



Capital Improvement Program

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Capital Improvement Program Overview

Definition of Capital Improvement Program (CIP) Project

Johnson County prepares a five-year Capital Improvement Program (CIP) which is updated annually. A capital improvement is defined as:

"An investment of public and/ or private funds totaling at least \$100,000 which relate directly to the Johnson County Strategic Plan and have a useful life of at least five years including:

- land acquisition;
- new construction of, remodeling of, or additions to public buildings;
- construction of new and replacement of existing infrastructure projects (roads, storm drains, bridges, wastewater projects);
- equipment, individual vehicles and major computer/ software systems which total \$100,000 and have a useful life of five years;
- studies which cost less than \$100,000 but are preparatory to new construction or computer system planning which will cost at least \$100,000;
- other activities which are non-recurring expenses."

Capital Improvement Program (CIP) Process

The capital budgeting process begins in advance of the annual operating budget process. Proposed projects are evaluated by the CIP Review Team. The Director of Budget and Financial Planning, Director of Facilities, Chief Information Officer, and the CIP Coordinator have standing representation on the committee. The remaining four members of the CIP Review Team consist of Department Directors, representing different facets of the organization, serving four year rotating terms. For the FY 2017 CIP development process, the other four members of the CIP review team are the Director of Public Works, Undersheriff, Park & Recreation District representative, and Director of Justice Information Management System. The Board of County Commissioners' (BOCC) policy requires that the CIP be developed to reflect the County's strategic planning regarding the future development of Johnson County and the County's desired level of support for that development.

The CIP Review Team is charged with the responsibility of identifying and evaluating all capital improvement needs in the five-year period covered by the plan and to link plans for physical facilities to available financial resources. The Team is charged further with the responsibility of 1) providing estimates of the impact of the five-year plan on the County's operating costs, debt structure and tax levy; and 2) communicating to the public and financial community the County's proactive control over its debt issuance and management.

Capital Improvement Program (CIP) Calendar for FY 2017

Date Event

<u>Date</u>	<u>Event</u>
January 22, 2016	CIP Packets are distributed to departments.
March 4, 2016	Projects/proposals due to BFP from departments.
March 16, 2016 - April 6, 2016	CIP Administrative Review Committee reviews all submitted projects and established priority rating results.
April 28, 2016	BOCC receives update on the preliminary 2017-2021 CIP in County Manager update.
June 2, 2016	BOCC receives overview of proposed CIP during budget hearings.
June 23, 2016	BOCC recommends proposed 2017-2021 CIP.
August 11, 2016	2017-2021 CIP adopted, completing CIP review process.

Developing the Five-Year Capital Improvement Plan

The five-year Capital Improvement Plan is a combination of available financing, needs analysis, project planning, and timing. The plan is dynamic and is updated as projects are financed and circumstances change from year to year.

Each year to prepare the five-year Capital Improvement Plan, the Review Team convenes to discuss and evaluate projects. Each project is rated and placed in a year based on the overall need and appropriateness of the project. Some of the criteria evaluated include the strategic priorities of the Board, how the project contributes to the maintenance or effective re-use of existing assets, and improvement of existing service levels.

Sources of CIP Funding

While the funding of the CIP varies from year to year, approximately 77% of the CIP for FY 2017 is financed with dedicated or “earmarked” funds. A summary “Sources and Use of Funds” statement for the FY 2017 CIP is presented on page 6. For the projects that do not have dedicated funding, most are whole or in part financed with a mix of ad valorem support and some use of fund balances set aside for one-time capital purchases. In the FY 2017 Budget the use of on-going Ad Valorem support from the General Fund is \$5,283,864 and one-time funding from the General Fund for capital purchases is \$300,000.

Dedicated Funding for CIP Projects

Several capital projects are funded with dedicated revenue sources or are self-funded in other ways. Because the financing decisions are different for those projects, the CIP Review Team does not rate them. These projects are funded with dedicated revenues and do not compete for additional funding. The non- rated projects for FY 2017 are presented below:

Department	2017 Capital	Total Projected 5 Year Capital Cost	Source
Public Works			
Stormwater Management Program	\$13,799,533	\$71,971,957	Dedicated Sales Tax
CARS	\$14,080,350	\$72,294,364	Gas Tax and Ad Valorem
Airport			
Self-Sufficiency Plan (Various Projects)	\$1,218,127	\$4,441,363	Airport Revenues
Library			
CIP Funding	\$4,092,493	\$42,413,085	Dedicated Library Mill Levy
Park & Recreation			
CIP Funding	\$9,184,262	\$50,391,930	Dedicated Parks Mill Levy
Wastewater			
SRCFP Projects	\$56,960,000	\$500,666,000	SRCFP/Debt
Total	\$99,334,765	\$742,178,699	

2017-2021 CIP Evaluation Results

The 2017-2021 Capital Improvement Program Review Team convened and evaluated fifty-three (53) submitted projects from the various County agencies. Projects that requested funding in all five years were reviewed and rated.

Of the fifty-three (53) projects reviewed, twenty-four (24) projects are budgeted for FY 2017 funding. As previously noted, some of these projects were exempted from the rating process.

Comments and Philosophy

- The Review Team focused on maintenance of existing capital assets and related services and re-use of existing infrastructure.
- The Review Team felt it was prudent to address deferred maintenance and safety issues before adding new projects that addressed growth and enhanced service delivery. Generally, projects that added significant operating costs or expanded service levels were not recommended given the on-going budgetary impact.
- With the exception of capital improvement projects with dedicated funding, a portion of the Capital Improvement Program is funded with one-time use of fund balance.

Impact on the Operating Budget

Operating impacts are on-going costs associated with the approval of a capital project. Examples of operating impacts are personnel costs, maintenance contracts associated with a new system or pieces of equipment, utility costs, and operating supplies. Because of service expansions associated with some capital projects, the full operating impact of capital projects are not realized until many years after the project is approved. The current projects that have been proposed for FY 2017 do not have any additional on-going operating expenses associated with them.

Projects Funded in the FY 2017 Budget
(No Self-Funded Projects Listed)

Project	Funding Source	2017 Capital Funding Amount	2017 Operating Amount
DTI: Infrastructure Maintenance	On-Going Ad Valorem	\$1,700,000	\$0
DTI: Fiber Master Plan	General Fund Balance	\$200,000	\$0
Elections: Next Generation Voting Machine Replacement	General Obligation Bonds	\$13,115,000	\$0
EMC: County Communications Center Technology	On-Going Ad Valorem	\$178,820	\$0
EMC: Countywide Radio System Infrastructure	911 Fund Revenues	\$234,000	\$0
EMS: Advanced Communications	On-Going Ad Valorem	\$116,400	\$0
Facilities: Capital Replacement Program (CRP)	On-Going Ad Valorem	\$2,000,000	\$0
Facilities: Mental Health Capital Replacement Program	On-Going Ad Valorem	\$573,644	\$0
Facilities: Courthouse Capital Replacement Program	On-Going Ad Valorem	\$500,000	\$0
Facilities: Major Asset Replacement Projects	Public Building Commission Bonds	\$3,005,000	\$0
Facilities: Health Partnership Northeast Offices Remodel	Public Building Commission Bonds	\$1,220,000	\$0
Facilities: ADA Compliance	On-Going Ad Valorem	\$100,000	\$0
Facilities: Mental Health Operations and Space Programming Study	General Fund Balance	\$100,000	\$0
JIMS: Security Camera Replacement	On-Going Ad Valorem	\$115,000	\$0
Public Works: Bridge, Road, and Culvert Program	On-Going Ad Valorem/ Public Works Fund Balance	\$2,000,000	\$0
Transit: JCT Bus Replacement	Grant/Fund Balance/ Capital Project Funds	\$3,146,271	\$0
Transit: Basic Passenger Infrastructure	Grant/Fund Balance	\$235,000	\$0
Transit: Passenger Vehicle Replacement	Transit Fund Balance	\$750,000	\$0
Total		\$29,289,135	\$0

The total FY 2017 CIP is \$128,624,204.

**FY 2017 Capital Improvement Program (CIP)
Sources and Uses of Funds**

SOURCES OF FUNDS FOR FY 2017 CIP

<u>Description</u>	<u>Amount</u>
General Obligation Bonds (GO) - County	\$ 13,115,000
Public Building Commission (PBC) Debt Proceeds - County	\$ 4,225,000
Public Building Commission (PBC) Debt Proceeds - Library	\$ 0
Airport Revenues	\$ 1,218,127
Transportation Fund (use of fund balance)	\$ 797,000
Transportation Fund (use of capital project funds)	\$ 629,254
Grant Revenue - Transportation Projects	\$ 2,705,017
General Fund (use of fund balance)	\$ 300,000
Stormwater Sales Taxes, Use Taxes, Investment Income	\$ 13,399,533
Stormwater Fund (use of fund balance)	\$ 400,000
Wastewater SRCFP Funds/ Debt Proceeds	\$ 56,960,000
Special Highway Fund Revenues (Gas Taxes)	\$ 10,979,373
Public Works Fund (ongoing Ad Valorem support)	\$ 5,001,281
Public Works Fund (use of fund balance)	\$ 100,000
Library Operating Fund (Ad Valorem)	\$ 4,092,493
911 Fund	\$ 234,000
Park and Recreation - Dedicated Property Tax Levy	\$ 9,184,262
General Fund (ongoing Ad Valorem support)	\$ 5,283,864
Total Sources of Funds	\$ 128,624,204

USES OF FUNDS FOR FY 2017 CIP

<u>Description</u>	<u>Financing Method</u>	<u>Amount</u>
Elections Next Generation Voting Machine Replacements	General Obligation Bonds	\$ 13,115,000
Emergency Management & Communications Technology Maintenance	On-going Ad Valorem	\$ 178,820
Emergency Management & Communications Infrastructure Maintenance	911 Fund Revenues	\$ 234,000
Emergency Medical Services Advanced Communications	On-going Ad Valorem	\$ 116,400
Facilities Capital Replacement Plan (CRP)	On-going Ad Valorem	\$ 2,000,000
Facilities Mental Health Capital Replacement Program (CRP)	On-going Ad Valorem	\$ 573,644
Facilities ADA Compliance	On-going Ad Valorem	\$ 100,000
Facilities Courthouse Capital Replacement Plan (CRP)	On-going Ad Valorem	\$ 500,000
Facilities Mental Health Operations & Space Programming Study	Fund Balance	\$ 100,000
Facilities Health Partnership	Public Building Commission Bonds	\$ 1,220,000
Facilities Major Asset Replacement Projects	Public Building Commission Bonds	\$ 3,005,000
JIMS Security Camera Replacement	On-going Ad Valorem	\$ 115,000
Technology & Innovation Infrastructure Maintenance (CRP)	On-going Ad Valorem	\$ 1,700,000
Technology & Innovation Fiber Master Plan	Fund Balance	\$ 200,000
Airport Capital Improvements Program	Airport Revenues	\$ 1,218,127
Library Capital Replacement Plan (CRP)	Library Operating Ad Valorem	\$ 1,130,250
Library Comprehensive Library Master Plan	Library Operating Ad Valorem	\$ 2,962,243
Park & Recreation Capital Improvement Plan	Park Operating Ad Valorem	\$ 9,184,262
Public Works Bridge, Roads & Culvert Program	On-going Ad Valorem/Fund Balance	\$ 2,000,000
Public Works CARS Program	Gas Tax/Ad Valorem	\$ 14,080,654
Stormwater Management Program	Dedicated Sales Tax	\$ 13,799,533
Transportation Basic Passenger Infrastructure	Grant/Fund Balance	\$ 235,000
Transportation (JCT) Bus Replacement	Grant/Fund Balance/Capital Project Funds	\$ 3,146,271
Transportation Passenger Vehicle Replacement	Fund Balance	\$ 750,000
Wastewater Capital Improvement Plan (CIP)	SRCFP/Debt	\$ 56,960,000
Total Uses of Funds		\$ 128,624,204

FY 2017 Johnson County Budget

<u>Department</u>	<u>Project</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>5 Year Total</u>	<u>Operating Impact</u>
DTI	Infrastructure Maintenance	1,700,000	1,100,000	1,100,000	1,100,000	1,100,000	6,100,000	
DTI	Fiber Master Plan	200,000	200,000	200,000	200,000	200,000	1,000,000	
Elections	Next Generation Voting Machines	13,115,000					13,115,000	
EMC	County Communications Center Technology	178,820	180,000	180,000	180,000	268,832	987,652	
EMC	Countywide Radio System Infrastructure	234,000	207,000	255,000	186,000	79,000	961,000	
EMC	Station Alerting		1,123,364				1,123,364	104,781
EMS	Advanced Communications	116,400	116,400	116,400	116,400	116,400	582,000	
Facilities	Capital Replacement Program (CRP)	2,000,000	2,200,000	2,200,000	2,200,000	2,900,000	11,500,000	
Facilities	Mental Health CRP	573,644	1,063,644	1,063,644	1,063,644	1,063,644	4,828,220	
Facilities	Courthouse Capital Replacement Program	500,000	700,000	700,000	700,000		2,600,000	
Facilities	Major Asset Replacement Projects	3,005,000					3,005,000	
Facilities	Health Partnership Northeast Offices	1,220,000					1,220,000	
Facilities	Elections Parking & Driving Improvements		610,000				610,000	
Facilities	ADA Compliance	100,000	100,000	100,000	100,000		400,000	
Facilities	Mental Health Space Programming Study	100,000					100,000	
JIMS	Infrastructure Maintenance		180,000	180,000	180,000	180,000	720,000	
JIMS	Security Camera Replacement	115,000	125,000	125,000			365,000	
Airport	Airport Capital Projects	1,218,127	807,719	1,005,935	693,075	716,507	4,441,363	
Library	Capital Replacement Plan	1,130,250	1,192,850	1,201,000	1,241,300	903,500	5,668,900	
Library	Comprehensive Library Master Plan	2,962,243					2,962,243	
Library	Blue Valley Expansion and Renovation					33,607,668	33,607,668	1,120,000
Library	Corinth Replacement					174,274	21,443,351	
Park & Rec	Capital Improvement Plan	9,184,262	10,301,917	10,301,917	10,301,917	10,301,917	50,391,930	
Public Works	Bridge, Culvert, Road Program	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000	
Public Works	County Assisted Road System - CARS	14,080,654	14,304,877	14,474,769	14,638,904	14,795,160	72,294,364	
Stormwater	Stormwater Management Program	13,799,533	13,773,400	14,293,652	14,778,827	15,326,545	71,971,957	
Transit	JCT Bus Replacement	3,146,271	2,860,171	2,356,781	2,802,904	1,517,638	12,683,765	
Transit	Basic Passenger Infrastructure	235,000	100,000	100,000	250,000	250,000	935,000	
Transit	Passenger Vehicle Replacement	750,000	250,000	250,000	250,000	250,000	1,750,000	
Transit	Regional Fare Box Initiative			750,000	750,000		1,500,000	
Wastewater	Capital Improvement Plan	56,960,000	83,409,000	105,575,000	138,669,000	116,053,000	500,666,000	
Total		128,624,204	136,905,342	158,529,098	192,401,971	201,804,085	818,264,700	

FY 2017 Johnson County Budget

	2017	2018	2019	2020	2021	2017-2021
Plant Expansions						
Blue River WWTP Expansion	\$ 4,100,000	\$ 350,000	\$ 6,150,000	\$ 10,630,000	\$ 5,500,000	\$ 26,730,000
Mill Creek Solids Handling Facility		\$ 300,000				\$ 300,000
Mill Creek WWTP Influent Pump Station Expansion				\$ 500,000		\$ 500,000
Tomahawk WWTP Future Expansion	\$ 13,570,000	\$ 36,250,000	\$ 70,600,000	\$ 97,380,000	\$ 73,030,000	\$ 290,830,000
	\$ 17,670,000	\$ 36,900,000	\$ 76,750,000	\$ 108,510,000	\$ 78,530,000	\$ 318,360,000
Wastewater Expansions						
Blue River 16, Contract 4	\$ 75,000	\$ 925,000				\$ 1,000,000
Blue River 25, Contract 3	\$ 461,000					\$ 461,000
Blue River 28, Contract 1		\$ 200,000	\$ 1,000,000	\$ 4,500,000		\$ 5,700,000
Future Districts	\$ 500,000	\$ 3,875,000	\$ 4,000,000	\$ 500,000	\$ 5,000,000	\$ 13,875,000
Kill Creek 2, LSD1(CMSD)	\$ 250,000					\$ 250,000
Little Bull Creek No. 1 Pump Station					\$ 200,000	\$ 200,000
Mill Creek Interceptor & Tooley Creek FM Capacity Improvements				\$ 3,000,000	\$ 2,700,000	\$ 5,700,000
	\$ 1,286,000	\$ 5,000,000	\$ 5,000,000	\$ 8,000,000	\$ 7,900,000	\$ 27,186,000
Other						
Asset Management Program Development	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,500,000
Back Up Prevention Program (BUPP)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
CMSD Relocations for City Projects	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,750,000
Lab Equipment Capital Replacement	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Middle Basin WWTP Admin Building Expansion - Line Maintenance	\$ 1,450,000					\$ 1,450,000
O&M Large Vehicles	\$ 250,000	\$ 490,000	\$ 450,000	\$ 250,000	\$ 800,000	\$ 2,240,000
SCADA/Network Communications	\$ 200,000	\$ 200,000	\$ 200,000	\$ 350,000	\$ 3,500,000	\$ 4,450,000
Nelson WWTP - Bldg TC 12 Improvements	\$ 1,000,000					\$ 1,000,000
	\$ 3,850,000	\$ 1,640,000	\$ 1,600,000	\$ 1,550,000	\$ 5,250,000	\$ 13,890,000
Permit/Regulatory						
Blue River 4, Lagoon	\$ 2,500,000					\$ 2,500,000
Mill Creek WWTP KS River Diffuser Modeling	\$ 500,000	\$ 5,000,000				\$ 5,500,000
	\$ 3,000,000	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 8,000,000
Renewal/Replacement						
AM R&R - Treatment & Pumping	\$ 13,486,000	\$ 20,021,000	\$ 6,267,000	\$ 4,600,000	\$ 8,496,000	\$ 52,870,000
AM R&R Collections	\$ 8,188,000	\$ 6,570,000	\$ 6,850,000	\$ 6,850,000	\$ 6,850,000	\$ 35,308,000
AM R&R Force Mains	\$ 300,000					\$ 300,000
Indian Creek 2 Capacity Improvements	\$ 2,250,000					\$ 2,250,000
Lagoon Cleanouts	\$ 880,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,880,000
Mission Main WWTP Influent Screening and Metering Improvements	\$ 500,000					\$ 500,000
Nelson Solids Handling Improvements	\$ 1,550,000					\$ 1,550,000
Screening Improvements		\$ 278,000	\$ 1,108,000	\$ 1,159,000	\$ 1,027,000	\$ 3,572,000
Tomahawk WWTP SSSA	\$ 4,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 28,000,000
	\$ 31,154,000	\$ 34,869,000	\$ 22,225,000	\$ 20,609,000	\$ 24,373,000	\$ 133,230,000
Johnson County Wastewater Capital Improvement Plan - Totals	\$ 56,960,000	\$ 83,409,000	\$ 105,575,000	\$ 138,669,000	\$ 116,053,000	\$ 500,666,000