

**PURPOSE:** Purposes of Capital Expenditure Policies are to:

- Provide Nassau County with an orderly process for planning and budgeting for capital needs;
- Serve as a link to the County’s planning process and compliance with adopted Comprehensive Plan standards, strategic plan or other long-range plans;
- Prioritize current and future needs to fit within the anticipated level of financial resources;
- Provide a description of projects to be developed by County, communicating to citizens, businesses, and other interested parties the County’s capital priorities and plans for implementing projects including funding.

**POLICY:**

**I. Capital Improvement Plan**

- 1 The Capital Improvement Plan (CIP) shall generally consist of capital projects with a cost estimate of at least \$50,000 and an asset life of at least five (5) years. Capital projects may include land, buildings, infrastructure and equipment affixed to public facilities and may involve a new purchase, new construction, major repair, renovation or replacement of existing asset. Capital projects are the building, upgrading, or replacement of County infrastructure, such as residential and arterial streets, bridges, traffic signals, public safety facilities, storm drain systems and drainage channels, parks, and other public facilities. The Capital Improvement Plan should not include maintenance projects. Determination of projects being identified in CIP versus maintenance shall be at the discretion of the County Engineer and OMB Director.
- 2 The County shall evaluate and prioritize capital projects based upon the judgment of the County Manager considering the following criteria:
  - a. Preservation of the health and safety of the public
  - b. Compliance with all mandates and prior commitments
  - c. Elimination of existing deficiencies
  - d. Maintenance of adopted level of service standards
  - e. Protection of existing capital investments
  - f. Consistency with the County’s Comprehensive plan and plans of other agencies
  - g. Eligibility for grants
  - h. A demonstrated relationship between projected growth and capital project
  - i. Impact on operating costs
  - j. Utilization of economies of scale and timing of other projects
  - k. Adjustment for unseen opportunities, situations, and disasters
  - l. Funding sources
- 3 Funding shall be identified for each capital project.
- 4 Revenues dedicated specifically to capital projects include:
  - a. ~~At least 25% of~~ One Cent Sales Surtax as set forth in the Capital Improvement Plan
  - b. An annual appropriation from the County Transportation Fund of not less than \$1,500,000 for transportation related capital projects, including the pavement management and chip seal programs.
  - c. Proportionate Share payments and other negotiated developer payments
  - d. Impact fees for law enforcement, fire rescue, administrative facilities, and recreation.
  - e. Mobility fees for transportation.

- 5      Use of impact and mobility fees shall be reviewed annually as part of the budget process and in compliance with adopted ordinances as amended.
- 6      Annually, a minimum five-year Capital Improvement Plan (CIP) will be developed consistent with the Capital Improvement Element (CIE) of the County's Comprehensive Plan and in compliance with Florida Statutes regarding growth management. Capital project needs related to the County's Comprehensive Plan will be assessed at least annually. The CIP shall be adopted by a Resolution of the Board of County Commissioners.
- 7      Annual updates of the Capital Improvement Plan (CIP) shall be coordinated between the County's Budget Officer and impacted Departments for those aspects of the CIP related to the County's Comprehensive Plan to ensure synchronization with the County's budget process and compliance with Florida Statutes regarding growth management.
- 8      If additions or deletions to the adopted Capital Improvement Plan (CIP) are needed more frequently than annually, these changes shall be by a Resolution of the Board of County Commissioners amending the annually adopted Capital Improvements Program Resolution and action taken to insure compliance with Florida Statutes regarding growth management.
- 9      A fiscal impact operating analysis shall be examined for each item contained within the Capital Improvement Plan for the period covered in the CIP. Future operating, maintenance, and replacement costs associated with the new capital project will be forecast, matched to available revenue sources, and included in future operating budgets. Such information will also include any savings.
- 10     The County will make expenditures in accordance with the Capital Improvement Plan.
- 11     The first year of the 5-year Capital Improvement Plan (CIP) will be used as the basis for formal fiscal year appropriations during the annual budget process. Appropriations made in prior years for which expenditures have not occurred nor projects completed, will be reevaluated for inclusion in CIP and appropriation in new fiscal year.
- 12     Each Capital Improvement Plan (CIP) project budget will include a reserve for contingency for each project, if appropriate. The reserve should generally be between 10%-15% of the estimated project cost.