

Capital Improvement Policy

1. The Capital Improvement Program (CIP) Budget showing estimated annualized costs of capital projects will be updated on an annual basis. All amendments during the year must be approved by Commissioners Court.
2. An adopted capital project may not be added or deleted without approval of the Commissioners Court.
3. An adopted capital project may not be amended or changed more than necessary to fulfill the original intent of the project. No funds may be added or deleted which change the outcome of the project without Commissioners Court approval.
4. All capital projects shall compute and display an estimated cash flow for planning purposes. All cost estimates should be revised after completion of design.
5. The plan will be a rolling 4 to 5 year plan.
6. The budget for this plan will not exceed $\frac{1}{4}$ of the available cash ending that is beyond the County's 35% target . Each year's drawdown should be in the range of \$5 to \$6 million.
7. The County Auditor will certify the available funds each year when the Commissioners Court is updating and adopting the budget for the plan.
8. The following guidelines must be met in order to qualify as a Capital project:
 - New Construction/Renovations
 - (a) Over 5 year's life expectancy and cost greater than \$50,000.
 - (b) Newly acquired or constructed assets must exceed minimum capitalization threshold requirements as determined by current financial guidelines.
 - (c) Improvements to, or expansions of existing assets must increase its appraised value or add to its life expectancy.
 - (d) Routine maintenance and repair services of a repetitive nature, provided for the purpose of sustaining capital assets in serviceable condition, such as painting or lawn mowing, are not capital projects.
 - Prioritizing Projects

Capital projects and/or capital asset purchases will receive a higher priority if they meet some or most of the following criteria:

- (a) Project/asset is mandatory.

- (b) Project/asset provides a needed service.
 - (c) Project/asset improves efficiency.
 - (d) Project/asset will reduce operating and maintenance costs.
 - (e) Project/asset has available state/federal grants.
- Other Considerations
 - (a) Improvements that are permanently installed on or in an existing capital asset and meet minimum monetary threshold requirements shall be capitalized.
 - (b) Capital projects must be identified and approved as part of the adopted or amended Capital Improvement Program.