
Capital/Fixed Assets

This section reviews the county's major capital/fixed asset program. A definition of what is considered a capital/fixed asset is provided along with how the county reports on its capital program. In addition, historical spending patterns are provided to allow the reader a perspective of how capital fluctuates from one period to the next. Finally, the planned capital/fixed asset for the current biennium is discussed.

Clark County defines and reports capital expenditures into two broad categories, those costs directly related to the six-year capital improvement plan, and costs that are routine capital purchases which fall outside of the capital improvement plan.

Capital Improvement Plan

The Clark County six-year capital improvement plan (CIP) is a multi-year financial plan for the acquisition, expansion, and rehabilitation of infrastructure and capital assets while maintaining and enhancing the productive capacity of County services. The CIP is the culmination of several county-wide capital improvement and capital development plans including:

- Comprehensive Plan for Growth Management
- Transportation Improvement Plan
- Parks Master Plan
- Departmental capital plans

The purpose of the CIP is to collectively forecast and plan for the funding of the County's long-term capital improvement needs, and to maximize the delivery of service to our citizens. It establishes a framework for overall County capital planning, identification of funding sources, and an analysis of the impact of long-term capital improvements on future operating revenue and expenses.

Routine Capital

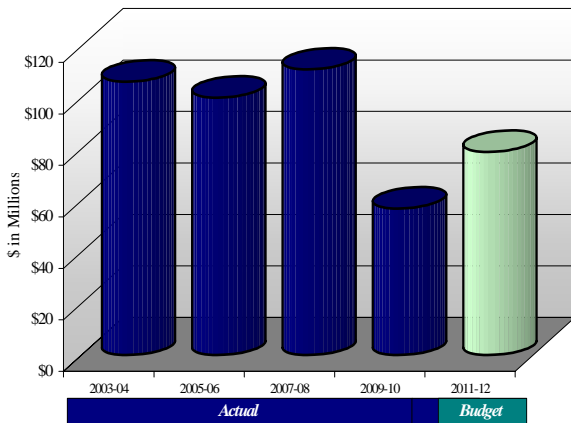
Clark County considers routine capital to be those expenditures that are \$5,000 or less and that have a useful life of two years or less. Routine capital includes desktop computers, furniture, smaller network infrastructure enhancements, and similar purchases. Routine capital purchases fall outside of the Capital Improvement Plan.

Capital Improvement Plan Expenditures

Capital expenditures occur periodically and are spent over multiple years. The County defines a capital expenditure as the outlay of funds greater than \$5,000 on items that have a useful life in excess of two years. Examples of capital expenditures include heavy equipment and acquisition or construction of public facilities and buildings. All capital projects are undertaken only after analysis of need, review of alternative options, and funding identification. Capital expenditures may be funded from cash reserves, current operating revenue, or proceeds from debt financing. Please refer to the Debt Summary section under the Financial tab for more information about the County's debt management plan.

The current Capital Improvement Plan covers the period from 2011 through 2016. The approved plan totals \$685.6 million dollars and includes transportation, parks & open space, stormwater drainage, wastewater treatment and county buildings.

Capital Expenditures 2003/04 - 2011/12



Historical Capital Investment

Capital expenditures have returned to an average of about \$80 million. Capital expenditures tend to vary from year to year much more than operating expenses. The graph at left reflects the effect of construction projects in the past eight years. Major factors in the fluctuations in capital expenditures over this time period are:

- **New software system for the Assessor/Treasurer functions**
The \$7 million Assessor/Treasurer system replaces old technology for property tax billing/collection and assessment for taxation.
- **Acquisition and development of parks and open spaces.**
The capital improvement plan for the parks program includes major undertakings to develop parks. In 2005, Clark County voters approved an additional property tax dedicated to the maintenance and operations of parks. This allowed the development of thirty-five new parks, funded via accumulated Real Estate Excise taxes.
- **Center for Community Health and Fairground Exhibition Hall**
In 2005/2006 two large projects included the Center for Community Health (\$38.5 million) and the Exhibit Hall at the County Fairgrounds (\$18 million).

Capital Project Needs

Capital funds are established to record and report on specific items. This includes the construction of new buildings, purchase of information technology, real estate excise taxes for capital related to the county's comprehensive plan, conservation futures, and debt service on general obligation bonds. Clark County has capital investments planned over the next several years for the following areas:

- Approximately \$29 million in community parks amenities and improvements is planned during the years 2010 through 2012.
- The County's six year Transportation Improvement Program calls for \$159 million to be spent on roads during the period 2011 through 2016. Of this amount, 42 percent is expected to come from the County Roads Fund, with the remainder to be financed through grants, partnerships, and other resources.

Operating Budget Impact

Although capital expenditures are not directly related to day-to-day operations, they can have an impact on operating expenses. Based on experience we can reasonably estimate increases in cost of materials, labor and other components. Estimates are shown below:

- Open space maintenance: \$19 to maintain one acre of undeveloped open space per year.
- Parks maintenance: \$1,803 to maintain one acre of developed regional parks per year.
- Street sweeping: \$68 per mile.
- Sewage treatment: \$1,165 to treat one million gallons of sewage water.

Capital Funding Sources

Capital expenditures have returned to an average of about \$80 million per biennium

Funding for any one capital project may include several different sources of funds. Transportation projects, for example, are typically funded through a combination of local property taxes, traffic impact fees from development, and federal and state grants. Construction of county buildings has been through the issuance of general obligation bonds.

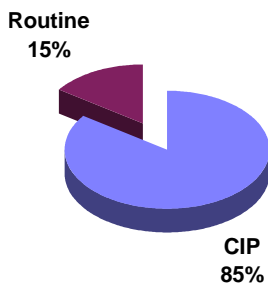
In 2011/12, much of the funding for capital projects relies on resources that are tied to the sale of real property and development, including conservation futures, park and traffic impact fees, and real estate excise taxes. With the downturn in the economy, less revenue is available for acquiring open space and funding road projects.

Real Estate Excise taxes have been dedicated to the payment of general obligation bonds associated with campus buildings constructed as part of the capital facilities element of the comprehensive growth plan, and other general obligation debt.

Park Impact Fees and Traffic Impact Fees are also included; however, these departments serve as pass-through accounts. Park Impact Fees and a portion of the Traffic Impact Fees are transferred to the City of Vancouver. The remaining Traffic Impact Fees are transferred to the County's Public Works department.

2011/2012 Capital/Fixed Asset Budget

The 2011/2012 Adopted Budget contains \$79.2 million in total capital expenditures. As displayed in the graph to the left, the majority of these expenditures (\$67.1 million or 85%) are projects directly related to the County's capital improvement plan. The remainder (\$12.1 million) is for routine capital expenditures.



Capital Improvement Plan

Roads

The Public Works department is responsible for the development and maintenance of the major infrastructure systems within the county including transportation, sewer, drainage, and parks. In accordance with the Growth Management Act, the department plans for a 20 year horizon and develops an in-depth six-year improvement program. The 2011/2012 biennial budget reflects the anticipated costs for the two-year period. Planned transportation expenditures total approximately \$46.2 million over the biennium. The Annual Construction Program for 2011 anticipates \$34.2 million in project spending.

Traffic Impact Fees are included; however, these departments serve as pass-through accounts. A portion of the Traffic Impact Fees is transferred to the City of Vancouver. The remaining Traffic Impact Fees are transferred to the County's Public Works department.

2011/2012 Capital by Category

Capital Improvement Plan

Roads \$46.2 million
Parks 11.1 million
Stormwater 8.0 million
Other 1.8 million

Total CIP

Expenditures.....\$67.1 million

Routine

Vehicles..... \$6.2 million
Technology..... 3.6 million
Major Maintenance 2.3 million

Total Routine\$12.1 million

Total Capital.....\$79.2 million

Parks

The 2011/2012 parks program includes major projects to develop parks. In 2005, Clark County voters approved an additional property tax dedicated to the maintenance and operations of parks, and the development of thirty-five new parks. Funding for parks maintenance allowed plans to proceed in spending for capital acquisitions and development, using funds accumulated through Real Estate Excise taxes. Eleven parks are planned to be developed in 2011 and 2012 at a cost of \$11.1 million. In addition, Conservation Futures revenue is collected through a property tax levy and is dedicated to acquisition of open space in the parks program.

Stormwater

The county's stormwater management includes developing and implementing stormwater capital improvements in accordance with the National Pollution Discharge Elimination system Part 2 Permit Application, as required by the Clean Water Act. Planned expenditures for 2011/12 will total \$8 million.

Other

Other capital components of the county's CIP program include economic development. Economic development was established in 2002 to partner with the private sector to pay the costs of improvement for entities developing within the county. In 2009/10, the county used up to \$10 million dollars to put in place road infrastructure for future third-party development. The 2011/12 budget reflects amounts to complete this project. Funding for this program is from a share of the Real Estate Excise Tax.

Routine Capital Expenditures

Vehicles

All vehicles purchased by the county are budgeted in the Equipment Replacement & Repair Fund, managed by Public Works. Vehicle replacements are scheduled based on useful life and routinely replaced each budget cycle. Most of the vehicles are used by the Sheriff's Office, Assessor's Office and the Building Division within the Department of Community Development. Public Works uses most of the heavy equipment for roads. Total planned expenditures for 2011/12 are budgeted at \$6.2 million.

Technology

Over the last several years, the county has made significant investment in technology. Based on a strategic plan, most of the legacy systems have been replaced. Routine expenditures in 2011/12 include planned upgrades to existing systems as well as routine replacements of servers and personal computers based on replacement schedules. Budgeted expenditures are \$3.6 million.

Major Maintenance

Major maintenance includes repairs to existing facilities. Each year an assessment is conducted to determine facilities that need attention. For 2011/12, major maintenance includes building maintenance (\$500,000), sewer treatment equipment (\$243,500), roads (\$1million), equipment for fleet maintenance (\$550,000) and other maintenance items (\$6,500).

2011-2016 Transportation Improvement Plan

IMPROVEMENT PROJECTS	Spent to Date	2011-12	2013-14	2015-16	Unfunded	Project Total
CURRENT PROJECTS						
Cougar Creek Bridge #1409 Replacement (NE Washougal River Road, 5.2 E of Jct SR14)						
Project #: 300822	\$10,000	\$1,020,000	\$0	\$0	\$0	\$1,030,000
Salmon Creek Interchange Project (Phase 1)						
Project #: 330322	\$9,337,000	\$15,574,000	\$15,423,000		\$0	\$40,334,000
NE 119th Street (at NE 50th Avenue Intersection)						
Project #: TBD	\$0	\$4,140,000	\$0	\$0	\$0	\$4,140,000
NE 179th Street (NE Delfel Road - NE 15th Avenue)						
Project #: 390222	\$1,647,000	\$5,214,000	\$13,465,000	\$0	\$800,000	\$21,126,000
NE 88th Street (NE Highway 99 - NE St. Johns Road)						
Project #: 330222	\$4,590,000	\$9,719,000	\$3,215,000	\$0	\$0	\$17,524,000
NE Highway 99 TSO (NE Ross Road - NE 117th Street)						
Project #: TBD	\$0	\$862,000	\$700,000	\$0	\$0	\$1,562,000
VAST: NE Padden/Andresen Road TSO (NE 78th St. - I-205 / NE 58th St. to Padden)						
Project #: 390312	\$157,000	\$459,000	\$0	\$0	\$0	\$616,000
VAST: NE 78th Street TSO (NE St. Johns Rd. to Hazel Dell Av./81st St.)						
Project #: TBD	\$0	\$850,000	\$0	\$0	\$0	\$850,000
VAST: NE 99th Street TSO (NW 9th Avenue - NE 32nd Avenue)						
Project #: 301122	\$12,000	\$788,000	\$0	\$0	\$0	\$800,000
Chelatchie Prairie Railroad Trail (167th Avenue - Battle Ground Lake State Park)						
Project #: 361212	\$674,000	\$1,146,000	\$0	\$0	\$0	\$1,820,000

2011-2016 Transportation Improvement Plan

IMPROVEMENT PROJECTS	Spent to Date	2011-12	2013-14	2015-16	Unfunded	Project Total
Miscellaneous Projects (Various Locations)						
Project #: TBD	\$100,000	\$400,000	\$400,000	\$400,000	\$0	\$1,300,000
NE 119th Street (NE 72nd Avenue - NE 87th Avenue)						
Project #: 390722	\$3,232,000	\$4,268,000	\$5,100,000	\$0	\$4,900,000	\$17,500,000
NE 10th Avenue (NE 141st Street - NE 149th Street)						
Project #: 312522	\$0	\$2,941,000	\$0	\$0	\$1,000,000	\$3,941,000
NE 119th Street (Salmon Creek Avenue - NE 72nd Avenue)						
Project #: 340622	\$284,000	\$649,000	\$2,155,000	\$6,334,000	\$1,490,000	\$10,912,000
NE Highway 99 (NE 99th Street - NE 107th Street)						
Project #: 351022	\$554,000	\$50,000	\$1,600,000	\$2,800,000	\$15,726,000	\$20,730,000
NE 99th Street (NE 94th Avenue - NE 117th Avenue (SR-503))						
Project #: 350722	\$87,000	\$350,000	\$0	\$1,609,000	\$7,176,000	\$9,222,000
NE 10th Avenue (NE 149th Street - NE 164th Street)						
Project #: 370922	\$264,000	\$0	\$500,000	\$3,048,000	\$25,560,000	\$29,372,000
CARRY OVER PROJECTS						
NE 72nd Avenue (North of NE 88th Street - NE 110th Street)						
Project #: 310122	\$10,275,000	\$10,000	\$0	\$0	\$0	\$10,285,000
NE 99th Street (NE 117th Avenue (SR-503) - NE 137th Avenue)						
Project #: 330522	\$5,715,000	\$100,000	\$0	\$0	\$0	\$5,815,000
Klinline Bridge #1 (NE Highway 99 at Salmon Creek)						
Project #: 341322	\$11,412,000	\$40,000	\$0	\$0	\$0	\$11,452,000
NE St. Johns Road (NE 50th Avenue - NE 72nd Avenue)						
Project #: 301422	\$17,703,000	\$50,000	\$0	\$0	\$48,000	\$17,801,000
NE Ward Road / NE 172nd Avenue (Intersection realignment)						
Project #: 350422	\$8,945,000	\$40,000	\$0	\$0	\$0	\$8,985,000

2011-2016 Transportation Improvement Plan

IMPROVEMENT PROJECTS	Spent to Date	2011-12	2013-14	2015-16	Unfunded	Project Total
ONGOING PROGRAMS						
Advanced Right-Of-Way Program (Various Locations)						
Project #: TBD	\$200,000	\$400,000	\$400,000	\$400,000	\$0	\$1,400,000
Bridge Repair/Rehab Improvement Program (Various Locations)						
Project #: TBD	\$289,000	\$3,569,000	\$690,000	\$500,000	-\$1,260,000	\$3,788,000
Neighborhood Traffic Management Program (Various locations)						
Project #: TBD	\$0	\$100,000	\$100,000	\$100,000	\$0	\$300,000
Road Preservation Program (Varous Locations)						
Project #: TBD	\$1,666,000	\$10,145,000	\$12,550,000	\$13,550,000	\$0	\$37,911,000
Rural Road Improvement Program (Various locations)						
Project #: TBD	\$766,000	\$2,244,000	\$230,000	\$230,000	\$0	\$3,470,000
Sidewalks and ADA Compliance Program (Varous locations)						
Project #: 300111	\$250,000	\$1,965,000	\$1,400,000	\$1,400,000	\$0	\$5,015,000
Transportation Safety Improvements Program (Various locations)						
Project #: TBD	\$200,000	\$2,775,000	\$600,000	\$600,000	\$0	\$4,175,000
TOTALS	\$78,369,000	\$69,868,000	\$58,528,000	\$30,971,000	\$55,440,000	\$293,176,000