Capital Improvement Policy

Presented by
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Capital Funding Drivers

- Aging infrastructure
- Master Facilities Plans & Feasibility Studies
- Operating Focus vs. Capital Investment
Policy Highlights

• Defines capital projects and establishes process for adopting and amending Capital Improvement Plan (CIP)

• Formal submission and review process of County capital projects by a cross-departmental Capital Review Team

• Board of Commissioners will adopt a seven-year CIP, starting in FY26

• Establishes on-going annual transfer from the General Fund to build a reserve for the CIP
Capital Reserve

- Annual transfer from the General Fund for capital, beginning FY26
- Establish a baseline transfer in Year 1 of 120% of General Fund debt service obligation
- Future year transfers grow at a compounded growth rate ranging between a minimum of 2% and Consumer Price Index (CPI)
  - Formula: General Fund debt service x (120% + Year Over Year Growth %)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2026</th>
<th>FY2027</th>
<th>FY2028</th>
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</thead>
<tbody>
<tr>
<td>Annual Debt Service Obligation</td>
<td>$19.9M</td>
<td>$19.4M</td>
<td>$18.7M</td>
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<tr>
<td>Capital Reserve Portion of Transfer</td>
<td>$ 4.0M</td>
<td>$ 4.6M</td>
<td>$ 5.2M</td>
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<tr>
<td><strong>Total Transfer</strong></td>
<td><strong>$23.9M</strong></td>
<td><strong>$24.0M</strong></td>
<td><strong>$23.9M</strong></td>
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Questions?