

## **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.

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. 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.

Hamilton County strives to keep up with its rapid growth through several significant public improvements. Notable projects completed in 2012 include:

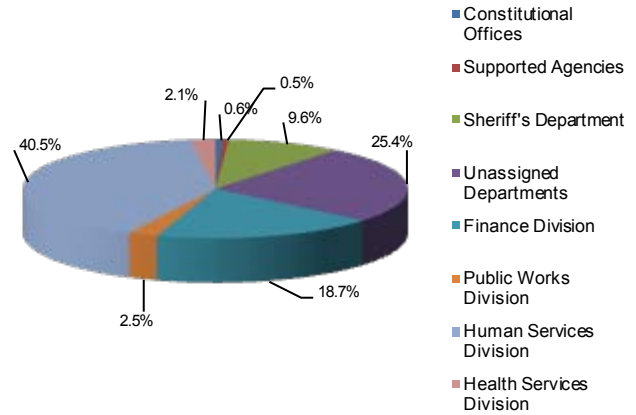
- Hamilton County Health Department Green Roof
- Business Development Center Renovation
- Enterprise South Industrial Park Railroad Improvements and Bridge Replacement over Hickory Valley Road
- Volkswagen Railroad Support Yard
- Charles A. Bell Elementary School Brownfield Renovation
- Amazon Site Infrastructure Improvements
- Chester Frost Park Pavilion Lighting Replacement

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 2013 General Fund Capital Outlay Appropriations:

Constitutional Offices	\$ 24,381
Supported Agencies	\$ 17,500
Sheriff's Department	\$ 363,414
Unassigned Departments	\$ 959,266
Finance Division	\$ 707,100
Public Works Division	\$ 92,700
Human Services Division	\$ 1,528,778
Health Services Division	\$ 78,934
	<u>\$ 3,772,073</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 2010	Actual 2011	Projected 2012	Available 2013	Inc/(Dec)
General Fund	4,897,122	3,842,287	5,354,075	3,772,073	(1,582,002)
Intergovernmental	2,090,071	19,839,075	8,618,796	-	(8,618,796)
Charges for Current Services	251,813	237,139	235,384	230,000	(5,384)
Investment Earnings	162,438	140,966	130,398	120,000	(10,398)
Miscellaneous	1,309,126	3,965,376	3,166,357	1,324,940	(1,841,417)
Proceeds from Sale of Land	1,036,053	79,906	646,122	-	(646,122)
Issuance of GO Bonds	4,980,000	-	18,096,272	-	(18,096,272)
Commercial Paper	20,000,000	21,556,000	5,000,000	52,923,509	47,923,509
Use of Fund Balance	14,683,862	6,704,203	-	8,903,677	8,903,677
	<u>49,410,485</u>	<u>56,364,952</u>	<u>41,247,404</u>	<u>67,274,199</u>	<u>26,026,795</u>

The budgeted expenditures below are presented by activity.

**Exhibit III**

Equipment	1,064,266	1,296,052	1,249,891	1,606,357	356,466
Furniture & Fixtures	16,800	18,445	5,174	41,728	36,554
Highway	105,946	450,553	202,306	-	(202,306)
Industrial Parks	3,346,059	13,526,458	8,924,310	-	(8,924,310)
Land Improvements	934,909	1,592,019	1,980,043	900,000	(1,080,043)
Maintenance	45,000	548,667	158,500	175,000	16,500
Records Storage Expansion	1,996,368	1,540,458	-	-	-
Recreation	780,369	599,054	580,444	-	(580,444)
Renovations	1,406,540	3,852,008	1,110,559	552,000	(558,559)
Riverpark	56,237	392,195	636,138	1,944,649	1,308,511
Schools	21,897,496	6,330,913	23,105,086	60,336,736	37,231,650
Sheriff Equipment	932,780	700,849	1,078,752	363,414	(715,338)
Social Services	50,000	48,923	50,000	50,000	-
Volkswagen	-	10,751,925	-	-	-
Volunteer Services	580,313	253,383	270,060	258,752	(11,308)
	<u>49,410,485</u>	<u>56,364,952</u>	<u>41,247,404</u>	<u>67,274,186</u>	<u>26,026,782</u>

## Current Capital Improvements Projects

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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 2012 and FY 2013, 2) General Obligation bonds, 3) Commercial Paper (issued or available for short-term borrowing), or 4) Federal, State and Local grants. 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 2012, estimated expenditures for the projects during 2012 and capital funds available for the completion of the project. Any increases to total available funding for FY 2013 are a result of the FY 2013 General Fund Capital Outlay or the reallocation of current bond funds available for capital improvements. The available funding for FY 2013 projects for Hamilton County and the Department of Education is \$60.3 million.

### Administration

Funding Source: Bond Funds  
Funds are used for administrative fees.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	452,297	452,297	-

Future impact on the General Fund: None

### Emergency Medical Services

Funding Sources: Bond Funds/General Fund  
Bond funds were allocated for the construction of a new EMS station. General Fund appropriation was allocated to purchase two new ambulances, one remounted ambulance, stretchers and backboards, training equipment, protective clothing, station furniture, and replacement of 13 cardiac monitors.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	33,502	33,502	-
Gen Fund	432,500	432,500	1,045,550

Future impact on the General Fund: None

### Engineering

Funding Source: Bond Funds  
Bond funds are allocated for lighting upgrades for Riverpark, Chester Frost Park, and the Paul McDaniel building.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	977,842	977,842	-

Future impact on the General Fund: The future estimated cost of the maintenance to the Paul McDaniel Building is not available at this time, due to the fact that the building was not been fully utilized until February 2012.

### Equipment

Fund Sources: Bond Funds/General Fund  
Bond funds were approved for a complete software update for the Assessor of Property's office. The General Fund allocations include the replacement of vehicles, computer software and licenses, miscellaneous computer upgrades and replacements, purchase of exercise equipment, and surveillance cameras for courthouse rooms.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	177,131	177,131	564,000
Gen Fund	1,072,760	1,072,760	1,042,357

Future impact on the General Fund: Maintenance Cost for Software upgrades and licenses \$27,600.

### Furniture and Fixtures

Funding Sources: Bond Funds/General Fund  
Bond funds were used to furnish Community Corrections Annex Bldg, Paul McDaniel Bldg, equipment and upgrades to Fireman Monument. The General Fund appropriation includes the purchase of office furniture and carpet replacement.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	-	-	35,728
Gen Fund	5,174	5,174	6,000

Future impact on the General Fund: Now that the Paul McDaniel Building is fully furnished there should be no new furniture or fixtures added in the near future.

### Highway

Fund Source: Bond Funds/General Fund  
Bond funds and general funds are used to obtain heavy duty equipment, including one D6 dozer replacement, and vehicles.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	10,400	10,400	-
Gen Fund	191,906	191,906	-

Future impact on the General Fund: N/A

### Industrial Development Projects

Funding Sources: Bond Funds  
Bond funds are used for site preparations and infrastructure to provide for additional companies to relocate to the industrial parks.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	8,924,310	8,924,310	-

Future impact on the General Fund: None

### Land Improvements

Funding Source: Bond Funds/General Fund  
Bond funds provide for continued expansion of Enterprise South Industrial Park. The general fund provides for land improvements for various communities needs and school projects

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	158,741	158,741	-
Gen Fund	1,821,302	1,821,302	900,000

Future impact on the General Fund: Many of the land improvements are now the property of the School System and the General does not continue and funding for maintenance.

### Maintenance

Funding Source: Bond Funds  
The bond funds provide for a green roof for the business incubator and repairs to various Hamilton County buildings.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	158,500	158,500	175,000

Future impact on the General Fund: A reduction in utility cost is expected but has not been estimated; however, we expect a costs savings in electricity and gas.

### Recreation Projects

Funding Source: Bond Funds  
Bond funds will be used on improvements to playgrounds, neighborhoods, and recreational facilities.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	580,444	580,444	-

Future impact on the General Fund: N/A

## Renovations

Funding Sources: Bond Funds /General Funds

Bond funds projects include renovating the Business Incubator Center, Homeless Health Care Bldg, County Courthouse and various other Hamilton County buildings. The funding also provides for the remodeling of the first and third floors of the Data Center.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	678,938	678,938	446,000
Gen Fund	431,621	431,621	106,000

Future impact on the General Fund: Renovations are expected to save on utility costs, but are not estimated at this time due to the fact that there is inadequate data at this time regarding utility cost. We expect utility cost to decrease as a result of these renovations.

## Riverwalk

Funding Sources: Commercial Paper

Commercial paper has been allocated for an extension of the Riverwalk along the Downtown section of the Tennessee River.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Bond Funds	636,138	636,138	1,944,649

Future impact on the General Fund: Maintenance cost is expected to be \$477,249 of which the City will reimburse the County one half.

## Schools

Funding Source: Commercial Paper

Commercial paper has been allocated for the construction of new schools, land improvements, and EPA cleanup.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
CP	5,000,000	5,000,000	52,923,509
Bond Funds	18,105,086	18,105,086	7,413,227

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

## Sheriff

Funding Source: General Fund

The Sheriff's Department will replace 10 vehicles, law enforcement equipment, computers, software, mobile radios, and walk-thru-scanners for Corrections Division.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Gen Fund	1,078,752	1,078,752	363,414

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 will be offset by revenue earned in the Sheriff's Fund. Fuel cost are estimated to increase 27% in FY 2013

## Social Services

Funding Source: General Fund

The general fund provides capital funding for the Fortwood Center.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Gen Fund	50,000	50,000	50,000

Future impact on the General Fund: This is the last year for this appropriation.

## Volunteer Services

Funding Source: General Fund

Hamilton County provides partial funding to fire and rescue agencies for fuel, utilities, tires and equipment.

Funding Source	Total Available FY2012	Estimated Obligations FY2012	Total Available FY2013
Gen Fund	270,060	270,060	258,752

Future impact on the General Fund: Approximately \$258,752 annually, depending on the cost of fuel.