenities to satisfy all citizens would greatly impact the quality of life. A city maintenance building is an example of a project that does not directly affect the citizen's quality of life. The score could be based on answers to the following example question:

- A. Does the project enhance the quality of life of the citizens?
- B. Will the project attract new residents to the City?
- C. Does the project target the quality of life of various citizens or does it target one demographic?
- D. Does the project improve the appearance and image of the City?
- E. Does the project relate to the results of the citizen survey?

Scoring Scale:

The project does not affect the image for Bryan				An equal portion of the project will impact image as well contribute to other areas of quality of life.					The project greatly impacts the image and quality of life for citizens of Bryan.

2) Infrastructure (20%) - This term defines items relating to infrastructure needs for The City of Bryan. Items such as waterlines, sewer lines, wastewater treatment, streets, buildings, facilities, stormwater, and drainage. A score of 1-10 can be given to these projects. The score could be based on answers to the following example questions:

- A. Is it needed?
- B. Is the facility exceeding its useful life?
- C. What is the degree of aging of the existing facility?
- D. Do the resources spent on maintenance justify replacement?
- E. Is the system outdated?
- F. Is it required by regulations?
- G. Does the project extend service for new growth?

Scoring Scale:

1	2	3	4	5	6	7	8	9	10
The level of need to the system is low.				The project is divided between the levels of need the project provides.					The level of need is high; it has exceeded its useful life.

City of Bryan

3



Source: [Capital Improvements Plan Ranking System Summary](https://docs.bryantx.gov/CIP/future_CIP/ranking_system_summary.pdf) (City of Bryan, TX, accessed December 1, 2025): 3–6, https://docs.bryantx.gov/CIP/future_CIP/ranking_system_summary.pdf.



*Capital Improvements Plan
Ranking System Summary*

3) Growth (10%) – Growth and economic development relates to things the city can do to attract developers, businesses and corporations to call Bryan home. Providing the needed infrastructure to continue redevelopment of downtown would score high in this category. Reconstructing a storm drain line through a residential neighborhood would score low in the growth and economic development category. The score could be based on answers to the following example questions:

- A. Does the project have the potential to promote economic development in a new area of town?
- B. Will the project continue to promote economic development in an already developed area?

Scoring Scale:

The project will not aid in growth and economic development.				An equal portion of the project will promote growth and economic development as well as have no impact on growth.					The project will encourage future economic growth.

4) Health/Public Safety (10%) - Health/public safety includes fire service, police service, safe roads, safe drinking water, fire flow demand, sanitary sewer systems and flood control. A fire station or police station would directly impact the citizens, scoring high in this category. New softball fields may not directly affect the health/public safety of the citizens, therefore scoring low. The score could be based on answers to the following example questions:

- A. How does the proposed project directly impact the health/public safety of the citizens of Bryan?
- B. On what scale does this project indirectly affect the health/public safety of the community?
- C. Does this project satisfy a Federal Mandate?
- D. Does this project satisfy a State Mandate?

Scoring Scale:

1	2	3	4	5	6	7	8	9	10
The project does not impact the health/public safety of the citizens.				The project is divided between the impacts it has on the citizens regarding health/public safety.					The project directly impacts the health/public safety of the citizens



*Capital Improvements Plan
Ranking System Summary*

Project Ranking By Financial, Technical, and Regulatory Goals

5) External Funding (10%) – Capital improvement projects can be funded through sources other than the City funds. Developer funding, grants through various agencies and donations can all be sources of external funding for a project. The percentage of total cost funded by an outside source will determine the score in this category.

Scoring Scale:

0-10% External Funding	11%-20% External Funding	21%-30% External Funding	31%-40% External Funding	41%-50% External Funding	51%-60% External Funding	61%-70% External Funding	71%-80% External Funding	81%-90% External Funding	91%-100% External Funding

6) Impact on Operational Budget (10%) – Some projects may affect the operating budget for the next few years or for the life of the facility. A fire station will need to be staffed and supplied, therefore having an impact on the operational budget for the life of the facility. Replacing a waterline will not require any additional resources from the operational budget. The score could be based on answers to the following example questions:

- A. Will the new facility require additional personnel to operate?
- B. Will the new facility require significant annual maintenance?
- C. Will the new facility require additional equipment not included in the project budget?
- D. Will the new facility reduce time and resources of city staff maintaining current outdated systems? This would free up staff and resources, having a positive affect on the operational budget.
- E. Will the efficiency of the project save money and is there a revenue opportunity?

Scoring Scale:

1	2	3	4	5	6	7	8	9	10
The project will have a negative affect on the budget. It will require additional money to operate.				The project will not affect the operating budget.					The project will have a positive affect on the budget. It will have significant savings in time and materials because of efficiency.



*Capital Improvements Plan
Ranking System Summary*

7) Regulatory Compliance (10%) – This criterion includes regulatory mandates such as sewer line capacity, fire flow/pressure demands, stormwater/creek flooding problems. The score could be based on answers to the following example questions:

- A. The project addresses a regulatory mandate? (0- 5 years)
- B. Will the future project impact foreseeable regulatory issues? (5-10years)
- C. Does the project promote long-term regulatory compliance (>10 years)

Scoring Scale:

1	2	3	4	5	6	7	8	9	10
The project is not justified by regulatory compliance				The project is justified equally between regulatory compliance and other reasons.					The project will satisfy a regulatory compliance issue.

8) Timing/Location (10%) - The timing and location of the project is an important piece of a project. If the project is not needed for many years it would score low in this category. If the project is close in proximity to many other projects and/or if a project may need to be completed before another one can be started it would score high in this category. The score could be based on answers to the following example questions:

- A. When is the project needed?
- B. Do other projects require this one to be completed first?
- C. Does this project require others to be completed first?
- D. Can this project be done in conjunction with other projects? (ex. waterline/sanitary sewer/paving improvements all within one street)
- E. Will it be more economical to build multiple projects together (reduced construction costs)?
- F. Will it help in reducing overall neighborhood disruptions year after year?

Scoring Scale:

1	2	3	4	5	6	7	8	9	10
The project does not have a critical timing/location component.				The project has one timing/location factor critical to it.					Both timing and location are critical components of the project.

Appendix E. Sault Ste. Marie, MI, Scoring Rubric for CIP Projects

Criteria	Possible score: 15	Possible score: 10	Possible score: 5	Possible score: 0
Conformity to Approved City Plan or Department Plan(s)	Implements a major project in a City Commission Approved City Plan. Received prior City Commission direction/approval	Significantly adds to the completion of an approved department plan	Minimally adds to the completion of an approved department plan	Does not contribute toward any approved or adopted plan
Financial Commitments and Leverage of Outside Funding	Financial commitments obtained and substantial	Financial commitments likely but amount is unclear	Financial commitments possible but amount is unclear	No identified funds
Mandates	Court decision or regulatory requirement	Pending legal action or strong evidence of potential legal action	Possible but uncertain legal action	Normal project liability
Public Health and Safety	Project will correct a highly probable safety or health issue which has highly severe consequences if not remedied	Project with less probable chance of a safety or health issue occurring but may have serve consequences without action	Project corrects a highly probable safety or health issue that has less than severe consequences without action	Project corrects no perceived safety or health issue
Implementation Feasibility	No implementation obstacles identified	Minor implementation obstacles identified	Major implementation obstacles identified	Implementation not likely
Operating Budget Impact	Significantly decreases operating/maintenance costs	Minimally decreases operating/maintenance costs	Net impact of zero	Increases operating/maintenance costs
Percentage of Population Served	100%	50-99%	10-49%	<10%
Project/Item Life	>20 years with no extraordinary maintenance	>20 years with routine maintenance	10-20 years	<10 years
Estimated Frequency of Use (Avg. Per Year)	7 days/week	Several days a week	Several days a month	Once a month or less
Service Level	Project will correct or have measurable and dramatic improvement on the level of service offered by department	Project will maintain the level of service criteria as measured by department	Project will enhance the already acceptable level of service or have minimal impact on service as measured by the department	No impact on service level
Linkages to Other CIP Projects or Other Organization	Continuation of project currently underway or satisfies arrangement made with outside organization	Critical that project is done in conjunction with another project underway or other organization	Potential for project to be done in conjunction with another project proposed CIP project list or other organization	No linkage to other projects or outside organizations
Infrastructure Investment/Protection	Exclusion of project will result in complete loss of prior investments or infrastructure	The project improves and/or protects the City's infrastructure	The project maintains the City's infrastructure	The project does not protect or preserve the City's infrastructure
Encouragement of Economic Development	The project will directly encourage increased economic development in the City's corridors.	Removal/non-inclusion of the project would deter economic development but inclusion would not increase economic development	The project will help to maintain the current level of economic development in the City	The project will not encourage increased economic development in the City

Adapted from: [Capital Improvement Plan 2025–2031](https://www.saultcity.com/sites/g/files/vyhlif13741/files/media/engineering/file/13071/cip_book_-final_2025-2031.pdf) (City of Sault Ste. Marie, MI, approved January 20, 2025): 4, https://www.saultcity.com/sites/g/files/vyhlif13741/files/media/engineering/file/13071/cip_book_-final_2025-2031.pdf.

Appendix F. Burke County, NC, Policy for Prioritizing Financing for Capital Projects

<u>One-Time Pay-as-you-go Funding</u>	<u>2022-2023</u>	<u>2023-2024</u>	
Capital Expansion	\$ 13,958,615	\$ 2,270,551	\$ 16,229,166

<u>Capital Project Funding</u>	<u>Pay as you go</u>	<u>Grant</u>	<u>Debt</u>	<u>Total</u>
Jonas Ridge	\$2,300,000	\$ -	\$ -	\$2,300,000
East Burke	1,429,166	-	-	1,429,166
Indian Hills Pump Station	1,300,000	1,118,000	-	2,418,000
Courthouse Renovations	1,000,000	1,000,000	-	2,000,000
HRC Building	-	-	25,000,000	25,000,000
Animal Services Building	5,000,000	-	-	5,000,000
EMS Base #1	3,000,000	5,000,000	-	8,000,000
Regional Rehab Facility (ARC)	-	15,000,000	-	15,000,000
Fonta Flora Trail System	<u>2,200,000</u>	=	=	<u>2,200,000</u>
	\$16,229,166	\$22,118,000	\$25,000,000	\$63,347,166

Source: [Capital Improvement Plan 2024–2028](https://www.burkenc.org/DocumentCenter/View/2750/2023-CIP---Capital-Improvement-Plan) (Burke County, NC, accessed December 1, 2025): 2, <https://www.burkenc.org/DocumentCenter/View/2750/2023-CIP---Capital-Improvement-Plan>

Appendix G. Burke County, NC, Funding Amounts and Sources for Capital Projects

Revenue Sources: - Prioritized in this order:

Grant Funds: The County continues to aggressively pursue state and federal grant funding and has been successful in many of these efforts.

Capital Reserve Funds: The proposed funding for Capital Reserve Funds is a dedicated tax rate of 2.57 cents or approximately \$2.75MM annual re-occurring funds.

Pay-As-You-Go: Whenever possible, pay-as-you-go funding is the preferred method of funding CIP projects. For large capital projects, this is not a feasible option.

Debt Proceeds: Some major capital projects are best funded through bank or bond borrowings that have a longer pay back term. These debt service payments would be paid from the debt service fund – which is funded through the dedicated Capital Reserve Fund.

Source: [Capital Improvement Plan 2024–2028](https://www.burkenc.org/DocumentCenter/View/2750/2023-CIP---Capital-Improvement-Plan) (Burke County, NC, accessed December 1, 2025): 11, <https://www.burkenc.org/DocumentCenter/View/2750/2023-CIP---Capital-Improvement-Plan>.

Appendix H. Carrboro, NC, Sample CIP Project Page



Project Title: **Fire Station #1 and Fidelity Street Stormwater Improvements** Project # **81004**
 Location: **long term maintenance.** Category: **Stormwater**
 Project Status: **Existing Project - No Additional Funding Programmed** Fund: **80-Stormwater**
 Proj Start Date: **7/1/2024** Finish Date: **7/1/2026**

	Previous Funding	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY26-FY30 Total	Project Total
Expenses								
Planning/Design	17,820						-	17,820
Professional Services	29,764						-	29,764
Construction	175,000	50,000					50,000	225,000
Land/ROW							-	-
Equipment/Furnishings							-	-
Total Expenditures	\$ 222,584	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 272,584
Funding Sources								
Intergovernmental Funds							-	-
Federal							-	-
State							-	-
County							-	-
General Fund							-	-
Capital Project Fund							-	-
Storm Water Fund	222,584	50,000					50,000	272,584
GO Bonds							-	-
Installment Financing							-	-
Matching Funds							-	-
Other							-	-
Total Funding	\$ 222,584	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 272,584
Operating Budget Impact								
Personnel							-	-
Operating	47,584		3,500	3,500	3,500	3,500	14,000	61,584
Capital Outlay			2,500	2,500	2,500	2,500	10,000	10,000
Debt Service							-	-
Total Oper Bdgt Impact	\$ 47,584	\$ -	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 24,000	\$ 71,584

Description and Benefits

This retrofit SCM captures firehouse roof drainage benefiting the community by improving water quality, reducing flooding, and enhancing streetscape aesthetics. It filters pollutants, absorbs stormwater, and integrates greenery, creating an attractive urban space. This project transforms infrastructure into a visually appealing, eco-friendly asset while demonstrating effective stormwater management, fostering environmental awareness, and contributing to a healthier, more resilient community.

Energy Sustainable Measures

Strategy 1.1 Support native plantings throughout town.

Strategy 1.2 Expand nature-based stormwater solutions as part of ecosystem enhancement, watershed restoration, climate resilience, and quality of place improvements.

Project Map

Oper Bdgt Impacts & Funding (list grants, matching requirements, etc)

Descirbed above, engineering and long term maintenance.

Town Council Strategic Goals: ("X" all that apply for this project)

Maintaining the existing infrastructure in order to protect the Town's investments

Expanding the Town's tax base in a way that will benefit both current and future citizens

☒ Complying with State and Federal mandates

☒ Incorporating energy and climate protection strategies

Providing Town services in the most efficient, safe and quality manner

Managing and encouraging orderly implementation of Town adopted needs assessments.

☒ Strategic and program master plans

Reduce racial disparities in government, and ensure that everyone is valued

Source: [Town of Carrboro Capital Improvement Plan for FY26 thru FY30](https://townofcarrboro.org/DocumentCenter/View/17055/FY2025-2030-Council-Approved-CIP) (Town of Carrboro, NC, accessed December 2, 2025): 40, <https://townofcarrboro.org/DocumentCenter/View/17055/FY2025-2030-Council-Approved-CIP>.