

## **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 in progress for FY 13-14 include:

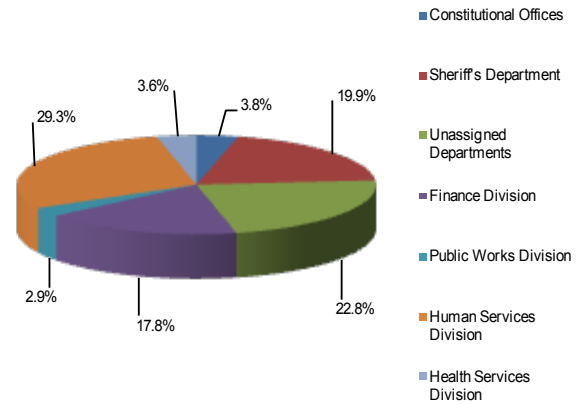
- East Brainerd Road and Ooltewah-Ringgold Road Intersection Improvement – Phase 2
- Homeless Health Care Center
- Ooltewah-Ringgold Road and Standifer Gap Road Intersection Improvement
- Tennessee Riverpark Extension – Downtown Segment
- Ooltewah-Georgetown Road @ Mountain View Road / Blanche Road Intersection Improvement
- Hixson Pike (SR-319) @ Thrasher Pike Intersection Improvement

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 2014 General Fund Capital Outlay Appropriations:

Constitutional Offices	\$ 159,739
Sheriff's Department	\$ 844,000
Unassigned Departments	\$ 969,500
Finance Division	\$ 755,200
Public Works Division	\$ 125,250
Human Services Division	\$ 1,244,202
Health Services Division	\$ 152,780
	<u><u>\$ 4,250,671</u></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 2011	Actual 2012	Projected 2013	Current Obligation 2014	Inc/(Dec)
General Fund	3,842,287	3,437,009	3,621,001	4,250,671	813,662
Intergovernmental	19,839,075	8,618,796	1,066,447	814,757	(7,804,039)
Charges for Current Services	237,139	235,384	-	-	(235,384)
Investment Earnings	140,966	1,300,398	-	-	(1,300,398)
Miscellaneous	3,965,376	3,200,357	-	-	(3,200,357)
Proceeds from Sale of Land	79,906	612,122	-	-	(612,122)
Issuance of GO Bonds	-	21,794,314	12,023,049	1,926,065	(19,868,249)
Commercial Paper/Line of Credit	21,556,000	-	50,589,407	4,279,980	4,279,980
Use of Fund Balance	6,704,203	-	-	-	-
	<u>56,364,952</u>	<u>39,198,380</u>	<u>67,299,904</u>	<u>11,271,473</u>	<u>(27,926,907)</u>

The budgeted expenditures below are presented by activity.

**Exhibit III**

Expenditures	Actual 2011	Actual 2012	Projected 2013	Current Obligation 2014	Inc/(Dec)
Administration	3,494	452,297	340,769	47,000	(405,297)
Emergency Medical Services	514,909	465,277	1,021,514	517,500	52,223
Engineering	1,353,015	977,842	-	-	(977,842)
Enterprise South	12,591,632	-	-	-	-
Equipment	1,296,052	1,239,440	7,254,259	2,092,286	852,846
Furniture & Fixtures	18,445	-	311,073	80,822	80,822
Highway	450,553	10,400	-	-	(10,400)
Homeless Healthcare Center	-	-	-	-	-
Industrial Parks	13,526,458	8,924,310	-	-	(8,924,310)
Land Improvements	1,592,019	1,010,366	3,331,973	1,838,210	827,844
Maintenance	548,667	158,500	-	-	(158,500)
Records Storage Expansion	1,540,458	-	-	-	-
Recreation	599,054	580,444	-	-	(580,444)
Building Construction and Renovations	3,852,008	1,086,466	3,619,180	1,304,273	217,807
Riverpark	392,195	636,138	-	-	(636,138)
Schools	6,330,913	23,105,086	50,589,407	4,279,980	(18,825,106)
Sheriff Equipment	700,849	551,814	563,625	844,000	292,186
Silverdale	-	-	-	-	-
Social Services	48,923	-	-	-	-
Volkswagen	10,751,925	-	-	-	-
Volunteer Services	253,383	-	268,104	267,402	267,402
	<u>56,364,952</u>	<u>39,198,380</u>	<u>67,299,904</u>	<u>11,271,473</u>	<u>(27,926,907)</u>



Project Description	Actual Project Cost 2013	Estimated Project Cost 2014	Continuing Cost to General Fund	Funding Source
Administration Expenses	340,769	47,000	FY 14= \$47,000	Bond Funds
In FY 2013 Hamilton County did a Refunding of Commercial Paper and a New Bond Issue				
McDaniel Building Furniture & Fixtures	307,299	55,862		Bond Funds
The items above were purchased when the Finance Division moved into the McDaniel Building no maintenance cost is expected				
Schools				Commercial Paper/ Bond Funds/ Line of Credit
Central High Softball Field Land Improvement	266,524			
Signal Mtn. High/Middle Building Renovation	193,050			
Red Bank Middle New Construction	27,926,460	2,035,589		
Red Bank Middle Furnishings	68,102	742		
Ooltewah Elementary New Construction	21,239,202	1,867,748		
East Brainerd Elementary	896,069	375,901		
	<u>50,589,407</u>	<u>4,279,980</u>		

Once the School Construction is completed,  
the asset becomes the sole ownership of the  
Hamilton County Department of Education.  
Hamilton County General Government  
issues General Obligation Debt for the  
school construction and our FY 14  
Debt Obligation without interest is \$17,592,275,  
which will be paid from the General Fund

Project Description	Actual Project Cost 2013	Estimated Project Cost 2014	Continuing Cost to General Fund	Funding Source
Land Improvements				
Downtown Riverpark				
Lookout Mountain Extension	912,019	659,318		Intergovernmental
Signal Mountain W Road - Geostabilization	1,305,247	8,453		Bond Funds
Ooltewah-Georgetown Road @ Mountain View				
Road/Blanche Road Intersection Improvement	36,639	35,852		Intergovernmental
Hixson Pike (SR-319) @ Thrasher Pike Intersection Improvement		30,500		Intergovernmental
Ooltewah-Ringgold Road and Standifer Gap Road Intersection Improvement	35,200	41,550		Intergovernmental
East Brainerd and Ooltewah - Ringgold Road	6,500	24,088		Intergovernmental
Shackleford Ridge	9,000	-		Intergovernmental
Homeless Health Care Parking	67,089	23,449		Bond Funds
	<u>2,371,694</u>	<u>823,210</u>		

Land Improvements are not owned by Hamilton County Government and therefore do not impact the General Fund

Building Construction and Renovations				Bond Funds
Homeless Healthcare Center	1,950,583	590,714	Replacement facility FY 2014 = \$1,636,482	
Elevator Repair - Oil	149,033	2,894		
Enterprise South Nature Park				
New Maintenance Building	606,809	52,927	FY 2014 = \$5,412 Utilities	
McDaniel Building- Roofing and HVAC		65,667		
Bonnie Oaks Roof Repair		25,945		
Riverpark Roof Repair		8,000		
Highway Department Roof Repair		5,000		
Ooltewah Health Department Roof Repair		5,000		
Volunteer Services Haz Mat Roof Repair		11,720		
Sale Creek Volunteer Fire Roofing	-	9,603		
Chester Frost Park Lighting	15,783	229,987	FY 2014 = \$74,516 Utilities	
Multiple Roofing Repairs	556,660	24,135		
Juvenile Court Clerk HVAC	128,846	10,120		
Silverdale - Rust Abatement		61,697		
Jail HVAC	141,468	2,875		
Jail Ceiling Modification		78,013		
Health Department - Bath Reno.	-	3,750		
Maintenance - Miscellaneous		8,226		
	<u>3,549,182</u>	<u>1,196,273</u>		

Project Description	Actual Project Cost 2013	Estimated Project Cost 2014	Continuing Cost to General Fund	Funding Source
Equipment				Bond Funds
Highway-Heavy Duty Dozer		121,641	FY 14 = \$1,500 Gasoline	
Enterprise Nature Park Heavy-Duty Equipment	38,163		FY 14 = \$2,000 Gasoline	
Telecommunications-Cabling Technology	52,845			
Juvenile Court Clerk Electronic File Scanning		176,540	Daily scanning cost has not been estimated	
Emergency Communication Radio Equipment for Sheriff's Employees and Emergency Services	6,429,544	320,296	FY = \$181,579 Service Cost	
	<u>6,520,552</u>	<u>618,477</u>		
Total Capital Projects/Not including General Fund Capital Outlay	<u><u>63,678,903</u></u>	<u><u>7,020,802</u></u>		

Project Description	Actual Project Cost 2013	Estimated Project Cost 2014	Continuing Cost to General Fund	Funding Source
Building Improvements	26,270	108,000		General Fund
Clinical Equipment	-	46,220		
Communication Equipment	159,291	146,000		
Computer Hardware and Software	468,266	804,450	FY 14 = \$4,225 in total for ITS Installation	
Fire Protection Equipment	37,678	85,000		
First Aid Hospital	448,805	160,000		
Furniture & Fixtures	12,120	39,960		
Grounds Equipment	14,210	-		
Law Enforcement Equipment	83,657	153,000	Maintenance Cost Charged to Sheriff's Fund	
Light Duty Equipment	-	10,400		
Microfilm Equipment	-	18,000		
Miscellaneous Equipment	6,356	16,900		
Motor Vehicles	1,058,792	1,291,500	FY 14 = \$4,378 average savings of vehicles over 150,000 miles	
Office Equipment	-	47,839		
Recreational Equipment	6,505	-		
Topographical Maps	34,650	60,000		
Volunteer Services	248,402	248,402		
Land Improvements	1,015,999	1,015,000	Monies allocated for Land Improvements in the General Fund are not intended to have a future impact on the General Fund as we will not hold title to the land or improvement	
Items paid for in the General Fund other than vehicles are short lived and cost to the general fund is not monitored				
Total General Fund Capital Outlay	<u>3,621,001</u>	<u>4,250,671</u>		