

RESOLUTION #10-0201-03: ESTABLISH A CAPITAL PROJECTS FUND

Whereas, ORC §5705.13(C) provides that the township can create one or more capital project funds to accumulate resources for the acquisition, construction or improvement of fixed assets, including motor vehicles (see attached Auditor of State, 2009 Ohio Compliance Supplement), and

Whereas, the township expects to build a third fire/EMS station within the next ten years that will cost an estimated \$2,800,000 to construct and an addition \$700,000 for a fire truck and an EMS truck as per the attached estimate of capital needs, and

Whereas, the township fire department expects to make capital expenditures of over \$2,000,000 during the next seven years as per the attached estimate of capital needs, and

Whereas, the township road department expects to make capital expenditures of \$2,380,600 over the next 10 years as per the attached estimate of capital needs, and

Whereas, the township park department expects to have capital expenditures for motor vehicles and facilities over the next 10 years.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF LIBERTY TOWNSHIP, DELAWARE COUNTY, OHIO:

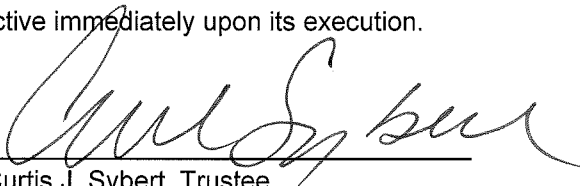
1. **To establish the designated, unrestricted Fund 4901: Miscellaneous Capital Projects to accumulate resources to construct and improve fixed assets and to acquire motor vehicles and equipment.**
2. **To request the fiscal officer and township administrator to evaluate the capital needs for each department and make recommendations for funding said projects through the above stated fund.**

Motion made by Sybert and seconded by Carducci.

Vote: yes Ms. Carducci Absent Mr. Mann yes Mr. Sybert

This Resolution shall be in force and become effective immediately upon its execution.

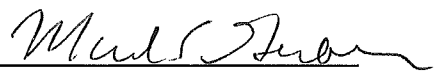
2/1/10
Date


Curtis J. Sybert, Trustee

Robert Mann, Trustee


Mary Carducci, Trustee

CERTIFIED BY:


Mark S. Gerber, Fiscal Officer

1-23 Compliance Requirement:

- Ohio Rev. Code Section 5705.13(A) - Reserve balance accounts and funds;
 - Ohio Rev. Code Section 5705.13(B) – A special revenue fund may be established to accumulate cash for severance payments or salaries when the number of pay periods exceeds the usual and customary number for a year;
 - Ohio Rev. Code Section 5705.13(C) – capital projects fund(s) may be established to accumulate resources to acquire, construct, or improve fixed assets.
- Ohio Rev. Code § 5705.13(A) allows a taxing authority of a subdivision to establish, by resolution, a reserve balance account⁵⁰ for each of the three following purposes:
1. Budget stabilization: may be created in the general fund or in any special fund used for operating purposes and the aggregate amount reserved in the account must not exceed 5% of the fund's revenue for the preceding fiscal year. The reserve balance is excluded from the unencumbered balance when certifying available balances at year-end. The reserve for budget stabilization may be reduced or eliminated at any time by the taxing authority.
 2. Self-insurance program: may be created in the general fund or in the internal service fund established to account for the operation of the program. The amount to be reserved must be based on actuarial principles and the taxing authority may rescind the reserve balance account at any time.
 3. Retrospective Ratings Plan for Workers' Compensation: may be created in the general fund or in the internal service fund established to account for the program. The amount to be reserved must be based on actuarial principles and the taxing authority may rescind the reserve balance account at any time.
- Ohio Rev. Code § 5705.13(B) allows a taxing authority to establish a special revenue fund to accumulate cash to pay accumulated leave, or for paying salaries when the number of pay periods exceeds the usual and customary number for a year. This leave includes payments for accumulated sick leave and vacation leave, or for payments in lieu of taking compensatory time off, upon the termination of employment or retirement. Money may be transferred to this fund from any fund from which the termination or salary payments could lawfully be made. The reserve must be established by resolution or ordinance and the taxing authority may rescind the fund at any time with the accumulated resources being returned to the fund from which they came. Amounts accumulated in this fund should be reasonable based on the taxing authority's estimated liability for benefits.
- Ohio Rev. Code § 5705.13(C) provides that a taxing authority may create, by resolution, one or more capital projects funds⁵¹ to accumulate resources for the acquisition, construction, or improvement of fixed assets, including motor vehicles. Each fund must be created by

⁵⁰ ORC Section 5705.13 refers to these accounts as "reserve" accounts. However, for financial reporting, accounts established under ORC Section 5705.13(A) should be reported as *designated* fund balance rather than *reserved*, because these accounts are established at the governing body's discretion (NCGAS1 par. 117-122). Entity wide statements should report these as part of *unrestricted* net assets.

⁵¹ Similar to the preceding note, governments should report these amounts as *designated* fund balances in governmental fund statements. Entity wide statements should report this equity as part of *unrestricted net assets*, because the restrictions are not externally imposed.

ordinance or resolution. The resolution or ordinance must identify the asset(s) to be acquired, the amount needed to be accumulated, the period over which the amount will be accumulated (with a limit of ten years from the date of the resolution or ordinance), and the source of the resources. Despite ORC 5705.14 through .16, money may be transferred to the capital projects fund from any other fund that could acquire, construct or improve the fixed assets. If a contract for the fixed asset(s) has not been entered into before the ten-year period expires, the money is returned to the fund from which it was transferred or that was originally intended to receive it. The taxing authority may rescind a capital projects fund at any time with the accumulated resources being returned to the fund from which they came.

- Ohio Rev. Code § 5705.132 permits *townships* to establish by resolution reserve balance accounts in addition to those described above to accumulate currently available resources for any purpose for which the board of township trustees may lawfully expend township money.⁵² The resolution must state the:
- Specific purpose for which a reserve balance account is established,
 - Fund within which it is established,
 - Fund or account from which money will be transferred to it,
 - Number of years it will exist [there is a 5-year cap on how long the account may be in existence]
 - Maximum total amount of money that may be credited to it during its existence; and
 - Maximum amount of money to be credited to it each fiscal year it exists

Reserve balance accounts established under this authority may exist for not more than five years beginning with the year in which money is first set aside. In addition, money in such an account can be expended only for the purpose for which the account is established.

Money may be transferred to these new reserve balance accounts from another township fund or account only if money in that fund or account may lawfully be expended for the purpose for which the new reserve balance account is created. Townships may create more than one reserve balance account under this section. However, the total amount of money credited to *all* of the reserve balance accounts established under this section cannot exceed, **at any time in any fiscal year**, 5% of the total of the township's revenue from all sources for the preceding fiscal year, plus any unencumbered balances carried over to the current fiscal year from the preceding fiscal year. There are three important aspects of this restriction. First, be aware that it is based on revenues only. Other financing sources such as debt proceeds or transfers will not count toward the calculation of the limitation.⁵³ Second, recognize that this language has the effect of allowing the same dollars to be counted twice in calculating the limitations, first when they were received in the prior year and second to the extent they are carried over as unencumbered into the current year. Finally, notice that the amount of the limitation changes each year because it is based on the preceding year's revenues.

If a township does not expect to spend the money set-aside in a reserve balance account in the upcoming year, the money in the reserve balance account need not be included in the

⁵² Similar to reserve balance accounts created under existing law, reserves created under this section are not considered as an unencumbered balance or revenue of the township for purposes of annual budget reviews by the county budget commission. They are also not considered as an unencumbered balance or revenue for purposes of apportioning the county's undivided local government fund and the undivided local government revenue assistance fund.

⁵³ Page IV-5 of the December 2007 Ohio Township Manual lists all *Other Financing Sources*.

LIBERTY TOWNSHIP FIRE DEPARTMENT STATION 323 STUDY

Prepared: August 2009 by Chief Jensen

FIRE STATION

Projections based upon a 10,000 sq.ft sub station with 2 apparatus bays. Figure a 4% cost increase for each year after 2009. *Does not include cost of land, 3 to 5 acres required.

2009	2014	2016
\$220/sq.ft	\$264/sq.ft	\$282/sq.ft
Projected Cost		
\$2,200,000.00	\$2,640,000.00	\$2,820,000.00
Average funds to set aside each year for benchmark dates		
	\$528,000.00	\$402,857.00

STAFFING

Projections based upon a staffing compliment of (1) Lieutenant and (3) Firefighters at top pay. Figure a 4% increase for each year after 2009. *Does not include pension pick-up or health insurance.

2009	2014	2016
<u>Lieutenant</u>		
\$68,297.97	\$81,957.56	\$87,421.41
<u>1 Firefighter</u>		
\$59,704.38	\$71,645.18	\$76,421.50
<u>3 Firefighters</u>		
\$179,113.14	\$214,935.54	\$229,264.50

APPARATUS

Projections based upon operation of either (1) quint or (1) pumper. Figure a 4% increase for each year after 2009

2009	2014	2016
<u>Engine</u>		
\$350,000.00	\$420,000.00	\$440,000.00
<u>Quint</u>		
\$700,000.00	\$840,000.00	\$896,000.00
Average funds to set aside each year for benchmark dates		
Engine	\$84,000.00	\$62,857.14
Quint	\$168,000.00	\$128,000.00

LIBERTY TOWNSHIP FIRE DEPARTMENT **CAPITAL PROJECTIONS (2010-2015)**

This 5 to 10 year outline is for anticipated significant capital purchases.

2010

- Station 321 rehabilitation (roof, truss, doors). Projected cost \$250,000 ✓
- Replace (32) sets of Turn-out gear. Projected cost \$75,000 ✓
- Daily uniform replacement. Projected cost \$45,000 ✓
- Computer Replacements Projected cost \$6,000 ✓

2011

- Replacement (1) new EMS vehicle. Projected cost \$200,000 ✓
- Replace (32) sets of Turn-out gear. Projected cost \$75,000 ✓
- Replace rope and rescue gear. Projected cost \$20,000
- Computer Replacements Projected cost \$15,000

2012

- Replace FPB Ford Expedition Projected cost \$30,000
- Purchase (1) 'Gator' & Trailer Projected cost \$28,000
- Computer Replacements Projected cost \$3,000

2013

- Accreditation Process Projected cost \$60,000
- Replace E321. Projected cost \$550,000
- Computer Replacements Projected cost \$6,000

2014

- FS322 shower room remodel Projected cost \$20,000
- Computer Replacements Projected cost \$18,000

2015

- Replace M321. Projected cost \$200,000
- Staff Car Replacement (2) Projected cost \$60,000
- Computer Replacements Projected cost \$6,000

Capital Projects Forecast 2010-2019

Sum of Expense Department	Function	Program	Year										2019 Grand Total				
			2010	2011	2012	2013	2014	2015	2016	2017	2018						
Road	Equipment	48 inch Lawn Mower	\$7,000														\$7,000
		80 hp. Tractor			\$60,000												\$60,000
		Backhoe								\$115,000							\$115,000
		Backhoe Payment	\$16,000														\$16,000
		Berm Belt	\$6,000														\$6,000
		Chipper										\$50,000					\$50,000
		Crack sealer				\$50,000											\$50,000
		Front end loader								\$150,000							\$150,000
		Laptop Computer	\$2,500														\$2,500
		Large Dump Truck		\$140,000								\$165,000	\$170,000				\$475,000
		Medium dump truck								\$100,000							\$100,000
		Pick-up truck		\$30,000	\$30,000												\$60,000
		Retro-reflectometer	\$18,000														\$18,000
		Service truck														\$125,000	\$125,000
		Sign retro-reflectivity								\$10,000							\$10,000
		Sign truck											\$50,000				\$50,000
		Small dump truck				\$75,000		\$80,000									\$155,000
		Street Sweeper												\$200,000			\$200,000
		Stump grinder						\$45,000									\$45,000
		Wide area mower			\$30,000												\$30,000
		computer replacements	\$2,100														\$2,100
	Equipment Total		\$51,600	\$170,000	\$120,000	\$125,000	\$125,000	\$260,000	\$280,000	\$270,000	\$200,000	\$125,000	\$125,000	\$1,726,600			\$80,000
	Facilities	#3 Storage building					\$80,000										\$80,000
		Heat #3 building						\$25,000									\$25,000
		Heat east building			\$6,000												\$6,000
		Improvements/updates															
		Insulate East Building		\$10,000													\$10,000
		New floor #1 building							\$20,000								\$20,000
		New Salt shed				\$125,000											\$125,000
		Old salt shed demo				\$10,000											\$10,000
		Overlay parking lot															
		Savings for salt shed	\$35,000	\$35,000	\$80,000												\$150,000
		Shop Windows	\$3,000														\$3,000
		West building remodel						\$25,000									\$25,000
	Facilities Total		\$38,000	\$45,000	\$86,000	\$135,000	\$105,000	\$25,000	\$20,000	\$20,000	\$30,000	\$150,000	\$150,000	\$654,000			\$805,000
	Paving	Pavement maintenance	\$15,000	\$12,000	\$12,000	\$20,000	\$12,000	\$15,000	\$20,000	\$15,000	\$20,000	\$20,000	\$25,000	\$25,000	\$20,000	\$20,000	\$145,000
		Pavement repair	\$20,000	\$15,000	\$15,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$205,000	
		Paving program	\$200,000	\$215,000	\$250,000	\$300,000	\$300,000	\$325,000	\$350,000	\$375,000	\$450,000	\$475,000	\$475,000	\$3,190,000			\$3,540,000
	Paving Total		\$235,000	\$242,000	\$277,000	\$282,000	\$332,000	\$357,000	\$385,000	\$415,000	\$495,000	\$520,000	\$520,000	\$3,540,000			\$3,540,000
	Projects	Sign retro-reflectivity	\$5,000	\$7,500	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$92,500
	Projects Total		\$5,000	\$7,500	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$92,500
Grand Total			\$329,600	\$464,500	\$493,000	\$552,000	\$572,000	\$652,000	\$695,000	\$715,000	\$735,000	\$805,000	\$805,000	\$6,013,100			\$6,013,100

Capital Projects Forecast 2010-2019

Sum of Expense Department	Function	Program	Year								2016 Grand Total
			2010	2011	2012	2013	2014	2015	2016		
Fire	Equipment	computer replacements	\$6,000	\$15,000	\$3,000	\$6,000	\$18,000	\$6,000	\$6,000	\$54,000	
		EMS Vehicle		\$200,000						\$200,000	
		Replace rope rescue gear		\$20,000						\$20,000	
		FPB Ford Expedition			\$30,000					\$30,000	
		One Gator & Trailer			\$28,000					\$28,000	
		E321 Engine				\$550,000				\$550,000	
		Replace EMS 321 Truck						\$200,000		\$200,000	
		Two staff cars						\$60,000		\$60,000	
		Replace 32 sets of turn-out gear	\$75,000							\$150,000	
		Daily uniform replacements	\$45,000							\$45,000	
		Station 323 Engine						\$436,800		\$436,800	
	Equipment Total		\$126,000	\$310,000	\$61,000	\$556,000	\$18,000	\$636,800	\$66,000	\$1,773,800	
	Facilities	F322 shower room					\$20,000			\$20,000	
		S321 rehab roof, truss, doors	\$250,000							\$250,000	
		Station 323						\$2,745,600		\$2,745,600	
	Facilities Total		\$250,000				\$20,000	\$2,745,600		\$3,015,600	
	Miscellaneous	Accreditatin Process				\$60,000				\$60,000	
	Miscellaneous Total					\$60,000				\$60,000	
Park	Equipment	computer replacements	\$950							\$950	
	Equipment Total		\$950							\$950	
Zoning	Equipment	computer replacements	\$700							\$700	
	Equipment Total		\$700							\$700	
Grand Total			\$377,650	\$310,000	\$61,000	\$616,000	\$38,000	\$3,382,400	\$66,000	\$4,851,050	