



Lumpkin County, Georgia

Finance Department

Date: March 12, 2016

Agenda Item: 2016 Capital Improvement Program

Item Description: Approval of the proposed CIP work plan for 2016

Facts & Historical Information:

This is a request to approve the 2016 CIP as presented. Staff has revised the list by adding a vehicle for Emergency Services that was in SPLOST to be considered for a lease. This was done so that Emergency Services could purchase air packs from SPLOST based upon discussion that only leased items may be considered in the first round of CIP funding. Staff also updated the list to reflect the purchase of digital radios that was approved and to move the bulk of the digital radio system to year 2020. Staff has been in discussions with a broker and expects to receive a lease package on Monday to submit to the Board for consideration. Staff would also like the Board to consider reinvesting the net proceeds from the sale of assets that are replaced via the program, back into the Capital Improvement Program. This will allow some extra cash flow into the program to assist with paying leases or purchasing items that cannot be leased. It is another way to keep the program sustainable.

Potential Courses of Action: A) They Board of Commissioners will need to make the final decision on how to move forward with the program as presented. A decision is needed on whether the lease package needs to formally be released and if any items will be purchased. The Board will also need to decide if they are willing to reinvest the proceeds from the sale of assets back into the program. Adopting a work plan so that projects can begin is the most favorable of the two options as there are needs for vehicles now and some of these items will take months to receive.

B) Amend the plan that was submitted by staff.

Budget Impact: Since an amount was levied to cover the initial CIP program, there are funds in the 2016 budget to cover the program.

Capital Improvement Plan - Recommended

Summary (With 3% Inflation w/yr 1 lease pmts)

Dept	PG	Project	Life	2016	2017	2018	2019	2020	future years	TOTAL
		cost of annual lease payments			177046	178744	175336	176928	417793	1,125,847
15650	33	Replace 1998 White GMC Van	10	24,005 P						24,005
	33	Purchase Dump Bed Truck	15	46,904 P						46,904
	33	Replace 1996 Chevrolet Black S-10 Pickup	10	24,115 P						24,115
	58	Generators	20			124,320 P				124,320
	67	Fiber Connection - Justice Center	N/A			109,273 P				109,273
15900	72	ADA Updates (formerly 15650)	N/A	200,000 P	212,180 P	218,545 P	225,102 P	231,855	P	1,087,682
	75	Digital Radio System (formerly 33000)	10	81,675 P				484,953	L	566,628
33000	78	Vehicle Replacement (33230)	3-5	0 L	57,764 L	167,922 L	172,959 L	31,560	L	430,205
	85	Vehicle Replacement (Non-UPD)	10	0 L						0
	86	Detention Center Camers (Detention)	5	0 L						0
	91	VSI View Systems Inc (Court)	5	9,350 P						9,350
	94	Duty Weapons (33260)	10	11,098 P						11,098
	101	X-Ray Inspection System (Court)	5	25,463 P						25,463
	98	AMAG Access Control Sys/Integrated Sec (Court)	5			9,369 P				9,369
	104	CCTV Closed Circuit Television Upgrade (Court)	5				211,882 L			211,882
35000	107	Fire Truck - Station #7	10	0 L						0
	109	Purchase Ambulance - Station #1	4-5	0 L						0
		Purchase Administrative Vehicle		0 L						0
	111	Replace Air Packs (SCBA) and Bottles	10		93,571 P	96,379 P	99,270 P	102,248	P	391,468
	117	Fire Truck - Station #5	10		371,315 L					371,315
	119	Refurbish Ambulance - Station #4	4-5			218,545 P				218,545
	121	Fire Truck - Station #4	10				506,479 L			506,479
	125	Battalion Vehicle - Station #1	5				45,020 P			45,020
	127	Brush Truck - Station #5	10				101,296 P			101,296
	132	Fire Truck - Station #1	10					579,637	L	579,637
42000	137	Purchase 420 F CAT Backhoe	5		125,939 L					125,939
45500	140	Landfill Caps Maintenance	N/A		18,460 P					18,460
55200	147	Activity Tables & Chairs	10		8,487 P					8,487
	153	Fitness Equipment	5		10,890 P					10,890
	157	Wheelchair Accessible Mini Van	10		47,741 P					47,741
	161	Recreational & Audio Visual Equipment	5		8,169 P					8,169
75630	236	Install Airport Beacon and Runway Lights	20				14,069 P			14,069
		GRAND TOTAL		422,610	954,516	944,352	1,376,076	1,430,253		5,127,808

PURCHASE TOTAL	422,610	399,498	776,431	484,757	334,103	2,417,398
LEASE TOTAL	0	555,018	167,922	891,320	1,096,150	2,710,410

KEY **P** Pay
 L Lease

2016 Factor	1.03
2017 Factor	1.0609
2018 Factor	1.092727
2019 Factor	1.12550881
2020 Factor	1.159274074

**Lumpkin County CIP
Lease Structure Comparisons**

FYE	Tailored 10yr. Lease (all items)					Yr. to Yr. Leases (Assuming No Increase in Interest Rates over 6yr. Period)									
	Lease Pmnt	Pay-Go Pmnt	Funds		Funds	Lease Pmnt (Yr. 1 Items)	Lease Pmnt (Yr. 2 Items)	Lease Pmnt (Yr. 3 Items)	Lease Pmnt (Yr. 4 Items)	Lease Pmnt (Yr. 5 Items)	Total Lease Payments	Pay-Go Pmnt	Funds		Funds
			Needed	Fund Balance	Available for 2021 & 2026 CIP								Needed	Fund Balance	Available for 2021 & 2026 CIP
2016	\$ -	\$ 422,610	\$ 817,139	\$ 394,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 422,610	\$ 817,139	\$ 394,529	\$ -
2017	395,189	399,498	817,139	416,981	-	177,046	-	-	-	-	177,046	399,498	817,139	635,125	-
2018	393,373	776,431	817,139	64,316	-	178,744	87,674	-	-	-	266,418	776,431	817,139	409,415	-
2019	396,451	484,757	817,139	248	-	175,336	86,076	38,941	-	-	300,353	484,757	817,139	441,445	-
2020	394,315	334,103	728,418	-	88,969	176,928	84,479	38,195	144,916	-	444,517	334,103	817,139	-	479,964
2021	397,073	-	397,073	-	420,066	178,414	87,881	37,450	147,253	129,176	580,173	-	580,173	-	236,966
2022	394,618	-	394,618	-	422,521	49,793	86,177	41,704	144,484	126,939	449,097	-	449,097	-	368,043
2023	397,057	-	397,057	-	420,083	48,834	44,473	40,852	146,715	129,703	410,577	-	410,577	-	406,563
2024	394,282	-	394,282	-	422,857	47,876	43,621	-	143,840	132,360	367,696	-	367,696	-	449,444
2025	396,401	-	396,401	-	420,738	46,917	42,769	-	60,964	134,910	285,560	-	285,560	-	531,579
2026	398,307	-	398,307	-	418,832	45,959	46,917	-	59,793	122,354	275,022	-	275,022	-	542,117
2027	-	-	-	-	817,139	-	45,959	-	58,621	125,011	229,591	-	229,591	-	587,549
2028	-	-	-	-	817,139	-	-	-	57,450	122,562	180,011	-	180,011	-	637,128
2029	-	-	-	-	817,139	-	-	-	61,278	125,112	186,390	-	186,390	-	630,749
2030	-	-	-	-	817,139	-	-	-	-	122,556	122,556	-	122,556	-	694,583
	\$ 3,957,065	\$ 2,417,399	\$ 6,374,712		\$ 5,882,622	\$ 1,125,845	\$ 656,025	\$ 197,141	\$ 1,025,312	\$ 1,270,681	\$ 4,275,003	\$ 2,417,399	\$ 7,172,366		\$ 5,564,683
Interest Rate					2.13%	2.13%	2.13%	2.13%	2.13%	2.13%					2.13%
Funds Delivered for Projects					\$3,450,509	\$995,015	\$555,018	\$167,922	\$891,320	\$1,096,150					\$3,705,425
Total Cost of Lease					\$506,556	\$130,830	\$101,007	\$29,219	\$133,992	\$174,531					\$569,578
Inflation Avoided (assuming 3% inflation)					(\$254,916)	\$0	\$0	\$0	\$0	\$0					\$0
Net Cost of Lease (Interest less inflation)					\$251,640	\$130,830	\$101,007	\$29,219	\$133,992	\$174,531					\$569,578