

## **Operating Impacts of Capital Projects**

The Capital Fund budget is used to account for financial resources related to the acquisition or construction of major capital facilities by the County (other than those financed by proprietary funds). A capital project is generally non-recurring in nature and may include the purchase of land, site development, engineering and design fees, construction, and equipment. Capital projects produce assets with useful lives longer than one year.

Capital projects can have a major impact on both the cost of operations and the operations themselves. Operating costs associated with implementation of projects are a fundamental part of the Capital Fund budget, and of the overall budget development process. Operating impacts of capital projects are determined as a project develops and included in the Six-Year Operating Plan.

In recent years, due to fiscal constraints, the County has focused the Capital Budget on maintaining existing infrastructure, such as roads and building maintenance projects. Typically, these types of recurring capital projects have minimal impact on the Operating Plan. An exception is County Technology. This project provides ongoing funding for systematic replacement of County information and communication systems, and operating impacts include maintenance costs and software support for the replacement purchases.

Projects may produce ongoing operational savings, such as new lighting at the Sports Complex which will reduce electricity costs. New construction or major improvements, however, do generally require additional operating expenditures such as electricity, building insurance, or general maintenance.

On the following page are estimated impacts of operating costs for several highlighted capital projects and represent an addition to, or reduction of, operating costs.

**COMMUNITY INVESTMENT PLAN GENERAL FUND OPERATING IMPACTS**

|  | FY 20              | FY 21              | FY 22              | FY 23              | FY 24              | FY 25              |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b><u>PUBLIC SCHOOLS</u></b>                         |                    |                    |                    |                    |                    |                    |
| Relocatable Classroom Removal                        |                    |                    |                    |                    |                    |                    |
| Maintenance  | \$0                | (\$50,000)         | (\$50,000)         | (\$103,000)        | (\$103,000)        | (\$158,000)        |
| Utilities  | 0                  | (100,000)          | (100,000)          | (207,000)          | (207,000)          | (322,000)          |
| Total Operating Impacts                              | \$0                | (\$150,000)        | (\$150,000)        | (\$310,000)        | (\$310,000)        | (\$480,000)        |
| <b><u>PUBLIC SCHOOLS TOTAL</u></b>                   | <b>\$0</b>         | <b>(\$150,000)</b> | <b>(\$150,000)</b> | <b>(\$310,000)</b> | <b>(\$310,000)</b> | <b>(\$480,000)</b> |
| <b><u>CONSERVATION AND OPEN SPACE</u></b>            |                    |                    |                    |                    |                    |                    |
| Agricultural Land Preservation                       |                    |                    |                    |                    |                    |                    |
| Debt Service   | \$1,439,230        | \$1,504,330        | \$1,563,490        | \$1,624,400        | \$1,685,100        | \$1,752,500        |
| Total Operating Impacts                              | \$1,439,230        | \$1,504,330        | \$1,563,490        | \$1,624,400        | \$1,685,100        | \$1,752,500        |
| <b><u>CONSERVATION AND OPEN SPACE TOTAL</u></b>      | <b>\$1,439,230</b> | <b>\$1,504,330</b> | <b>\$1,563,490</b> | <b>\$1,624,400</b> | <b>\$1,685,100</b> | <b>\$1,752,500</b> |
| <b><u>RECREATION AND CULTURE</u></b>                 |                    |                    |                    |                    |                    |                    |
| Gillis Falls Trail                                   |                    |                    |                    |                    |                    |                    |
| Maintenance  | \$0                | \$0                | \$2,700            | \$2,780            | \$2,860            | \$2,950            |
| Total Operating Impacts                              | \$0                | \$0                | \$2,700            | \$2,780            | \$2,860            | \$2,950            |
| Krimgold Park Phase II                               |                    |                    |                    |                    |                    |                    |
| Maintenance  | \$0                | \$0                | \$2,700            | \$2,780            | \$2,860            | \$2,950            |
| Total Operating Impacts                              | \$0                | \$0                | \$2,700            | \$2,780            | \$2,860            | \$2,950            |
| Leister Park Phase II                                |                    |                    |                    |                    |                    |                    |
| Maintenance  | \$0                | \$0                | \$0                | \$2,700            | \$2,780            | \$2,860            |
| Total Operating Impacts                              | \$0                | \$0                | \$0                | \$2,700            | \$2,780            | \$2,860            |
| Piney Run Pavilion Road Paving                       |                    |                    |                    |                    |                    |                    |
| Maintenance  | \$0                | \$0                | \$0                | (\$1,000)          | (\$1,030)          | (\$1,060)          |
| Total Operating Impacts                              | \$0                | \$0                | \$0                | (\$1,000)          | (\$1,030)          | (\$1,060)          |
| Sports Complex Lighting                              |                    |                    |                    |                    |                    |                    |
| Utilities  | \$0                | (\$380)            | \$3,000            | \$3,090            | \$3,190            | \$3,290            |
| Total Operating Impacts                              | \$0                | (\$380)            | \$3,000            | \$3,090            | \$3,190            | \$3,290            |
| <b><u>RECREATION AND CULTURE TOTAL</u></b>           | <b>\$0</b>         | <b>(\$380)</b>     | <b>\$8,400</b>     | <b>\$10,350</b>    | <b>\$10,660</b>    | <b>\$10,990</b>    |
| <b><u>GENERAL GOVERNMENT</u></b>                     |                    |                    |                    |                    |                    |                    |
| County Building Access System Replacements/Additions |                    |                    |                    |                    |                    |                    |
| Licenses/IT Maintenance                              | \$2,210            | \$3,000            | \$5,000            | \$6,000            | \$6,180            | \$6,340            |
| Total Operating Impacts                              | \$2,210            | \$3,000            | \$5,000            | \$6,000            | \$6,180            | \$6,340            |
| County Technology                                    |                    |                    |                    |                    |                    |                    |
| Licenses/IT Maintenance                              | \$0                | (\$35,300)         | (\$36,400)         | \$36,510           | \$37,610           | \$38,730           |
| Total Operating Impacts                              | \$0                | (\$35,300)         | (\$36,400)         | \$36,510           | \$37,610           | \$38,730           |
| Facilities Asset Management and Work Order System    |                    |                    |                    |                    |                    |                    |
| Licenses/IT Maintenance                              | \$0                | \$25,820           | \$27,110           | \$28,470           | \$29,900           | \$31,400           |
| Furniture/Equipment                                  | 28,000             | 0                  | 0                  | 0                  | 0                  | 0                  |
| Total Operating Impacts                              | \$28,000           | \$25,820           | \$27,110           | \$28,470           | \$29,900           | \$31,400           |

**COMMUNITY INVESTMENT PLAN GENERAL FUND OPERATING IMPACTS**

|   | FY 20                     | FY 21                     | FY 22                     | FY 23                     | FY 24                     | FY 25   |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---|
| Public Safety Training Center             |                           |                           |                           |                           |                           |   |
| Utilities                                 | \$0                       | \$10,000                  | \$10,300                  | \$10,610                  | \$10,930                  | \$11,260  |
| Total Operating Impacts                   | \$0                       | \$10,000                  | \$10,300                  | \$10,610                  | \$10,930                  | \$11,260  |
| Sheriff's Office - Eldersburg Precinct    |                           |                           |                           |                           |                           |   |
| Maintenance                               | \$0                       | \$0                       | \$0                       | \$0                       | \$0                       | \$22,810  |
| Utilities                                 | 0                         | 0                         | 0                         | 0                         | 0                         | 34,410  |
| Insurance                                 | 0                         | 0                         | 0                         | 0                         | 0                         | 1,900   |
| Telecommunications                        | 0                         | 0                         | 0                         | 0                         | 0                         | 19,480  |
| Licenses/IT Maintenance                   | 0                         | 0                         | 0                         | 0                         | 0                         | 4,300   |
| Total Operating Impacts                   | \$0                       | \$0                       | \$0                       | \$0                       | \$0                       | \$82,900  |
|   |                           |                           |                           |                           |                           | <i>Operating impacts may include an administrative position, but it is not built in as an operating impact.</i> |
| Westminster Library - Exploration Commons |                           |                           |                           |                           |                           |   |
| Contractual Services                      | \$0                       | \$6,400                   | \$6,590                   | \$6,790                   | \$7,000                   | \$7,210   |
| Materials/Supplies                        | 0                         | 2,100                     | 2,160                     | 2,220                     | 2,290                     | 2,360   |
| Utilities                                 | 0                         | 35,310                    | 36,370                    | 37,460                    | 38,580                    | 39,740  |
| Insurance                                 | 0                         | 1,000                     | 1,030                     | 1,060                     | 1,090                     | 1,120   |
| Total Operating Impacts                   | \$0                       | \$44,810                  | \$46,150                  | \$47,530                  | \$48,960                  | \$50,430  |
| <b><u>GENERAL GOVERNMENT TOTAL</u></b>    | <b><u>\$30,210</u></b>    | <b><u>\$48,330</u></b>    | <b><u>\$52,160</u></b>    | <b><u>\$129,120</u></b>   | <b><u>\$133,580</u></b>   | <b><u>\$221,060</u></b>   |
| <b>TOTAL OPERATING IMPACTS</b>            | <b><u>\$1,469,440</u></b> | <b><u>\$1,402,280</u></b> | <b><u>\$1,474,050</u></b> | <b><u>\$1,453,870</u></b> | <b><u>\$1,519,340</u></b> | <b><u>\$1,504,550</u></b>   |