



## **UNIFIED GOVERNMENT OF CUSSETA-CHATTAHOOCHEE COUNTY BOARD OF COMMISSION**

The Capital Improvements Plan is part of the Chattahoochee County annual budget process and serves as a guide for efficiently and effectively undertaking capital projects for the construction and improvement of infrastructure and public facilities, and for the orderly replacement of existing assets.

As part of the Annual Budget process, Chattahoochee County prepares a Capital Improvement Program (CIP) Plan. The CIP plan is a five-year schedule of major capital projects. It includes the funds required for the completion of the projects, the sources for funding these projects, and the impact of these projects on future operating budgets. The Capital Improvement Program (CIP) was adopted to assist the county in complying with the Georgia Code. Georgia Code 36- 81-3 (b) (2) states that:

*Each unit of local government shall adopt and operate under a project-length balanced budget for each capital projects fund in use by the government. The project-length balanced budget shall be adopted by ordinance or resolution in the year that the project initially begins and shall be administered in accordance with this article. The project- length balanced budget shall appropriate total expenditures for the duration of the capital project.*

The first year of the Capital Improvement Program (CIP) is part of the Capital Budget. Once the Capital Budget is adopted, the approved appropriation for each capital project is retained, from fiscal year to fiscal year, until the appropriation is expended, the project is completed, or the Board of Commissioners amends the appropriation and approves to transfer the funding to another project(s) or to fund balance.

Projects in the remaining four years of the five-year CIP plan are for planning purposes only and are authorized, but not budgeted, until included in an adopted Capital Budget. The five-year Capital Improvement Program (CIP) plan is revised annually to include new projects and revisions to existing projects.

The Capital Budget is part of the annual balanced budget that is adopted by the Board of Commissioners by resolution and becomes effective with the start of the new fiscal year on July 1st.

#### Capital Expenditures - definition

Capital expenditures are defined as outlays of at least \$5,000 that result in the acquisition of, construction of, or addition to a capital asset. Capital assets include different types of property that are owned and used in the operations of the County. Capital expenditures are assigned unique project numbers and/or accounted in a separate fund to insure accurate reporting of funding and expenditures for each individual capital outlay.

#### Classification of Projects

**Capital project** – the acquisition of any asset or construction project with an anticipated cost of \$5,000 to \$49,999 and an estimated useful life of three years or more. Capital projects usually do not require multi-year funding. If a construction project, construction is usually completed during the fiscal year when it was approved.

**CIP project** – is a major capital project with an anticipated cost of at least \$50,000 and a long estimated useful life. Projects that require multi-year funding are classified as CIP projects. If a construction project, its completion usually takes more than one year.

#### Funding of Capital/CIP Projects

Chattahoochee County usually funds capital/CIP projects in three ways:

- Pay-as-you-go philosophy that often results in transfers of monies from operating funds as needed on an annual basis
- use of debt such as bonds, certificates of participation, or lease purchase agreements
- use of a specific source of revenue other than general revenues such as grants, fees, donations, or the Special Purpose Local Option Sales Tax (S.P.L.O.S.T.)

#### Funds

Chattahoochee County utilizes many funds aside from the General Fund to account for capital/CIP projects. Many of these funds are multiyear funds where appropriations are approved for the length of each project. Operating transfers from the various operating funds are made annually, as needed, to these funds. The following are the funds used to account for capital projects in Chattahoochee County:

**SPLOST Fund** – used to fund capital projects approved by the voters of Chattahoochee County in a countywide referendum. The most recent referendum included funding for the following: Roads, streets, bridges, water projects & sewage projects, public building repairs & replacement Public Safety capital expenditures.

**TPLOST Fund** – used to fund transportation projects and the purchase of capital equipment associated with improvements and maintenance of transportation infrastructure.

**Water System Enterprise Fund** – capital/CIP projects are not currently accounted for in the Water System Fund. The Water System Fund, an enterprise fund, generates its own revenues but does not yet generate enough to fund its own projects.

### Financial Impact on the Operating Budget

The potential operating impact of capital projects is carefully considered during the Capital Budget process. Requests for capital and CIP projects from the departments should include the estimated impact that these projects will have, if any, on current and future operating budgets.

The initial acquisition cost of the project plus any operating expenditures to be incurred over the lifetime of the facility or equipment are reviewed and taken into consideration during the process of budget recommendations, budget proposal, and final budget approval by the Board of Commissioners.

Capital projects that are intended for repairs and/or minor improvements of existing facilities or equipment usually do not carry significant operating impacts. Major capital and CIP projects that are intended for the construction of new facilities, major renovation projects, or the acquisition of expensive equipment, may require additional maintenance and operating expenses, the hiring of new personnel, or the issuance and repayment of debt.

The impact on annual operations (net of measurable savings) of approved capital and CIP projects is also a significant consideration when prioritizing CIP projects for funding during the annual budget process.

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PW Department Project Title	Funding Source	Total Projected Cost	2021	2022	2023	2024	2025
<b>HEAVY EQUIPMENT</b>							
	TSPLOST/2020 SPLOST	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -
	TSPLOST/2020 SPLOST	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ -	\$ -
	TSPLOST/2020 SPLOST	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
	TSPLOST/2020 SPLOST	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
<b>VEHICLES</b>							
2 Vehicles	2020 SPLOST	\$ 52,000	\$ -	\$ 26,000	\$ -	\$ 26,000	\$ -
<b>ROADS</b>							
<b>Paving</b>							
	TSPLOST/2020 SPLOST	\$ 500,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Resurfacing</b>							
	LMIG	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	LMIG	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	LMIG	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	LMIG	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	LMIG	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	LMIG	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	LMIG	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>Dirt Road Restructuring</b>							
	TSPLOST/2020 SPLOST	\$ 100,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -
	TSPLOST/2020 SPLOST	\$ 100,000	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
	TSPLOST/2020 SPLOST	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
<b>BRIDGES</b>							
	TSPLOST/2020 SPLOST	\$ 200,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ -	\$ -
<b>Total</b>		<b>\$ 2,177,000</b>	<b>\$ 275,000</b>	<b>\$ 476,000</b>	<b>\$ 400,000</b>	<b>\$ 476,000</b>	<b>\$ 400,000</b>

Water Department Project Title	Funding Source	5 YR Projected Cost					
		2021	2022	2023	2024	2025	
<u>BUILDINGS/EQUIPMENT</u>							
Plant Upgrades	2020 SPLOST	\$ 550,000	\$ -	\$ 137,500	\$ 137,500	\$ -	\$ 137,500
Water Meter Equipment/Upgrades	2020 SPLOST	\$ 200,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
<u>VEHICLES</u>							
2 Vehicles	2020 SPLOST	\$ 52,000	\$ -	\$ -	\$ 26,000	\$ -	\$ 26,000
<b>Total</b>		<b>\$ 802,000</b>	<b>\$ 40,000</b>	<b>\$ 177,500</b>	<b>\$ 203,500</b>	<b>\$ 40,000</b>	<b>\$ 203,500</b>

Fire Project Title	Funding Source	5 YR Projected					
		Cost	2021	2022	2023	2024	2025
<u>EQUIPMENT</u>							
Cascade System & Fire Hose	2020 SPLOST	\$ 32,000	\$ 13,000	\$ 9,500	\$ 7,500	\$ 7,500	\$ 7,500
<u>CONSTRUCTION/BUILDINGS</u>							
Additional Bay	2020 SPLOST	\$ 30,000	\$ -	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
<b>Total</b>		<b>\$ 62,000</b>	<b>\$ 13,000</b>	<b>\$ 17,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>

Facilities Project Title	Funding Source	5 YR Projected					
		Cost	2021	2022	2023	2024	2025
<u>Construction</u>							
Renovation of County Buildings	2020 SPLOST	\$ 200,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Sewer Treatment Facility	GO Bond/GEFA/USDA	\$ 20,000,000	\$ -	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000
<b>Total</b>		<b>\$ 20,200,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 10,040,000</b>	<b>\$ 40,000</b>	<b>\$ 10,040,000</b>