

Purpose of the Capital Improvements Program

This section provides detailed information on the County's Capital Improvements Program (CIP). Included in this section is the description and available funding for existing capital projects that have been financed through previous bond issues, capital outlay notes, commercial paper, grants and/or the General Fund.

An effective CIP is an important tool to promote advanced planning for future needs and the means to meet them. As a planning tool, the CIP helps to ensure that land acquisitions and construction projects are coordinated and well timed to avoid unnecessary or costly duplications. Also, since the CIP is reviewed and updated on an annual basis, long-range needs can be adjusted to reflect changing circumstances or priorities.

Capital improvement projects are defined as infrastructure or equipment purchases or construction that results in a capitalized asset with a useful life (depreciable life) of 15 years or more. Minor capital outlays with a useful life of less than 15 years will be included with the Capital Outlay Operating Budget and are adopted as part of the annual budget process.

As a financial plan, the CIP represents land acquisition and facility planning in an environment of fiscal constraint in several ways. First, projects under consideration are evaluated annually against one another to assure that only priority projects receive funding. Second, essential improvements are planned in a manner commensurate with the County's ability to pay for them. As growth continues, the CIP will help the County avoid costly crisis expenditures of dollars that could dramatically increase the tax rate. Finally, the CIP attempts to take into account not only the construction costs of completing a capital project, but also the impact on the County's operating budget in subsequent years.

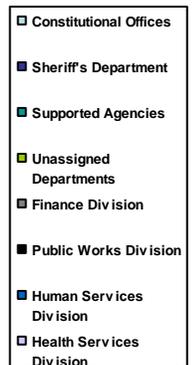
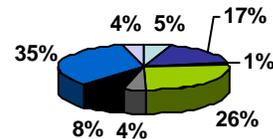
The CIP Process

Each year the County updates its long-range CIP plan. As part of the CIP process, the County departments and the Department of Education are asked to review and prioritize their capital needs for the next five years. They submit CIP requests, including project justifications and cost estimates, to the Finance Division to be reviewed for cost effectiveness, affordability and demonstrated need. The approved capital outlay budget funded by the General Fund is adopted as part of the Operating Budget for the coming year. The capital improvements funded by General Obligation Bonds or Notes are formally adopted by the County Commission when the Bond Resolution is approved. The CIP is funded each year from a variety of sources including debt proceeds, County appropriations and Federal and State aid are set forth below. Since departmental needs often change over time, the CIP is considered preliminary and subject to change by the County Commission for a given fiscal year, therefore any future capital improvement requests, not formally adopted by the Board of Commissioners, are not presented in this CIP budget document. A graph of capital outlay funded by the general fund is presented on the follow page as Exhibit 1. Schedules of revenues by source and expenditures by activity are also presented in this section as Exhibit 2 and Exhibit 3, respectively.

Exhibit I

FY 2008 General Fund Capital Outlay Appropriations:

Constitutional Offices	\$ 236,620
Sheriff's Department	\$ 678,092
Juvenile Court	\$ 13,500
Supported Agencies	\$ 64,200
Unassigned Departments	\$ 1,076,068
Finance Division	\$ 202,661
Public Works Division	\$ 329,635
Human Services Division	\$ 1,353,138
Health Services Division	\$ 199,677
	<u>\$ 4,153,591</u>



The following exhibit includes revenue sources allocated to the capital improvements program for four fiscal years. Capital Improvement requests are appropriated when funding is available.

Exhibit II

Revenue Source	Actual 2005	Actual 2006	Actual 2007	Available 2008
General Fund	2,464,483	2,314,562	2,547,216	4,153,591
Intergovernmental	9,172,837	2,333,145	4,770,768	1,612,274
Charges for Current Services	15,118	-	281,028	-
Investment Earnings	897,737	1,049,780	2,096,673	2,170,662
Miscellaneous	770,866	1,218,086	89,386	-
Proceeds from Sale of Land	2,513,943	1,889,074	-	-
General Obligation Bonds	-	-	868,481	-
Notes Payable	934	-	25,000,000	-
Fund Balance	14,374,943	8,309,230	12,145,651	19,537,405
	<u>30,210,861</u>	<u>17,113,877</u>	<u>47,799,203</u>	<u>27,473,932</u>

The budgeted expenditures below are presented by activity.

Exhibit III

Expenditures	2005	2006	2007	2008
ABB Combustion Building	8,154	5,114	4,885	-
Administration	24,753	72,959	854,123	-
Election Commission Building	13,500	1,622,743	583,411	-
Emergency Medical Services	591,863	555,335	485,809	645,757
Engineering	94,657	62,815	48,380	72,500
Enterprise South	11,185,038	1,453,077	1,693,103	1,655,774
Equipment	1,965,392	1,566,994	885,029	1,941,436
Furniture & Fixtures	61,771	56,461	58,936	47,770
Highways	691,328	42,720	210,194	142,866
Industrial Parks	1,203,013	1,866,696	580,124	2,913,427
Land Improvements	40,928	-	4,672	6,500
Maintenance	202,701	149,905	90,314	145,473
Recreation	870,888	667,843	218,960	737,840
Renovations	547,182	3,091,434	2,463,215	1,515,095
Riverpark	2,588,238	576,528	127,597	105,000
Schools	9,424,380	4,599,993	38,623,826	16,461,627
Sheriff Equipment	531,932	465,742	559,132	703,965
Social Services	115,265	17,886	50,000	50,000
Volunteer Services	236,444	177,640	224,700	259,752
Water Assistance	(86,566)	61,992	32,793	69,150
	<u>30,310,861</u>	<u>17,113,877</u>	<u>47,799,203</u>	<u>27,473,932</u>

Current Capital Improvements Projects

Listed below are the uncompleted projects that have been adopted in the General Fund or have been approved by bond resolutions. The programs are funded either by 1) General Fund appropriations for Capital Outlay from the operating budgets FY 2007 and FY 2008, 2) General Obligation bonds, or 3) Commercial Paper (issued in FY 2007). Those projects funded by the General Fund, sale of land or special fees are allocated when funds are available and special needs have been established. Each project description reflects capital funds available for FY 2007, estimated expenditures for the projects during 2007 and capital funds available for the completion of the project. Any increases to total available funding for FY 2008 are a result of the FY 2008 General Fund Capital Outlay or the reallocation of current bond funds available for capital improvements. The available funding for FY 2008 projected for Hamilton County and the Department of Education is \$27.5 million.

Accounting Department

Funding Sources: Bond Funds/General Fund

The Accounting Department is in the final phase of the integrated financial software package implementation (applicant online and employee online are scheduled for implementation in FY 2008) and is accounted for in this department. Renovation of the office suite is now in progress.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	1,003,135	144,308	858,827
Gen Fund	1,980	1,980	3,900

Future impact on the General Fund: Estimated \$60,000 a year for financial software service contract.

County Commission

Funding Sources: General Fund

The County Board of Commission plans to upgrade computers, purchase office equipment and furniture. In addition, Commissioners will use discretionary funds for the betterment of the community. (i.e., assistance with the building of schools, improvement to neighborhoods) FY 2008 is the first year for implementing the discretionary funds.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	NA	NA	NA
Gen Fund	100	100	905,700

Future impact on the General Fund: The discretionary funds have not been allocated to a particular project and the impact on the General Fund is not available.

Courthouse Renovations

Funding Sources: Bond Funds

The Courthouse renovations began in the FY 2002 budget year and are in the final phase. The funding provides for updated communication technology facilities along with renovation of the existing structure and furnishings.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	1,277,037	1,199,099	77,938
Gen Fund	NA	NA	NA

Future impact on the General Fund: Renovations have yielded a projected utilities cost savings of \$15,800 for FY 2008.

Custodial/Security Service

Funding Sources: Bond Funds/General Fund

This activity includes updating and modernizing all County elevators to state code. The General Fund Appropriation provides for camera equipment and installation.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	595,352	571,512	23,840
Gen Fund	-	-	29,910

Future impact on the General Fund: Estimated \$60,000 annual cost for elevator maintenance contract.

Election Commission

Funding Sources: Bond Funds/General Fund
The Election Commission completed construction of a new building in FY 2006. The remaining funds were used for replacement office furniture and equipment. A grant was awarded in FY 2007 for a touch screen voting system and was appropriated in the General Fund.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	216,848	216,848	NA
Gen Fund	366,563	366,563	NA

Future impact on the General Fund: Increase in utility cost for FY 2007 was \$8,945.

Emergency Medical Services

Fund Sources: General Fund
General Fund Appropriation provides for two new ambulances, two replacement supervisor vehicles, protective clothes, stretchers and backboards, computers, and training equipment.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	NA	NA	NA
Gen Fund	506,692	485,809	645,757

Future impact on the General Fund: Through the conservative replacement of vehicles, within this department, maintenance cost has remained constant for the last four fiscal years in spite the other rising costs of operations.

Emergency Services

Funding Sources: General Fund
The General Fund provides for vehicle replacements, firefighter protective clothing, laptop w/docking station, telephone headsets, and furniture.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	NA	NA	NA
Gen Fund	55,035	55,035	NA

Future impact on the General Fund: Maintenance cost is estimated at \$4,000 for a total overhaul.

Engineering

Funding Sources: Bond Funds/General Fund
Included in this capital improvement activity is Engineering's projected cost of roadway construction and drainage construction. The General Fund appropriation includes funding for three replacement vehicles, five computers, and one file cabinet.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	245,081	2,108	242,973
Gen Fund	46,272	46,272	72,500

Future impact on the General Fund: None

Enterprise South

Funding Sources: Bond Funds/General Fund
The Enterprise South projects include infrastructure development for the industrial park, a workforce development training center and the completion of the Enterprise Nature Park.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	3,268,877	1,656,603	1,612,274
Gen Fund	36,500	36,500	43,500

Future impact on the General Fund: Budgeted \$296,105 in FY 2008 for two park rangers, three park maintenance personnel, and operations.

Geographic Information Systems

Funding Sources: General Fund
The General Fund appropriation includes funding for AutoCAD computer software, CPUs, one server replacement, one vehicle.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	NA	NA	NA
Gen Fund	18,000	70,561	NA

Future impact on the General Fund: The increase in fuel cost for one new vehicle is estimated at \$430.

Highway Department

Funding Sources: Bond Funds/General Fund
 The General Fund appropriation includes funding for two replacement pickup trucks, a single axle dump truck, and two computers.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	141,621	100,755	40,866
Gen Fund	109,439	109,439	102,000

Future impact on the General Fund: Current maintenance cost on these vehicles is nominal; however, the estimated costs to put the vehicles back in service are \$3,000 per vehicle.

Industrial Development Projects

Fund Source: Bond Funds
 The Industrial Development Projects include funding for the purpose of developing land to encourage commercial, industrial and manufacturing enterprises to locate within the boundaries of Hamilton County. The General Fund Appropriation provides for the purchase of two mowers and one trailer.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	3,493,551	580,124	2,913,427
Gen Fund	NA	NA	NA

Future impact on the General Fund: None

Information Technology Services Projects:

Funding Source: Bond Funds/General Fund
 The County's ITS Department bond fund appropriation is for an alternative data site and remodeling. The General Fund appropriation includes servers and service upgrades.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	140,000	100,318	39,682
Gen Fund	40,000	31,935	128,200

Future impact on the General Fund: The alternative data site has been selected and the annual utility cost is estimated at \$2,400.

Maintenance Projects

Funding Sources: Bond Funds/General Fund
 This activity provides a new HVAC system in the Newell Towers and a boiler/chiller replacement for the Health Department's 3rd Street Building as well as for general maintenance of County buildings.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	431,094	417,921	160,947
Gen Fund	67,024	79,367	134,500

Future impact on the General Fund: The annual maintenance of the Health Department's boiler/chiller is under a county-wide maintenance contract and the savings is not available at this time. The estimated annual savings for the Newell Towers is \$9,800.

Miscellaneous Projects

Funding Sources: Bond Funds/General Fund
 The County has several smaller projects that are consolidated under this category. Also included in this activity is the administration expense of the bond funds. The General Fund appropriation includes capital outlay in the amount of \$1,166,137 for computer upgrades, software, and furniture and fixtures.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	1,564,735	1,364,508	200,227
Gen Fund	643,033	632,023	1,228,532

Future impact on the General Fund: None

Recreation Projects

Funding Sources: General Fund
 The General Fund appropriation will provide funding for replacement of riding mowers, a six-foot bush hog, and a two replacement trucks.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	202,960	274,057	661,840
Gen Fund	72,500	72,500	181,000

Future impact on the General Fund: The estimated savings for maintenance of the two vehicles replaced is approximately \$2,000.

Sheriff

Funding Sources: Bond Funds/General Fund

The Sheriff's Department is planning to purchase 14 vehicles for the new School Resource Officers, office and computer equipment, laptops, and upgrade servers. Fuel cost is estimated at \$45,150 per vehicle for the School Resources Officer vehicles.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	25,873	NA	25,873
Gen Fund	559,132	559,132	678,092

Future impact on the General Fund: The annual cost of the additional vehicles would be the responsibility of the Sheriff's Fund and any increase in the General Fund appropriation would depend on the revenues collected.

Schools

Funding Source: Bond Funds

The appropriations for schools is for the purchase of land, construction and capital maintenance and repairs for the Hamilton County Schools. Estimated costs for building and staffing a new school is approximately \$4.5 million.

Funding Source	Total Available FY2007	Estimated Obligations FY2007	Total Available FY2008
Bonds	55,085,453	38,623,826	16,461,627
Gen Fund	NA	NA	NA

Future impact on the General Fund: None, the annual cost of the operating schools is the responsibility of the Department of Education.

