

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 five members of the CIP Review Team consist of Department Directors, representing different facets of the organization, serving four year rotating terms. For the FY 2020 CIP development process, the other five members of the CIP review team are the Director of Public Works, Undersheriff, Park & Recreation District representative, Director of Justice Information Management System and a representative out of the County Manager's Office. 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 2020

Date Event

<u>Date</u>	<u>Event</u>
December 3, 2018	CIP Packets are distributed to departments.
January 25, 2019	Projects/proposals due to BFP from departments.
February 11 - March 6, 2019	CIP Administrative Review Committee reviews all submitted projects and established priority rating results.
April 2019	County Manager's CIP recommendations are formalized and shared with departments
April 25, 2019	BOCC receives County Manager's Recommended 2020-2024 CIP in Budget Overview.
June 6, 2019	BOCC recommends proposed 2020-2024 CIP.
August 8, 2019	2020-2024 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 73.6% of the CIP for FY 2020 is financed with dedicated or “earmarked” funds. A summary “Sources and Uses of Funds” statement for the FY 2020 CIP is presented on pages 6-7. 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 2020 Budget the use of on-going Ad Valorem support from the General Fund is \$4,959,482 and one-time funding from the General Fund for capital purchases is \$866,500.

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 2020 are presented below:

Department	2020 Capital	Total Projected 5 Year Capital Cost	Source
Public Works			
Stormwater Management Program	\$15,411,742	\$81,618,021	Dedicated Sales Tax
CARS	\$16,644,358	\$85,117,417	Gas Tax and Ad Valorem
Airport			
Self-Sufficiency Plan (Various Projects)	\$7,701,162	\$16,471,885	Airport Revenues
Library			
CIP Funding	\$15,150,094	\$44,538,094	Dedicated Library Mill Levy
Park & Recreation			
CIP Funding	\$9,242,560	\$80,466,805	Dedicated Parks Mill Levy
Wastewater			
SRCFP Projects	\$122,736,000	\$393,937,000	SRCFP/Debt
Total	\$186,885,916	\$702,149,222	

2020-2024 CIP Evaluation Results

The 2020-2024 Capital Improvement Program Review Team convened and evaluated sixty (60) submitted projects from the various County agencies. Projects that requested funding in all five years were reviewed and rated.

Of the sixty (60) projects reviewed, thirty-seven (37) projects are budgeted for FY 2020 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 2020 have some additional on-going operating expenses associated with them.

Department	Project	Description	FY 2020 Tax Impact	On-going Operating Tax Impact - 2021
DTI	Fiber Master Plan	Maintenance Agreements	\$—	\$18,000
DTI	Phone Replacement	Maintenance Agreements	\$—	\$10,000
EMC	Antenna Repeater System	Maintenance Agreements	\$—	\$24,720
Total			\$0	\$52,720

The total operating impact for these three projects is \$52,720 beginning in FY 2021.

Projects Funded in the FY 2020 Budget
(No Self-Funded Projects Listed)

Dept	Project Title	Funding Source	2020 Capital Funding Amount	2021 Operating Impact
DTI	Infrastructure Maintenance	On-Going Ad Valorem	\$ 651,982	\$ —
DTI	Fiber Expansion & Maintenance	On-Going Ad Valorem	\$ 300,000	\$ 18,000
DTI	Phone Replacement	On-Going Ad Valorem	\$ 100,000	\$ 10,000
EMC	Countywide Radio Infrastructure	911 Fund	\$ 223,000	\$ —
EMC	Antenna Repeater System	General Fund Balance	\$ 231,500	\$ 24,720
EMS	Powered Patient Loading System	General Fund Balance	\$ 635,000	\$ —
FAC	Capital Replacement Program (CRP)	On-Going Ad Valorem	\$ 1,485,000	\$ —
FAC	Major Asset Replacement (MARP)	On-Going Ad Valorem	\$ 456,000	\$ —
FAC	Human Services Building MARP	On-Going Ad Valorem	\$ 200,000	\$ —
FAC	Mental Health CRP	On-Going Ad Valorem	\$ 205,000	\$ —
FAC	Security CRP & Improvements	On-Going Ad Valorem	\$ 94,500	\$ —
FAC	ADA Compliance	On-Going Ad Valorem	\$ 337,000	\$ —
FAC	Mental and Public Health Building	County PBC Debt	\$ 54,675,000	\$ —
JIMS	Infrastructure Maintenance	On-Going Ad Valorem	\$ 1,130,000	\$ —
PWK	Bridge, Road and Culvert Safety Program	On-Going Ad Valorem/Public Works Fund Balance	\$ 2,000,000	\$ —
TRN	Bus Replacement	Grant/Interfund Transfer/Capital Projects Fund	\$ 2,744,490	\$ —
TRN	Vehicle Replacement Funding	Transit Fund Balance	\$ 600,000	\$ —
TRN	Basic Passenger Infrastructure	Grant/Interfund Transfer	\$ 100,000	\$ —
TRN	Regional Farebox Initiative	Grant/Interfund Transfer	\$ 750,000	\$ —
Total			\$ 66,918,472	\$ 52,720

The total FY 2020 CIP is \$253,804,388.

**FY 2020 Capital Improvement Program (CIP)
Sources and Uses of Funds**

SOURCES OF FUNDS FOR FY 2020 CIP	
Description	Amount
Public Building Commission (PBC) Debt Proceeds - County	\$ 54,675,000
Public Building Commission (PBC) Debt Proceeds - Library	\$ 13,680,094
Airport Fund (revenues)	\$ 1,601,162
Airport General Obligation Bonds (GO)	\$ 6,100,000
Transportation Fund (use of fund balance)	\$ 600,000
Transportation Fund (use of capital project funds)	\$ 492,820
Transportation Fund (grant revenue)	\$ 2,791,278
Transportation Fund (use of fund transfer general fund)	\$ 310,392
General Fund (use of fund balance)	\$ 866,500
Stormwater Sales Taxes, Use Taxes, Investment Income	\$ 15,411,742
Wastewater SRCFP Funds/ Debt Proceeds	\$ 122,736,000
Special Highway Fund Revenues (Gas Taxes)	\$ 12,903,603
Public Works Fund (ongoing Ad Valorem support)	\$ 5,640,755
Public Works Fund (use of fund balance)	\$ 100,000
Library Operating Fund (Ad Valorem)	\$ 1,470,000
911 Fund	\$ 223,000
Park and Recreation - Dedicated Property Tax Levy	\$ 9,242,560
General Fund (ongoing Ad Valorem support)	\$ 4,959,482
Total Sources of Funds	\$ 253,804,388

USES OF FUNDS FOR FY 2020 CIP

<u>Description</u>	<u>Financing Method</u>	<u>Amount</u>
DTI Infrastructure Maintenance	On-Going Ad Valorem	\$ 651,982
DTI Fiber Master Plan	On-Going Ad Valorem	\$ 300,000
DTI Phone Replacement	On-Going Ad Valorem	\$ 100,000
EMC Countywide Radio System Infrastructure	911 Fund	\$ 223,000
EMC Antenna Repeater Systems	Fund Balance	\$ 231,500
EMS Powered Patient Loading System	Fund Balance	\$ 635,000
Facilities Capital Replacement Program (CRP)	On-Going Ad Valorem	\$ 1,485,000
Facilities Mental Health CRP	On-Going Ad Valorem	\$ 205,000
Facilities Major Asset Replacement Program (MARP)	On-Going Ad Valorem	\$ 456,000
Facilities Human Services Building (MARP)	On-Going Ad Valorem	\$ 200,000
Facilities Security CRP & Improvements	On-Going Ad Valorem	\$ 94,500
Facilities ADA Compliance	On-Going Ad Valorem	\$ 337,000
Facilities	County PBC Debt	\$ 54,675,000
JIMS Infrastructure Maintenance	On-Going Ad Valorem	\$ 1,130,000
Public Works Bridge, Culvert, Road Construction	On-Going Ad Valorem/Fund Balance	\$ 2,000,000
Public Works County Assistance Road System - CARS	Gas Tax/Ad Valorem	\$ 16,644,358
Transit Bus Replacement	Grant/Fund Balance/Capital Project Funds	\$ 2,744,490
Transit Vehicle Replacement Funding	Fund Balance	\$ 600,000
Transit Basic Passenger Infrastructure	Grant/Fund Balance	\$ 100,000
Transit Regional Farebox Initiative	Grant/Fund Balance	\$ 750,000
Airport OJC - Reconstruct NE Apron	Airport Revenues	\$ 215,750
Airport OJC - Reconstruct Taxiway B Design	Airport Revenues	\$ 31,410
Airport IXD - Reconstruct NE T Hanger Taxilines Design	Airport Revenues	\$ 13,558
Airport IXD - Security Gates	Airport Revenues	\$ 15,000
Airport OJC - Security Gates	Airport Revenues	\$ 15,000
Airport Sumner Way Resurface	Airport Revenues	\$ 250,000
Airport Locomotive Shed Construction	Airport Revenues	\$ 150,000
Airport CRP Project Account Funding	Airport Revenues	\$ 610,444
Airport Equipment Reserve Project Account Funding	Airport Revenues	\$ 300,000
Airport Build New IXD Maintenance Shop	Airport GO Debt	\$ 3,500,000
Airport OJC - Replace Hangers K,L	Airport GO Debt	\$ 2,600,000
Library Capital Replacement Plan (CRP)	Library Ad Valorem	\$ 1,330,000
Library Antioch Library Replacement	Library PBC Debt	\$ 13,680,094
Library Corinth Library Replacement Study	Library Ad Valorem	\$ 140,000
Wastewater Capital Improvement Plan	SRCFP/Debt	\$ 122,736,000
Park and Recreation Capital Projects	Park Ad Valorem	\$ 9,242,560
Stormwater Capital Projects	Dedicated Sales Tax	\$ 15,411,742
Total Uses of Funds		\$ 253,804,388

FY 2020 Johnson County Budget - Capital Improvement Program (CIP)

Dept	Project Title	2020	2021	2022	2023	2024	5 Year Total	Operating Impact
DTI	Infrastructure Maintenance	651,982	700,000	750,000	750,000	750,000	3,601,982	
DTI	Fiber Expansion & Maintenance	300,000	200,000	100,000	100,000	100,000	800,000	18,000
DTI	Phone Replacement	100,000	100,000	100,000	100,000	100,000	500,000	10,000
EMC	Countywide Radio Infrastructure	223,000	139,000	142,000	163,000	164,000	831,000	
EMC	Antenna Repeater System	231,500	—	—	—	—	231,500	24,720
EMS	Powered Patient Loading System	635,000	—	—	—	—	635,000	
FAC	Capital Replacement Program (CRP)	1,485,000	2,300,000	2,272,000	3,520,000	3,950,000	13,527,000	
FAC	Major Asset Replacement (MARP)	456,000	2,316,000	—	—	—	2,772,000	
FAC	Human Services Building MARP	200,000	—	—	—	—	200,000	
FAC	Mental Health CRP	205,000	365,000	320,000	275,000	364,000	1,529,000	
FAC	Security CRP & Improvements	94,500	250,000	340,000	346,000	353,000	1,383,500	
FAC	ADA Compliance	337,000	550,000	400,000	452,000	512,000	2,251,000	
FAC	Mental and Public Health Building	54,675,000	—	—	—	—	54,675,000	508,514
FAC	ARC Flash Phase 3: Mitigation	—	200,000	—	—	—	200,000	
FAC	(FAC) Building & Site Signage Improvements	—	113,500	166,550	175,000	184,000	639,050	
FAC	(ELC) Elections Building Remodel	—	—	323,860	2,982,418	—	3,306,278	
JIMS	Infrastructure Maintenance	1,130,000	512,990	920,000	348,000	300,000	3,210,990	
PWK	Bridge, Road and Culvert Safety Program	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000	
PWK	County Assistance Road System (CARS) Program	16,644,358	16,834,570	17,021,372	17,209,404	17,407,713	85,117,417	
PWK	CARNP R/W Preservation & Studies	—	—	—	—	500,000	500,000	
TRN	Bus Replacement	2,744,490	3,204,830	148,734	4,602,059	3,157,301	13,857,414	
TRN	Vehicle Replacement Funding	600,000	600,000	600,000	600,000	600,000	3,000,000	
TRN	Basic Passenger Infrastructure	100,000	250,000	250,000	100,000	250,000	950,000	
TRN	Regional Farebox Initiative	750,000	—	—	—	—	750,000	
AIR	OJC-Reconstruct NE Apron	215,750	—	—	—	—	215,750	
AIR	OJC-Reconstruct Taxiway B Design	31,410	—	—	—	—	31,410	
AIR	IXD-Reconstruct NE T hangar Taxilines Design	13,558	—	—	—	—	13,558	

FY 2020 Johnson County Budget - Capital Improvement Program (CIP)

AIR	IXD-Security Gates	15,000	—	—	—	—	15,000	
AIR	OJC-Security Gates	15,000	—	—	—	—	15,000	
AIR	Sumner Way Resurface	250,000	—	—	—	—	250,000	
AIR	Locomotive Shed Construction	150,000	—	—	—	—	150,000	
AIR	Build new IXD maintenance shop	3,500,000	—	—	—	—	3,500,000	
AIR	OJC-Replace Hangars K,L	2,600,000	—	—	—	—	2,600,000	
AIR	IXD-Reconstruct NE Thangar Taxilines Construction	—	817,900	—	—	—	817,900	
AIR	OJC-Reconstruct Taxiway B Construction	—	353,803	—	—	—	353,803	
AIR	Toro Circle Resurface	—	200,000	—	—	—	200,000	
AIR	OJC-Replace Hangars M,N	—	2,600,000	—	—	—	2,600,000	
AIR	OJC-Reconstruct Taxiway A	—	—	425,000	—	—	425,000	
AIR	Road parallel to Moonlight resurface	—	—	300,000	—	—	300,000	
AIR	OJC-Reconstruct Taxiway D & E	—	—	—	147,095	—	147,095	
AIR	IXD-Mill & overlay NW Apron	—	—	—	134,750	—	134,750	
AIR	OJC-Reconstruct Taxiway F	—	—	—	99,450	—	99,450	
AIR	Monument Sign 159th & Old 56	—	—	—	100,000	—	100,000	
AIR	OJC-Taxiway lighting & electrical vault upgrades	—	—	—	—	133,900	133,900	
AIR	IXD-Seal/rejuvenate Runway 18-36	—	—	—	—	128,700	128,700	
AIR	IXD-New taxiway lighting K,L,M; pavement rehab taxiway K & L	—	—	—	—	54,500	54,500	
AIR	CRP Project Account Funding	610,444	544,200	390,500	450,425	690,500	2,686,069	
AIR	Equipment Reserve Project Account Funding	300,000	300,000	300,000	300,000	300,000	1,500,000	
JCL	Capital Replacement Program (CRP)	1,330,000	1,465,500	1,525,000	1,497,000	1,445,500	7,263,000	
JCL	Antioch Library Replacement	13,680,094	—	—	—	—	13,680,094	
JCL	Corinth Library Replacement	140,000	—	—	23,455,000	—	23,595,000	
JCW	Wastewater Projects	122,736,000	45,326,000	58,238,000	75,825,000	91,812,000	393,937,000	
PRK	Park and Recreation Capital Projects	9,242,560	18,815,730	10,527,935	29,519,355	12,361,225	80,466,805	
STW	Stormwater Capital Projects	15,411,742	15,942,108	16,335,321	16,743,346	17,185,504	81,618,021	
Total		253,804,388	117,001,131	113,896,272	181,994,302	154,803,843	821,499,936	

FY 2020 Johnson County Budget - Capital Improvement Program (CIP)

	Blue River WWTP Improvements	385000625	\$50,000		\$700,000	\$7,119,000	\$12,306,000	
	Nelson Biosolids Facilities		\$2,575,000	\$4,000,000				
	New Century WWTP Expansion				\$500,000	\$3,600,000		
	Tomahawk WWTP Expansion	385000291	\$82,300,000					
	Blue River No. 28		\$1,000,000	\$1,100,000				
	Future Districts		\$1,000,000	\$3,900,000	\$5,000,000	\$5,000,000	\$5,000,000	
	Little Bull Creek No. 1 Pump Station					\$200,000	\$4,800,000	
	Mill Creek No. 1, Contract 2	385000665	\$1,200,000					
	Asset Management Program Development	385000295	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
	Backup Prevention Program	385000063	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
	CMSD Relocations for City Projects	385000111	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	
	Customer Service Software Improvements			\$150,000		\$150,000		
	Lab Equipment Capital Replacement		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
	O&M Large Vehicles		\$250,000	\$800,000	\$700,000	\$500,000	\$500,000	
	SCADA/Network Communications	385000632	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	
	Mill Creek Facility Plan		\$750,000					
	AM R&R Collections	385000259	\$4,355,000	\$4,355,000	\$4,355,000	\$3,455,000	\$4,055,000	
	AM R&R Force Mains	385000219	\$500,000	\$200,000	\$500,000	\$200,000	\$500,000	
	AM R&R Treatment & Pumping	385000645	\$8,525,000	\$8,599,000	\$6,596,000	\$10,576,000	\$16,659,000	
	County Line Forcemain Improvements	385000648	\$200,000					
	Dykes Branch Pump Station and Force Main R&R		\$3,650,000	\$3,000,000	\$2,500,000	\$1,000,000		
	Lagoon Cleanouts	385000627	\$1,500,000	\$2,000,000	\$2,000,000	\$1,500,000	\$1,500,000	
	Leawood Pump Stations and Force Mains		\$1,065,000	\$4,300,000	\$6,600,000	\$3,600,000		
	Middle Basin FOG and Centrifuge Improvements		\$691,000					
	Middle Basin Sodium Bicarbonate Feed System	385000667	\$480,000					
	Nelson - WWTP Improvements		\$500,000	\$2,000,000	\$17,622,000	\$18,150,000	\$37,392,000	
	Rock Creek Pump Station, Martway Holding Station, and 75th Holding Station R&R	385000663	\$1,700,000	\$1,700,000				
	Turkey Creek Pump Station R&R	385000643	\$2,375,000	\$4,492,000				
	Wastewater Facilities Electrical System Improvements	385000651	\$4,770,000	\$1,000,000				
	Watershed Improvement Plan		\$1,800,000	\$2,230,000	\$9,665,000	\$19,275,000	\$7,600,000	
			\$122,736,000	\$45,326,000	\$58,238,000	\$75,825,000	\$91,812,000	