

# **COUNTY OF EL PASO**

## **CAPITAL IMPROVEMENT PLAN**

ADOPTED: October 30, 2014

AMENDED April 20, 2015:



### **COMMISSIONERS COURT**

VERONICA ESCOBAR  
COUNTY JUDGE

CARLOS LEON  
COMMISSIONER, PCT. 1

VINCENT PEREZ  
COMMISSIONER, PCT. 3

DAVID STOUT  
COMMISSIONER, PCT. 2

ANDREW HAGGERTY  
COMMISSIONER, PCT. 4

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## Executive Summary

El Paso County recognizes the importance of developing long-range capital investment planning to maintain the growth and vitality of the community. The County also recognizes that a properly prepared capital plan is essential to the future financial health of an organization and continued delivery of services to citizens and businesses.

The County's Capital Improvement Plan (CIP) is a five-year infrastructure plan that matches the County's highest priority capital needs with a financing schedule. The plan rolls on a five-year basis and is adopted every year along with the County's annual budget. The CIP represents the County's commitment to invest in its equipment and infrastructure.

The first year of the plan was funded through available appropriations in that year's budget. The remaining four years of the plan will be funded through future annual appropriations or debt issuances. No project will begin until formally adopted and funded through the Court's annual budget process.

Over the course of any fiscal year, and as situations change, projects are reviewed, reevaluated, added, revised, or removed from the program accordingly. Recommendations are made by subject matter experts and the County executive team, chosen at the discretion of the County Administrator. The County Administrator makes final recommendations to the Commissioners Court to incorporate into a given fiscal year's budget.

Funding for the proposed CIP is derived from two major sources, the issuance of long-term debt payable through property taxes or an identified revenue stream such as the County's annual general fund appropriations via the M&O tax rate. Beginning in the fiscal year 2013, Commissioners Court set aside a minimum of one cent of the Maintenance and Operation (M&O) tax rate.

This document outlines the elements of the CIP and provides the procedures that generate the recommendations for spending. Upon adoption, the CIP will become the guide for the Commissioners Court and all County departments with respect to bond sales and the annual budgeting process.

## **Part I: County of El Paso Capital Improvement Plan Planning and Development Process**

The Capital Improvement Plan (CIP) will identify the major capital needs of the county on a minimum of a five year planning horizon. The plan offers a structured process that will facilitate the identification, inclusion and funding of projects that are necessary for County operations.

This section of the County’s CIP outlines the process from development through approval of the County’s CIP. This process is outlined in various steps as follows:

No.	Steps	Responsible Party	Timeline
1	Call for Projects.	From Budget and Fiscal Policy Office to Departments and Elected Officials	January/February of each fiscal year
2	Assemble all eligible submitted projects for review.	Budget and Fiscal Policy Office	March of each fiscal year
3	Requests are reviewed, and projects are prioritized.	Subject Matter Experts & Executive Team	April and May of each fiscal year
4	Recommendations are made by County Administrator	Subject Matter Experts & Executive Team	June and July of each fiscal year
5	Allow departments to appeal before final recommendation.	Subject Matter Experts & Executive Team	July of each fiscal year
6	County Administrator presents recommendations to County Commissioners Court.	County Administrator/ Commissioners Court	July and August of fiscal year
7	Identify and recommend funding strategies for CIP	County Auditor’s, Budget and Fiscal Policy and County Administrator’s Offices	August and September of each fiscal year
8	Approve recommendations for funding of CIP	County Commissioners Court	By October 1

### ***Capital Improvement Team***

Requests will be reviewed by subject matter experts and the executive team, chosen at the discretion of the County Administrator. Current subject matter experts include, but are not limited to:

- Facilities Manager
- Chief Technology Officer
- Fleet Manager

The executive team includes the County Budget Director and selected staff within the County Administrator's Office. Departments can be called upon to assist, as needed.

The team will consider the feasibility of all proposed capital projects submitted by County departments. Once items are approved by Commissioners Court, the County Administrator's Office, County Auditor's Office and Office of Budget and Fiscal Policy will monitor the progress of the projects and recommend revisions as needed.

### ***Call for Projects***

The initial step is a ***Call for Projects*** issued from the Budget and Fiscal Policy Office to all County departments and elected officials. This Call for Projects is the identification and submission of all capital projects that will require funding. Departments and elected officials will submit projects in a manner that will include the project description, estimated funding, current resources available, operating budget impact, revenue or efficiency factors and alternatives to capital outlay. Additional information may be requested as needed. Failure to submit required information may result in the disqualification of the request.

All proposals for capital items shall go through this process and generally will not be considered outside of this process. Part II of this policy includes a more detailed discussion on items allowed per category. The call for projects consists of items necessary for ongoing operations rather than long term projects such as space and facility needs.

### ***Review of CIP Projects***

The Budget and Fiscal Policy Office will assign each submitted project in one of five major categories as follows:

- Major Facility and Infrastructure
- IT Infrastructure and Equipment
- ADA-related improvements
- Fleet and Vehicle Replacement
- Small/Medium/Large Capital Projects

### **Major Facility and Infrastructure**

Major facility and infrastructure consists of the acquisition, construction, or renovation of existing and future County facilities. As the result of age, change in scope of County business, or the actions of other governmental entities, there is a continual need to assess the need to renovate, add or close County facilities. The recommended projects require a sizable outlay of resources, usually over several years. Projects may include the construction of an additional jail, juvenile probation/detention and other new, replacement or renovated facilities; roof replacements; parking lot expansions. Significant facility repairs, with no single project to exceed \$500,000 within a fiscal year, will be considered within the annual M&O allocation.

## Information Technology Infrastructure and Equipment

Technological enhancements, replacement computer and computer-related equipment and hardware and software upgrades that are essential in the operations of El Paso County. These projects include the purchase of network and telephone equipment, and various upgrades to computer networks and systems. Other projects include replacement and additional computer software programs for various departments that will enhance productivity. All IT related infrastructure and related equipment is reviewed and recommended by the IT Department to ensure consistency with existing systems.

## ADA-Related Improvements

ADA improvements to infrastructure or purchases of equipment that facilitates compliance with the Americans with Disabilities Act are categorized in a separate category. These projects are based on a facility assessment and are ongoing until all facilities meet existing standards.

## Fleet and Vehicle Replacement

The County will invest in the consistent maintenance and replacement of county vehicles. The Fleet Manager is responsible for developing comprehensive fleet management policy, which includes replacement of vehicles along a defined schedule. Generally, vehicles are assigned to each specific department and each department is responsible for vehicle's upkeep and maintenance.

## Small/Medium/Large Capital Equipment

Items classified as small/medium/large capital equipment have a value of between \$500 and \$500,000 with a useful life from 5 to over 10 years, depending on subcategory. Items that are less than \$500 are to be incorporated into each department's budget on an annual basis and are considered part of that department's operating budget.

The team will review all of the projects submitted and takes each project through four different stages as follows:

1. Needs assessment;
2. Review of project against replacement policy;
3. Project prioritization; and
4. In-depth cost estimation and funding capacity analysis

## *Needs Assessment*

The County assesses current and future capital needs through comprehensive master planning and critical needs assessments. Comprehensive needs assessments for non-routine capital projects are often undertaken through a facility master planning and review process that can take years of work by task forces, elected officials, community stakeholders, professional consultants and staff. Once master plans have been completed, they are presented to the Commissioners Court for evaluation and approval. Projects that support these master plans will be identified as related to a master plan when presenting this information to interested stakeholders.

The County also engages in long-term planning for routine capital expenditures. For example, if and when necessary, hiring consultants to evaluate the County’s long term needs for roof maintenance or mechanical system replacements helps anticipate these routine types of capital expenditures for many years into the future. These types of assessments help the County ensure that it makes these needed repairs or replacements at an appropriate time that is not too soon (in order to avoid waste) and not too late (in order to avoid secondary problems or the exceptionally high maintenance that can be associated with building systems that are past life cycle). Long-term assessments of routine capital expenditures also help the County to smooth the financial impact of these projects on the capital improvement plan.

***Replacement Policy Assessment***

The Replacement Policy provides a strategy for managing El Paso County’s physical assets.

The following chart generally depicts the County’s replacement strategy and cycle of each major category of capital assets contained within the CIP. It will be used as a guide when considering the prioritization of submitted projects.

<b>Category</b>	<b>Description of Category</b>	<b>Replacement Strategy</b>	<b>Replacement Cycle</b>
<b>1</b>	<b>Major Facility and Infrastructure</b>	10 – 15 years for major renovation and repair; 45-75 years useful life	Generally 7 to 10 years for major renovation and repair; 30 years for building revitalization
<b>2</b>	<b>IT Infrastructure and Equipment</b>	Rapid changes in technology require continuous upgrade and replacement of computer equipment to guarantee access to information resources.	Generally, every 3 to 5 years
<b>3</b>	<b>ADA-Related Improvements</b>	As identified by the ADA Coordinator	In accordance with replacement cycles of other Categories
<b>4</b>	<b>Fleet and Vehicle Replacement</b>	As determined by Fleet Manager	Generally 5 to 7 years; heavy equipment is 10 years
<b>5-A</b>	<b>Small Capital Projects (i.e. equipment and projects between \$500 and \$5,000)</b>	These items are generally between \$500 and \$5,000 and are considered to have a useful life of three to five years. Replacement strategy is to replace when item become unusable due to obsolescence or wear and tear.	Generally less than 5 years
<b>5-B</b>	<b>Medium Capital Projects (i.e. equipment and projects between \$5,000 - \$50,000)</b>	These items are generally between \$5,000 and \$50,000 and are considered to have a useful life of generally less than ten years. Replacement strategy is to replace when item become unusable due to obsolescence or wear and tear.	Generally less than 10 years
<b>5-C</b>	<b>Large Capital Projects (equipment and projects between \$50,000 - \$500,000)</b>	These items are generally between \$50,000 and \$500,000 and are considered to have a useful life of generally more than ten years. Replacement strategy is to replace when item become unusable due to obsolescence or wear and tear	Generally more than 10 years

***Project Prioritization***

Due to the limited funding available for capital projects, the County must prioritize potential capital projects. Adjustments are made, as necessary, through technical assessments of the long-term needs and

timing requirements. In some cases, staff and technical teams revisit plans to compare the plans' assumptions against current needs for renovations and new facilities.

In determining what expenditures will be funded and when those expenditures should occur the County evaluates all possible capital projects against both long-term and short-term goals:

Projects will be ranked internally using criteria that will include, but is not limited to, public health and safety, federal or state mandates, preservation of the County's existing capital investments, alleviation of overcrowding, demand for services and consistency. All projects will be categorized by priority using the criteria listed below:

***High priority projects may be those which are:***

- (i) required by law or specific court order,
- (ii) further the County's vision as adopted by the Court;
- (iii) required by contract,
- (iv) improve public safety,
- (v) reduce current operating, maintenance or contractual expenses,
- (vi) increase revenues,
- (vii) contribute to job retention and efficiency,
- (viii) benefit all or a majority of the residents,
- (ix) replace obsolete equipment or software, or
- (x) prevent deterioration of assets

***Medium priority projects may include those which:***

- (i) improve delivery of services to the public,
- (ii) contribute to job creation, or
- (iii) are non-essential but have a high degree of public support.

***Low priority projects may include those which:***

- (i) support delivery of a service for which there is a declining demand,
- (ii) enable the provision of a new service not currently provided, or
- (iii) improve the quality of life related to a non-essential service.

**Priorities identified during the annual strategic planning process will also be given priority consideration during the allocation of capital resources.**

***In-Depth Cost Estimation and Funding Capacity Analysis***

Once projects have been identified and prioritized, an initial estimate is assigned to each project for possible assignment and identification of funding. , Funding capacity results from two fundamental strategies that the County uses to finance the capital plan.

***Strategy 1: The County has dedicated two funding streams specifically to the capital plan – Annual (Cash) Funding and Long-Term Debt Funding.***

***Strategy 2: The County uses debt to fund projects with costs beyond the reach of annual revenues and with useful lives of over five years.***

### Annual (Cash) Funding

The El Paso County has chosen to set aside no less than one penny of the property tax rate each year to fund IT Infrastructure and Equipment, ADA-related improvements, fleet and vehicle replacement, small/medium/large capital equipment, and replacement of other equipment. This dedicated revenue stream is critical to ensuring that equipment is replaced when appropriate and that long-term debt is not issued to fund short-term needs.

### Long-Term Debt Funding

The County funds the long-term assets of the CIP with long-term debt. The leveraging of debt funding against cash enables the County to meet the growing capital needs in a fiscally responsible manner. The cost of the capital is then spread over multiple years so that current and future taxpayers share the cost and benefits of the facilities.

Given the favorable interest rates due to our current bond rating, County-approved Certificates of Obligation or voter-approved general obligation bonds represent the least expensive form of debt to the County.

### Other Revenue Funds

The County does receive certain specific revenues which, by law, are designated to finance particular functions or activities of government. Examples include grant funds, intergovernmental revenue, courthouse security, justice court security, to name a few. The Office of Budget and Fiscal Policy will verify if requests can be funded from these specially designated funds before using capital monies.

### Interest Earnings and Auction Proceeds from Capital Improvement Fund

The County also dedicates the interest earnings from the Capital Improvement Funds to the capital plan. All interest earned on monies in the Major Capital Development Fund are retained in the fund to be allocated to approved projects. In the event that a project is completed using less than the allocated amount, the remaining balance will remain in the fund to be allocated to future projects.

Additionally, all proceeds generated from the sale or auction of county surplus or salvaged property, real property including real estate and land, will be deposited into the Capital Improvement Fund in support of future projects.

### Financial Planning Model

The County uses a financial planning model to evaluate the impacts of capital decisions on both the County's debt policy targets and the operating budget. The financial model maintains an adequate capital projects fund balance to allow long-term flexibility and reserves for unanticipated needs.

### ***Recommendation***

After the initial assessment, the County Administrator may schedule meetings with all departments to submit additional information or provide clarification on the projects. An estimate of costs of the project will be considered during the initial assessment but may change as more refined estimates are acquired.

After the meetings with departments, subject matter experts and the executive team will review all of the additional information and make recommendations both in funding and final prioritization of projects. Projects will be:

- Categorized by Type and Funding Source
- Prioritized by Assessments
- Recommended for Funding

A final recommendation shall be submitted to the Budget and Fiscal Policy Office for identification and recommendation of funding for all projects in the CIP. Once approved by the County Administrator, Departments will be notified and given an opportunity to appeal.

### ***Appeals***

Upon receiving denial, departments have an opportunity to appeal before consideration of the Court. Department directors or their designee must send their written appeal and justification to the Budget and Fiscal Policy Office by the date specified.

### ***Consideration and Approval by the Court***

Commissioner Court shall receive the County Administrator's recommendation and fund the CIP as it deems appropriate. It is anticipated that the Court will approve the plan in conjunction with its annual budgeting process which is due by October 1.

### ***Allowable Modifications***

Once items and projects have been approved, certain modifications are allowed without having to resubmit request. These include the following:

- Funding changes are allowed within the same Department's approved asset categories, as long as the individual item allocation does not change and the reallocations are not for a new asset or project type. Overall funding allocation cannot be exceeded.
- Should actual quotes come in above the original request, a contingency of 10% or \$5,000, whichever is lesser, is allowed. The County Administrator must approve adjustments that do not meet the aforementioned criteria.

Additional interim allocation requests are allowed once the official CIP is approved. However, these modifications require Commissioners Court approval for items over \$100,000. They must meet established criteria:

- Must be necessary to ensure current operations are not disrupted, such as a meeting a new unanticipated need or maintaining the delivery of core services. There cannot be available or allocated funding elsewhere.
- Unanticipated breakdowns where cost to repair outweighs the benefits. Situations include it being an employee/public safety issue, operational/revenue disruption, or there is no back-up equipment in place. There cannot be available or allocated funding elsewhere.

All modification requests must be in writing, including justifications, and approved by department head, elected official or designee.

### ***Purchasing Deadline***

Once items and projects are approved by Commissioners Court, Departments must initiate purchasing process by the published deadline. Departments can request a rollover of remaining balances in the event of extenuating circumstances. These requests must be submitted in writing to the Office of Budget and Fiscal Policy and must be approved by the County Administrator.

## Part II: General Listing of Capital Items per Category

Below is a general listing of items that are included within their appropriate category.

### Major Facility and Infrastructure

**New Infrastructure & Renovations over \$500,000** – These projects consist of acquisition, construction, or renovation of existing and Future County facilities. All new infrastructure projects originate from Commissioners Court and are managed by the Facilities and Public Works Departments with assistance from the County Auditor and Budget and Fiscal Policy Offices and external consultants, as needed. Once approved by Commissioners Court, long-term capital funding is allocated. All major repairs/renovations of a non-urgent nature or exceeding \$500,000 during one fiscal period will be considered with long-term financing.

**Major Repairs and Renovations under \$500,000**– These projects consist of major repairs to County facilities in order to maintain ongoing operations. Significant repairs, with no single project to exceed \$500,000 within a fiscal year, are allowable with M&O funds. These requests originate from the Facilities and Public Works Departments and will be brought to the County Administrator and Commissioners Court for approval. Department concerns must be directed to the Facilities department.

### Information Technology Infrastructure and Equipment

**Objective** - In order to meet ever-changing technological needs, Commissioners Court has committed to replacing laptops, computers and related devices on a five year rolling basis. The Information Technology Department (ITD) is allocated an annual amount of M&O funds to replace computers and related equipment, telephone systems, software and other technological hardware. Departments must coordinate with ITD when placing their requests. Once an allocation is approved, ITD will coordinate with departments to replace and install equipment.

Eligible requests include:

- replacement of computers and laptops due to age or obsolescence,
- new computers or laptops,
- black & white printers and scanners  
**NOTE:** Color Printers may be considered based on departmental business practices with adequate justification.
- communications equipment,
- software that will enhance productivity, and
- technological infrastructure recommended by IT

Ineligible allocations from IT funding include:

- fax machines – software that allows scanners to fax will be recommended,
- copiers– must be requested through small/medium capital,

- software that cannot be supported and/or will require supplementary costs to become operational in the current Network & Server Environment (i.e. storage, switches, servers), and
- non-standard equipment (i.e. Projectors, Audio Systems, Televisions, Security Cameras, Shredders, Copiers....)

**How ITD Standardizes** - The IT Department requires technologies that are sustainable, compatible with existing systems, and that can be efficiently supported. All requests must meet the following, in terms of compatibility and feasibility;

- compatibility with EP County network environment
- compliance EP County & ITD security policies
- suitability based on needs assessment, job function or process function
- licensing compliance for software purchase and maintenance
- hardware and software that can be implemented without supplemental costs to operate

**How analysis and base costs are performed** - Computer equipment and software replacements should be established on the basis of the actual needs of the users and should not be based solely on technology development cycles. A life cycle requires knowing how to gauge whether technology is meeting the existing agency needs within current budgetary constraints. Here is a sample of some of the criteria used to evaluate the request:

- What is the age of the current hardware?
- What are the user's equipment needs, both current and future?
- Are the users able to perform business tasks with the existing equipment?
- Can the current equipment be upgraded economically rather than be replaced?
- Will the cost of upgrade(s) and on-going support of older hardware and software outweigh replacement?
- What is the cost of purchasing new hardware and software?
- What is the cost of training users and support staff?

ITD will assess and plan all CIP IT technology allocations within the departments. In order to provide a smooth transition and avoid delays when deploying technology, it is in the best interest of both the department and IT to have a written and signed plan that shows all deployments and reassignments of IT assets at the time of deployment. It is understood that all allocations are on fixed replacement cycle approved by Commissioners Court. In order to provide some flexibility, IT will facilitate re-assignments of IT assets that are not obsolete. Obsolete equipment must be removed from the County's inventory.

As a policy:

1. IT will always try to replace the oldest IT asset first:
  - a. IT understands that generally entry level staff may have the oldest IT equipment
  - b. IT will facilitate re-assignments if the IT asset would better serve the needs of the department if it were placed in a different location or assigned to a different individual

2. IT will allow the department to reassign PCs and Printers allocations prior to any deployment as it sees fit, If:
  - c. the IT asset being replaced is not obsolete as determined by ITD
  - d. All deployments will be analyzed on a case by case basis
  - e. All deployments require approval from a department head and are final at that point.

### **ADA-Related Improvements**

The County of El Paso's goal is to ensure all County facilities and programs are accessible to the public. To meet this goal, the Commissioners Court aims to budget, at a minimum, \$250,000 annually from the M&O allocation for ADA related projects. All departments must coordinate with the ADA Coordinator in placing their requests.

Eligible requests include, but are not limited to:

- barrier removal
- adding ramps to buildings,
- restroom remodels,
- accessible public counter tops,
- related signage, and
- other ADA related items

### **Fleet and Vehicle Replacement**

The County of El Paso currently maintains a variety of vehicles for daily operations. In order to properly evaluate, vehicle requests should include: number of vehicles required in department, number of vehicles on hand, average yearly miles driven per vehicle, is the request an addition or a replacement; type of vehicle requested (sedan, pick up, SUV, van); purpose or core function of the vehicle requested, and impact to operations should the vehicle not be approved. Departments request vehicles as outlined in vehicle replacement policy.

Eligible requests include:

- vehicle replacements,
- new vehicles should there be a new need or current operations are not being met,
- specialized vehicles such as those used by Law Enforcement and Public Works,
- all classes of vehicles including sedans, trucks, SUVs, vans, tractors and trailers

### **Small/Medium/Large Capital Equipment**

This category consists of eligible requests with a unit value of \$500 to \$500,000 and do not pertain to any of the prior categories. Requests will then be further subdivided into small, medium or large categories based on item value and estimated life. Only capital items are considered. Requests from this category are funded by the annual M&O allocation related to the minimum penny allocation.

Eligible requests include:

- furniture such as chairs and desks (Departments should consult with facilities regarding new desks and cubicles to see if current or future projects encompass these requests),

- storage equipment such as file cabinets,
- copiers,
- specialized equipment such as tools for Public Works Department,
- televisions and cameras,
- global positioning systems, and
- shredders

Ineligible requests include:

- operating items such as:
  - maintenance contracts, unless they are included with initial purchase of item
- kitchen appliances, except for larger commercial items used in food services
- cleaning equipment such as vacuum cleaners, and
- items that can be purchased using other sources such as special revenue or grant funds

### **Part III: Financing and Debt Plan**

#### **Capital Revenues**

Capital requests will be funded through two primary sources; general fund annual M&O allocations (minimum of one penny) and long-term debt financing. However, additional sources of revenue, such as grants and special revenue funds, will be considered before funding an item through general fund sources.

#### **Matching Capital Needs to Identified sources**

The Financial Plan identifies the resources for the capital projects that can be approved. Additionally, the Financial Plan employs a combination of debt financing and pay-as-you-go methods to maximize the funding for capital projects.

## GLOSSARY

**Ad Valorem Tax** – A tax levied on the assessed value of both real and personal property in proportion to the value of the property (also known as property tax).

**Appropriation** - A legal authorization to incur obligations and to make expenditures for specific purposes.

**Bond** - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified date. The difference between a note and a bond is that the latter runs for a longer period of time and requires greater legal formality.

**Bond Rating** – A rating that is received from Standard & Poor’s and Moody’s Investors Service, Inc., which indicates the financial and economic strengths of the County.

**Bonded Indebtedness** – The portion of a government’s debt represented by outstanding bonds.

**Budget** - A plan of financial activity for a specified period of time indicating all planned revenues and expenses for the budget period.

**Department** - The organization unit which is functioning uniquely in its delivery of service.

**Expenditure** - The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

**Expense** - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

**Fiscal Policy** - A government’s policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

**Financial Plan** – Models used to evaluate the impact of financial decisions on both debt targets and operating budgets.

**Budget Calendar** - The schedule of key dates from which a government follows in the preparation and adoption of the budget.

**Budget Process** - The process of requesting, compiling, analyzing, proposing, discussing and approval of appropriations during the budget cycle.

**Capital Improvement Plan** – A plan for capital outlays to meet the County's short-term and long-term capital needs.

**Capital Outlay** - Fixed assets with a value of \$5,000 or more and have a useful life of more than two years.

**Capital Project** - Major construction, acquisition, or renovation activities which add value to a government’s physical assets or significantly increase their useful life.

**Capital Project Fund** – One or more funds specifically used to account for the acquisition and construction of major capital facilities, major capital improvements, and/or acquisition of major equipment.

**Fiscal Year** - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization.

**Fund** - A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

**Fund Balance** -The excess of the assets of a fund over its liabilities, reserves, and carryover.

**General Fund** – The major operating fund that accounts for resources not required to be accounted for in other funds and provides for the general government or daily operations of the county.

**General Obligation Bond** - A bond backed by the full faith, credit and taxing power of the government.

**Goal** - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

**Grants** - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending on the grantee.

**Infrastructure** - Public domain fixed assets such as roads, bridges, curbs and gutters and similar assets that are immovable and are of value to the governmental unit.

**Intergovernmental Revenue** - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

**Long-term Debt** - Debt with a maturity of more than one year after the date of issuance.

**Maintenance & Operations Tax Rate (M & O)** – The amount of tax stated in terms of a unit of the tax base allocated to cover general operating expenses.

**Obligations** - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

**Operating Budget** – The annual budget and process that provides a financial plan for the 150 operation of government and the provision of services for the year.

**Operating Revenue** – Funds such as taxes, fees, and interest earnings that the county receives as income to pay for ongoing operations. Operating revenues are used to pay for day-to-day services.

**Operating Expenses** - The cost of materials and equipment required for a department to function.

**Policy** – A course of action designed to set parameters for decision and actions.

**Reserve** - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

**Resources** - Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

**Revenue** - Sources of income financing the operations of government.

**Special Revenue Funds** – A fund used to account for revenues from specific taxes or other earmarked revenues sources, which by law are designated to finance particular functions or activities of government.

**Tax Rate** - The amount of tax stated in terms of a unit of the tax base.