



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 2014 CIP development process, the other four members of the CIP review team are the Director of Transit, Undersheriff, Director of the Park & Recreation District, and Director of Emergency Management and Communications. 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 2014

<u>Date</u>	<u>Event</u>
January 25, 2013	CIP Packets are distributed to departments.
March 1, 2013	Projects/proposals due to BFP from departments.
March 13, 2013 – April 12, 2013	CIP Administrative Review Committee reviews all submitted projects and established priority rating results.
April 25, 2013	BOCC Committee of the Whole Review of the 2014-2018 CIP.
June 6, 2013	BOCC receives overview of CIP during budget hearings.
July 1, 2013	BOCC recommends proposed 2014-2018 CIP.
August 8, 2013	2014-2018 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 79% of the CIP for FY 2014 is financed with dedicated or "earmarked" funds. A summary "Sources and Use of Funds" statement for the FY 2014 CIP is presented on page H.6. For the projects that do not have dedicated funding, most are financed whole or in part financed with fund balances set aside for one-time capital purchases. The use of one-time funding from the General Fund in the FY 2014 Budget for capital purchases is \$5,715,349.

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 2014 are presented below:

Department	2014 Capital	Total Projected 5 Year Capital Cost	Source
Public Works			
Stormwater Management Program	\$11,873,216	\$65,819,540	Dedicated Sales Tax
County Assistance Road System (CARS) Program	\$12,903,131	\$67,261,300	Gas Tax and Ad Valorem
Airport			
Self-Sufficiency Plan (Various Projects)	\$1,628,126	\$4,844,578	Airport Revenues
Park & Recreation			
Master Action Plan (MAP) 2020 Projects	\$1,613,267	\$8,479,862	Dedicated Parks Mill Levy
Wastewater			
Sewer Repair and Construction Finance Plan (SRCFP) Projects	\$59,471,600	\$465,531,600	SRCFP/Debt
Total	\$87,489,340	\$611,936,880	

2014-2018 CIP Evaluation Results

The 2014-2018 Capital Improvement Program Review Team convened and evaluated sixty-one (61) submitted projects from the various County agencies. Projects that requested funding in all five years were reviewed and rated.

Of the sixty-one (61) projects reviewed, twenty-four (24) projects are budgeted for FY 2014 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 budget parameter of a flat mill levy.
- With the exception of capital improvement projects with dedicated funding, a portion of the proposed 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. There is one (1) project for funding that will have an operating impact in FY 2014 and three (3) additional projects for funding that will have operating impacts beginning in 2015 and beyond:

Department	Project	Description	FY 2014 Tax Impact	On-going Operating Tax Impact – 2015
Facilities	8788 Metcalf – Building Core/Commons/Advanced Voting	Utilities, Contractual Services, Security Services, and other operating supplies	\$0	\$56,905
Facilities	8788 Metcalf – Enterprise Center of Johnson County (ECJC)	Maintenance Mechanic, Utilities, Contractual Services, Security Services, and other operating supplies	\$0	\$150,019
Library	Monticello Library – Phase I	Utilities, Grounds works, Equipment Maintenance agreements, on-going materials processing, and collections materials	\$0	\$193,047
Transit	Basic Passenger Infrastructure	Utilities, Maintenance agreements, custodial, and landscaping	\$50,000	\$51,500
Total			\$50,000	\$451,471

The total operating tax impact for the FY 2014 is \$50,000.

Projects Funded in the FY 2014 Budget
(No Self-Funded Projects Listed)

Project	Funding Source	2014 Capital Funding Amount	2014 Operating Amount
Corrections: Gymnasium Modifications	Fund Balance	\$190,000	\$0
DTI: Infrastructure Maintenance	Ad Valorem & Fund Balance	\$1,428,400	\$0
EMS: Advanced Communications	Ad Valorem	\$116,400	\$0
EMS: Consolidated FD No. 2 Station Relocation	Fund Balance	\$500,000	\$0
Facilities: Capital Replacement Plan (CRP)	Ad Valorem & Fund Balance	\$1,789,949	\$0
Facilities: Courthouse Capital Replacement Plan (CRP)	Fund Balance	\$2,332,000	\$0
Facilities: Energy Retrofit	Fund Balance	\$430,000	\$0
Facilities: ARC 2 Demolition	Fund Balance	\$100,000	\$0
Facilities: 8788 Metcalf – Building Core/Commons/Advanced Voting	Debt Service	\$5,495,000	\$0
Facilities: 8788 Metcalf – Enterprise Center of Johnson County (ECJC)	Debt Service	\$1,555,000	\$0
JIMS: Infrastructure Maintenance	Fund Balance	\$415,000	\$0
Library: Capital Replacement Plan	Library Ad Valorem	\$330,566	\$0
Library: Monticello Library – Phase I	Debt Service/Library Fund Balance	\$1,150,000	\$0
Library: Central Resource Library Upgrade	Debt Service	\$3,600,000	\$0
Mental Health: Capital Replacement Plan	Fund Balance	\$230,000	\$0
Public Works: Bridges, Roads & Culverts	Ad Valorem	\$1,900,000	\$0
Public Works: Heavy Equipment Replacement	Public Works Fund Balance	\$370,000	\$0
Transit: Bus Replacement	Grant/Transit Fund Balance	\$1,150,000	\$0
Transit: Basic Passenger Infrastructure	Grant/Transit Fund Balance	\$125,000	\$50,000
Total		\$23,207,315	\$50,000

The total FY 2014 CIP is \$110,696,655.

**FY 2014 Capital Improvement Program (CIP)
Sources and Uses of Funds**

SOURCES OF FUNDS FOR FY 2014 CIP

<u>Description</u>	<u>Amount</u>
Public Building Commission (PBC) Debt Proceeds - County	\$7,050,000
Public Building Commission (PBC) Debt Proceeds - Library	\$4,290,000
Capital Lease Proceeds	\$0
Airport Revenues	\$1,628,126
Transportation Fund (use of fund balance)	\$255,000
Grant Revenue - Transportation Projects	\$1,020,000
General Fund (use of fund balance)	\$5,715,349
Stormwater Sales Taxes, Use Taxes, Investment Income	\$11,873,216
Wastewater SRCFP Funds/ Debt Proceeds	\$59,471,600
Special Highway Fund Revenues (Gas Taxes)	\$10,350,000
Public Works Fund (ongoing Ad Valorem support)	\$4,453,131
Public Works Fund (use of fund balance)	\$370,000
Library Operating Fund (Ad Valorem)	\$330,566
Library Operating Fund (use of fund balance)	\$460,000
Park and Recreation - Dedicated Property Tax Levy	\$1,613,267
General Fund (ongoing Ad Valorem support)	\$1,816,400
Total Sources of Funds	\$110,696,655

USES OF FUNDS FOR FY 2014 CIP

<u>Description</u>	<u>Financing Method</u>	<u>Amount</u>
Corrections Gymnasium Modifications	Fund Balance	\$190,000
Facilities Capital Replacement Plan (CRP)	On-going Ad Valorem/Fund Balance	\$1,789,949
Facilities Courthouse Capital Replacement Program	Fund Balance	\$2,332,000
Facilities Energy Retrofit	Fund Balance	\$430,000
Facilities ARC 2 Demolition	Fund Balance	\$100,000
Facilities 8788 Metcalf - Building Core/Commons	PBC Debt	\$5,495,000
Facilities 8788 - Enterprise Center of Johnson County	PBC Debt	\$1,555,000
Emergency Medical Services Consolidated FD#2 Relocation	Fund Balance	\$500,000
Emergency Medical Services Advanced Communications	On-going Ad Valorem	\$116,400
JIMS Infrastructure Maintenance	Fund Balance	\$415,000
Technology & Innovation Infrastructure	On-going Ad Valorem/Fund Balance	\$1,428,400
Airport Capital Improvements Program	Airport Revenues	\$1,628,126
Library Capital Replacement Plan (CRP)	Library Operating Ad Valorem/Fund Balance	\$330,566
Library Monticello Library - Phase I	PBC Debt/Fund Balance	\$1,150,000
Library Central Resource Library Improvements	PBC Debt	\$3,600,000
Mental Health Capital Replacement Program	Fund balance	\$230,000
Parks MAP 2020 Capital Improvements	On-going Ad Valorem	\$1,613,267
Public Works Bridge, Roads & Culvert Program	On-going Ad Valorem	\$1,900,000
Public Works CARS Program	Gas Tax/Ad Valorem	\$12,903,131
Public Works Heavy Equipment Replacement	Fund Balance	\$370,000
Stormwater Management Program	Dedicated Sales Tax	\$11,873,216
Transportation Passenger Basic Infrastructure	Grant/Fund Balance	\$125,000
Transportation (JCT) Bus Replacement	Grant/Fund Balance	\$1,150,000
Wastewater CIP	SRCFP/Debt	\$59,471,600
Total Uses of Funds		\$110,696,655

Capital Improvement Program Summary by Year
Johnson County, Kansas
Capital Costs

Department	Project	2014	2015	2016	2017	2018	Sources and Uses	5 Year Total	On-Going Annual Operating Impact
Corrections	Gymnasium Modifications	190,000						190,000	
DTI	Infrastructure Maintenance	1,428,400	500,000	500,000	500,000	500,000	On-Going Ad Valorem	3,428,400	
EMS	Advanced Communications	116,400	117,530	118,680	115,500	118,680	On-Going Ad Valorem	566,790	
EMS	Consolidated FD No. 2 Station Relocation Countywide Radio System Channel Expansion	500,000						500,000	
EMC				2,304,996	Debt/911 Funds			2,304,996	20,008
Facilities	Capital Replacement Program (CRP)	1,789,949	1,200,000	1,200,000	1,200,000	1,200,000	On-Going Ad Valorem	6,589,949	
Facilities	ARC 2 Demolition	100,000						100,000	
Facilities	Arc Flash Hazard Analysis and Compliance	430,000	516,354	430,000	Fund Balance			1,290,000	
Facilities	Energy Retrofit	430,000	183,400		Fund Balance			183,400	
Facilities	Transit Storage Building								
Facilities	8788 Metcalf - Building								
Facilities	Core/Commons/Advanced Voting	5,495,000						5,495,000	56,905
Facilities	8788 Metcalf - ECJC	1,555,000						1,555,000	150,019
Facilities	8788 Metcalf - Museum	2,332,000	5,245,000					5,245,000	87,520
Facilities	Courthouse Capital Replacement Program		1,500,000	1,500,000	1,500,000	1,500,000	Fund Balance		
Facilities	Courthouse South Entry Addition		3,895,000					3,895,000	
Facilities	Courthouse 1st Floor Remodel								
Facilities	Courthouse Maintenance	415,000	208,000					623,000	
JIMS	Infrastructure Maintenance	1,628,126						1,628,126	
Airport	Airport Capital Projects	330,566	1,260,864	536,781	733,047	685,760	Airport Revenues	4,844,578	
Library	Capital Replacement Plan		347,094	369,449	382,671	401,905	Library Ad Valorem	1,831,585	
Library	Library Fund								
Library	Monicello Library - Phase I	1,150,000						1,150,000	193,047
Library	Central Resource Library Improvements	3,600,000						3,600,000	
Library	Arc Flash Hazard Analysis and Compliance		86,768					86,768	
Mental Health	Mental Health Capital Replacement Program	230,000	173,644	173,644	173,644	173,644	Fund Balance	924,576	
Park & Recreation	New Park Development	340,617						340,617	
Park & Recreation	Facility Improvements	1,272,650						1,272,650	
Park & Recreation	CIP Funding (MAP 2020)		1,653,599	1,694,939	1,737,312	1,780,745	Park & Rec Ad Valorem	6,866,595	
Public Works	Bridge, Culvert, Road Program	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	On-Going Ad Valorem	9,500,000	
Public Works	County Assisted Road System - CARS	12,903,131	13,177,353	13,517,679	13,759,343	13,903,794	Gas Tax/Ad Valorem	67,261,300	
Public Works	Heavy Equipment Replacement	370,000	125,000	150,000	150,000	150,000	Public Works Fund Balance	945,000	
Public Works	163rd Street: Mission to Nail Ave. Road and Bridge Improvement Project								
Stormwater	Stormwater Management Program	11,873,216	12,364,377	13,376,770	13,911,280	14,293,917	Dedicated Sales Tax Grant/Transit Fund	65,819,540	
Transit	JCT Bus Replacement	1,150,000		2,200,000	1,000,000		Balance	4,350,000	
Transit	Basic Passenger Infrastructure	125,000	125,000	65,000			Grant/Transit Fund Balance	315,000	51,500
Transit	I-35 Fixed Guideway - Bus on Shoulder	59,471,600	200,000					200,000	
Wastewater	Capital Improvement Plan	110,696,655	68,712,000	92,850,000	121,320,000	123,178,000	SRCFP/Debt	465,531,600	
Total		110,696,655	113,920,983	141,851,938	158,488,777	159,904,345	SRCFP/Debt	684,862,698	

