

**CALHOUN COUNTY
BOARD OF COMMISSIONERS
POLICY STATEMENT**

SUBJECT: CAPITAL PROJECTS BUDGET	DATE APPROVED: 8/17/00	EFFECTIVE: 8/27/00	POLICY NO. 276
		REPLACES: NEW	

PURPOSE: The purpose of this policy is to establish financial management performance criteria for capital budgeting.

AUTHORITY: The Calhoun County Board of Commissioners.

RESPONSIBILITY: The Office of the Administrator shall be responsible for the implementation and administration of this policy.

POLICY: The County shall develop a four-year capital projects budgeting plan in accordance with M.C.L. 141.421 et. seq., to be updated and adopted annually in conjunction with the regular budgeting process.

Projects to be included are acquisition or construction of new buildings, additions to existing buildings, building repairs or upgrades, land acquisitions, and major equipment purchases or replacements (excluding vehicles).

The annual plan shall include an estimate of total project costs and a projection of annual operating costs. It shall also include a proposed method of financing the project costs and the operating costs.

Any capital projects financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project. The bond issuance shall not be used to finance furniture and equipment. Those items shall be funded from normal operating revenues.

The legal debt limit of debt applicable to limitation, as defined in Article VII, Paragraph 11 of the Constitution of the State of Michigan of 1963, as amended, shall not exceed 10% of the State Equalized Valuation (SEV) of the taxable property of Calhoun County.

The Board of Commissioners shall review and prioritize all capital project requests based on the strategic plan and financial condition of the County.