

## ***What are Capital Improvements & Capital Projects?***

Capital Projects include all long-lived infrastructure such as water facilities, sewers, streets, parks and buildings along with equipment like trucks, radios, police cars, telecommunications equipment, furniture and computers.

Capital projects can be thought of as belonging to one of the following categories:

- Water and Waste
- Streets, Streetscapes and Transportation
- Community Facilities
- Energy and Telecommunications
- Housing for Low and Moderate Income Families
- Equipment and Vehicles

A Capital Improvement is generally defined as a non-recurring expenditure or any expenditure for physical improvements, including costs for:

- Acquisition of existing buildings, land, or interests in land
- Construction of new buildings or other structures, including additions and major alterations
- Construction of streets and highways or utility lines
- Acquisition of fixed equipment
- Landscaping
- Such similar expenditures

It may mean any change, alteration, rearrangement or addition to existing facilities. It is also new construction, acquisition or improvements to sites, buildings, or service systems.

In 2012, the Village of Belgium internally defined the capitalization threshold as being \$5,000.00. Therefore, generally speaking, a “capital project” is infrastructure with a project cost OVER the \$5,000.00 threshold, while a “capital improvement” is those with a cost UNDER the \$5,000.00 threshold. Please note that these definitions exist regardless if borrowing is required for the project/improvement or not.