

## INTRODUCTION

Washtenaw County's Capital Program is complex, dealing with capital construction, modification and acquisition at different levels through separate and specific approaches. Although there is overlap; fundamentally, the County breaks capital outlay into four classes:

- 1) Infrastructure (water and sewer)
- 2) Buildings (construction or acquisition)
- 3) Capital improvements (modification of existing facilities)
- 4) Capital equipment acquisitions

Each year the County Drain Commissioner and Department of Public Works oversee a number of water and sewer construction projects. These projects are initiated by local units of government or other agencies, and although the County issues the debt and retains ownership of the infrastructure, the local units are responsible for repairs, maintenance and debt repayment. For this reason these are considered “component units” (page I-1). This arrangement is discussed in greater detail under the Debt Service section beginning on page G-22.

Building construction and acquisitions are carried out by the Washtenaw County Building Authority, a separate nonprofit corporation, with ownership being passed to the County upon retirement of all debt. These budgets are established for the duration of a project and are taken to the Board of Commissioners on a case by case basis. This is discussed in greater detail under the Debt Service section.

Washtenaw County has made great efforts towards ensuring proper infrastructure development and maintenance is achieved. During the past Budget Process, the County developed an “Infrastructure Allocation” model to clearly establish the parameters for new infrastructure initiatives. An overview of this model begins this chapter as its principles are used to guide the decisions for the capital plan. The Capital Improvements Plan is discussed in detail beginning on page G-8 and the Technology and Capital Equipment discussion begins on page G-18.

## Washtenaw County Infrastructure Allocation

Since the inception of the Business Improvement Process, Washtenaw County has continually progressed in its approach to providing infrastructure in an integrated manner. As with all government agencies, Washtenaw County faces the challenge of ever increasing needs and opportunities with limited resources. It is essential that these resources be used in a wise manner to serve our citizens. The governance of our infrastructure is critical in ensuring that our delivery systems are efficient and effective and that our employees have what they need to provide world class service. For Washtenaw County:

**Infrastructure is defined as** the tools, skills and knowledge necessary for employees to work effectively and efficiently. This includes:

- Space
- Capital equipment
- Technology
- Professional development
- Processes (and their impact on positions).

**Governance is defined as:**

- Ensuring the alignment of resources with business objectives (County-wide and Departmental)
- Ensuring that resources are used in the most effective and efficient manner
- Ensuring that decisions regarding resources are made at appropriate levels within the organization.

The following discussion will focus on three major aspects of Washtenaw County's infrastructure allocation approach:

1. A set of governance principles
2. The structure for governance (Infrastructure Model)
3. The governance process

### Infrastructure Allocation Governing Principles

The purpose of governance is to ensure the alignment of resources with business objectives, that resources are used in the most efficient and effective manner possible and that decision are made at appropriate levels within the organization. To that end the following principles will govern our decisions.

1. **Employee support & customer service:** Critical to the success of County initiatives are: keeping the workforce and public informed, creating an environment of trust, securing buy-in, and providing improved support to the workforce and service to citizens of Washtenaw County.
2. **County-wide and departmental needs:** Striking a balance in policy formulation, planning, and execution between County-wide needs and departmental requirements is the responsibility of all participants. When irresolvable conflicts arise, the needs of the County will prevail.
3. **Alignment:** Alignment of the Infrastructure Plans to the Business Plan is essential. All goals within a plan must:
  - demonstrate the advancement of business objectives
  - have appropriate performance measures
  - contain a communication plan to understand needs and communicate effectively

4. **Return on Investment:** The County intends to fund infrastructure projects with the highest long-term payoff and to minimize lifecycle costs. Priority will be given to projects that:
  - enhance customer service
  - provide Web-enabled applications
  - reduce the cost of doing business
  - promote collaboration
  - enhance the operations of multiple departments
  - advance business goals and objectives
5. **Maintenance:** Maintaining our existing infrastructure is crucial for business continuity and will be considered in developing action plans for all goals.
6. **Continuous Improvement:** Strategic planning is an iterative process; the County’s infrastructure plans will be continuously updated.
7. **Employee Tools:** Tools are essential to efficient and effective customer service and to employee communication. Effective tools are matched appropriately to the employee’s job functions and work environment.
8. **Process Review:** New infrastructure projects will not be funded until a formal review is done of the impacted processes. Processes will be reviewed for both effectiveness and efficiency.
9. **Research:** Keeping abreast of new developments and advances in providing tools for employees and service delivery is important and is a shared responsibility between Support Services and their customers.

### **Infrastructure Model**

As detailed in the diagram on page G-5 the structure is two-tiered. The infrastructure alignment team provides coaching to Administration in providing County-wide direction for infrastructure. This direction is received and implemented by infrastructure implementation committees. The committees in turn provide feedback and request guidance from the alignment team.

#### **Infrastructure Alignment Team**

Most infrastructure decisions will coincide with the County’s biennial planning process; however, exceptions will arise and the alignment team will meet quarterly to review pending proposals. Alignment team is an executive level board consisting of the Support Services Directors and is accountable for

- Updating and enforcing Infrastructure policy and principles
- Advising Administration on County-wide strategy
- Oversight of proposal evaluation process
- Making funding recommendations to Administration

Although the team is accountable for making these decisions all modifications to policy and/or process will be made only after soliciting the input and review of customers (Department Heads, Communities of Interest).

**Governing principles:** are on the previous page and will be reviewed each planning process for relevancy.

**County-wide strategy:** through the biennial planning process the team will receive and review information on emerging trends, department business plans and goals as well as the their own individual expertise to develop a picture of what Washtenaw County’s infrastructure should look like and the strategic steps needed to get there. The team’s responsibility is to advise Administration on the appropriate enterprise-wide strategies that will be most effective.

**Proposal evaluation process:** there will always be more demands than resources and it is essential that proposals be evaluated as objectively as possible. Proposals will be independently evaluated by the Internal Consulting Group (ICG). The ICG consists of representatives from Support services who have on-going contact with all County departments. Their ratings will then be tabulated and presented to the alignment team for review and compilation.

**Funding recommendations:** upon review of infrastructure proposals and on-going needs the alignment team is charged with preparing infrastructure plans for recommendation to Administration as part of the biennial budget.

**Implementation Team**

The implementation team is made up of the members of the individual committees as detailed on page G-5. The team's gathering purpose is to receive direction and ask questions in a corporate setting to help ensure alignment of all initiatives rather than the silo approach that could occur at a committee level. This will happen on a quarterly basis and involve all committee members. A secondary charge of the team is to ensure consistency in policies and standards and coordination of plans across the committees. For this purpose the chairs or their representatives will meet on a bimonthly basis.

The committees are intended to provide a broad and inclusive forum for discussion of issues, their membership and assigned responsibilities are as follows.

**Policies and standards:** each committee will review and recommend policies and standards to the alignment team.

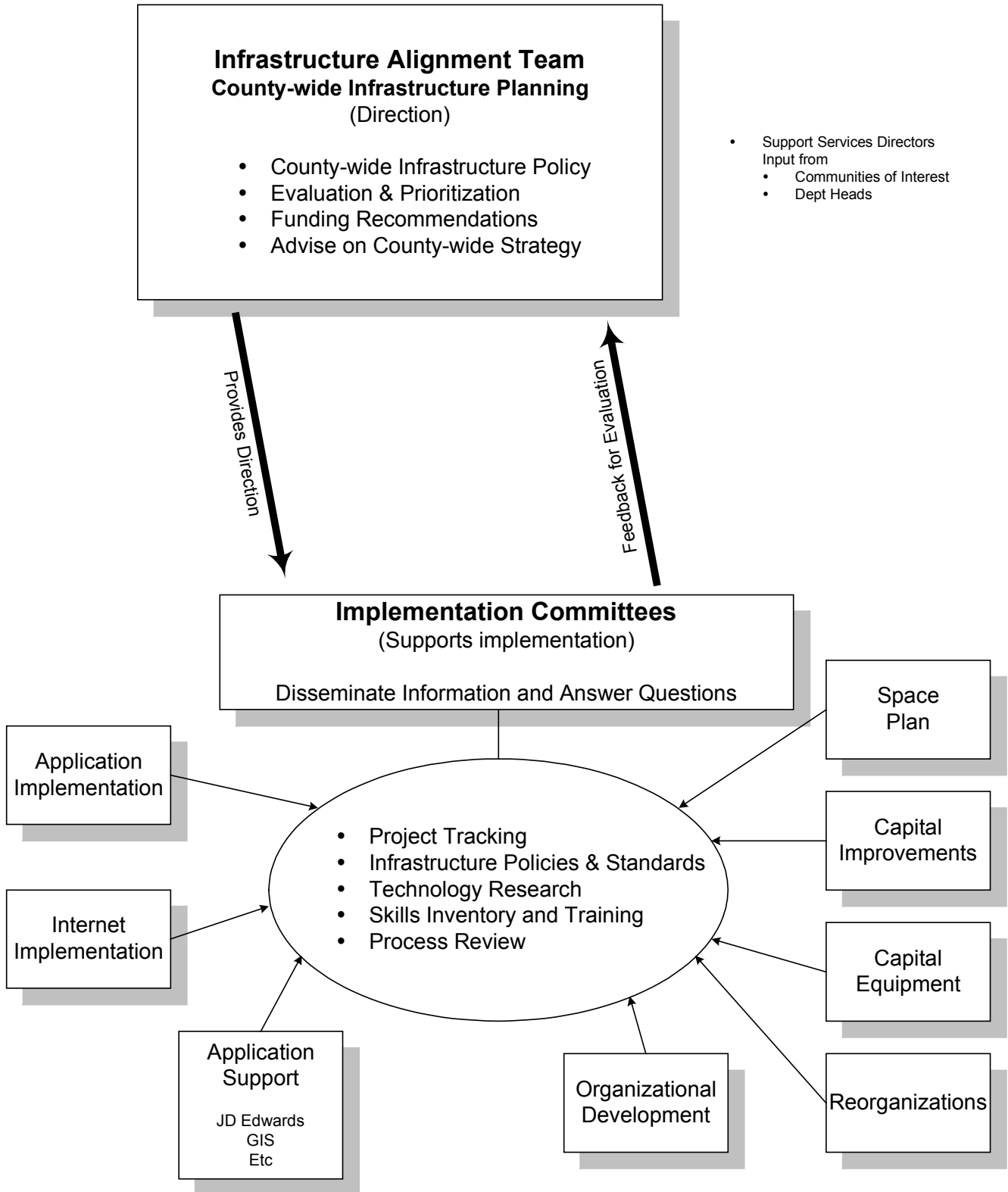
**Project tracking:** each infrastructure plan will have multiple projects within it. The committee will meet on a monthly basis for an update on progress to ensure that projects are on-time and on-budget. The committee's role is that of a coaching circle and does not relieve the assigned project manager of their accountability.

**Research:** sponsor collaborative teams to conduct research on topics of interest and strategic importance.

**Skills inventory and training:** maintain a skills inventory of infrastructure professionals within the County to allow for the broadest possible participation on teams and to match core competencies of staff and future strategic directions through targeted training.

**Process review:** one of the governing principles is that no new infrastructure projects will be funded until a formal review is done of the impacted processes. Committees will review and recommend changes to the organization and delivery of services with a goal of reducing duplication, streamlining and clarifying roles and responsibilities within the organization.

# Washtenaw County Infrastructure Management



**Infrastructure Alignment Process**

**VISION**

The vision is that for all areas of infrastructure there is a common framework for receiving, evaluating and responding to proposals. That framework would be clear and intuitive to our partners.

**PROCESS ROLES**

The roles in the process should be clearly defined both within Support Services and in communication with departments. Roles and responsibilities should be clear, consistent and intuitive across divisions.

<b>Players</b>	<b>Role</b>
Support Service Help Desk	Identify and clarify “operational” requests. Explain process.
ICG / Quarterly Meetings	Identify and clarify “strategic” requests. Explain process.
Support Services Departments	Assess need and specifications. Make recommendations (based on merit).
Budget office / ICG	Factor costs, ROI and impact on budget. Make funding recommendations
Infrastructure Alignment Team	Advise Administration on priorities and evaluation criteria
Administration	Set priorities. Make final decision (balancing of competing priorities)
Departments	Prioritize their own requests

**TYPES OF REQUEST**

A distinction is made between requests that are “strategic” in nature and those that are “operational” or routine. This distinction will clarify how the request should be processed and the criteria for evaluation. It will also provide staff with parameters within which to make decisions.

	<b>Operational</b>	<b>Strategic</b>
Within Budget Process	Part of “Base Budget” discussions in budget process	Part of Administrator’s discussions in budget process
Outside Budget Process	Routine in nature. Either scheduled or breakdown	Based on change in Business Plan
Players	Probably impact only one Support Services Dept	Probably impact more than one Support Services Dept
Decision / Criteria	Decision based on existing priorities / criteria	Requires analysis and prioritization
	Resolution fairly quickly with little deliberation	Requires deliberation
	Staff empowered to make decisions and resolve issues within parameters	Staff make recommendations. Decision based on multifaceted analysis and group discussion.

The following is a breakdown between the types of requests that are strategic and operational.

**POSITIONS**

<b>Operational</b>	<b>Strategic</b>
Reclassifications	Reorganizations
	Creation / Elimination
	Vacancies (opportune time)
	Grant funded positions

**TECHNOLOGY**

<b>Operational</b>	<b>Strategic</b>
Implementation of projects identified in the biennial Technology Plan	Creation of biennial Technology Plan
Maintenance and replacement of existing equipment	New projects requests not included in Tech Plan Modifications to Tech Plan projects
Hardware or software not included in Technology Plan (<\$10,000)	Hardware or software not included in Technology Plan (>\$10,000)
Scheduled upgrades of existing applications covered by a maintenance agreement with the vendor	Upgrades of existing applications not covered by a maintenance agreement with the vendor or otherwise budgeted

**SPACE & EQUIPMENT**

<b>Operational</b>	<b>Strategic</b>
Replacement of existing capital equipment	New space plan projects
Items on the Capital Maintenance schedule (20 year)	Modifications to space plan projects
Requests for routine maintenance (repairs)	Purchase of “new” capital equipment
	Revision of Capital Maintenance schedule (20 year)

**SUBMITTING REQUESTS**

New requests should only occur during biennial Planning Process unless there is a change within the department’s business plan that would be initiated by one of the following conditions:

- Opportune time
- Funding changes (including grants)
- Mandate changes
- Extraordinary conditions
- New management / new direction

All requests will be submitted via a Infrastructure Proposal form (available on eCentral).

**WASHTENAW COUNTY SPACE PLAN**

**BACKGROUND**

In 1997 and 1998 the Board of Commissioners adopted significant revisions to the Washtenaw County Space Plan. These actions authorized a series of projects implemented in 1999 and 2000. Completion of these projects, described in previous reports and memoranda, will meet many of the space needs of Washtenaw County government for the next 25 – 30 years. As the statement above reveals, however, these projects will not meet all possible needs. As a result, the Space Plan is considered a “living document” that provides guidance to Washtenaw County’s infrastructure needs while remaining flexible enough to respond to the evolving needs of a changing workforce.

As a means of starting the discussion of future space needs, a brief summary of the projects recently authorized by the Board of Commissioners is in order. A recap of the two major phases of the prior budget cycle’s space plan follows:

**Phase 1:**

1. Construction of a new building in downtown Ann Arbor for the County Clerk/Register of Deeds, County Treasurer, Equalization Department and Prosecuting Attorney.
2. Development of a new building on Zeeb Road for the Department of Environment & Infrastructure Services, Building Services Department, Drain Commissioner, Planning Department and MSU Extension. In addition, this facility will supply office space for an associated, though independent agency, the Ann Arbor/Ypsilanti Urban Areas Transportation Study (UATS).
3. Remodeling of the County Annex for the Public Defender, Information & Technology Services and other activities.
4. Remodeling of the space vacated within the County Courthouse by the departure of the County Clerk/Register of Deeds, Public Defender and Prosecuting Attorney.
5. Expand the incarceration capacity of the Washtenaw County Corrections Facility (WCCF) through the construction of an 84 Bed Minimum Security Expansion.
6. Development of a facility(s) to meet the needs of the homeless in Washtenaw County.

**Phase 2:**

1. Develop a new Juvenile Detention/Day Treatment Facility.
2. Address the critical infrastructure needs at the Washtenaw County Corrections Facility.

The status of the Phase 1 & 2 projects listed above is as follows:

200 N. Main Building (downtown Ann Arbor):	Completed
Western County Service Center (Zeeb Road Building)	Completed
Annex Remodeling	Completed
Minimum Security Expansion at WCCF	Completed
Delonis Center (Shelter)	Completed
Juvenile Detention/Day Treatment Facility	Completed
Head Start Facility	Completed
Infrastructure Improvements at WCCF	Underway
Courthouse Remodeling	Underway

**COUNTY SPACE NEEDS: 2004 – 2014**

The above projects answer many of the County’s most immediate space needs. Our building infrastructure is well-positioned to support the business needs of Washtenaw County through the coming decade. Our investment in new facilities has positioned us so well, in fact, that we no longer need to consider expansion as the primary component of the Space Plan. Instead, we are afforded the power to focus on the improvement of existing facilities through the CIP, coupled with the judicious consolidation of workspace as an overall strategy. Given the current and projected fiscal constraints, and in concert with the systems integration conversations that have begun within the Communities of Interest, we can anticipate a net reduction in Washtenaw County workspace. We will approach this reduction in a systematic way, conscious of the opportunity to take offline buildings whose increasing maintenance costs exceed the value they provide to the organization, and redirecting their sale proceeds toward improving our core campuses.

One initiative that will assist in providing the framework in which to achieve these reductions is the implementation of County-wide standards for resources such as space, fixed assets, technology, and fleet vehicles. Implementing standards in



alignment with best practices developed by peer organizations and professional associations provides an excellent opportunity for Support Services to:

- ❖ Clarify expectations around resource allocation;
- ❖ Streamline procedures for providing those resources;
- ❖ Reinforce dual accountability between departments and Support Services; and
- ❖ Introduce transparency to the decision-making process.

These elements further combine to serve the stated goal of equal application of policy. In so doing, we will not only create a more cohesive organization, but also reduce the cost of doing business. The standards, currently in draft form, have been introduced to focus groups and department heads with the intent of soliciting feedback; once developed, the final document will be made available to the Board of Commissioners and the rest of the organization.

The following list provides a brief summary of specific Space Plan projects that should be accomplished during the next ten years.

**Improvements to the Washtenaw County Corrections Facility:**

The need for improvement of the Washtenaw County Corrections Facility is well documented. In 1998, Washtenaw County engaged the services of Harley Ellington Design to prepare a Master Plan for the Washtenaw County Corrections Facility. The Master Plan document produced by Harley Ellington outlined a strategy for expansion and improvement of the existing facility to meet future needs. Again in 2000, a study was conducted by a consultant, HLM Design, which addressed the needs for improvement of the Washtenaw County Corrections Facility. In both instances, the cost of the proposed project was considerable. In November 1998 and November 2000 potential projects were presented to the Washtenaw County electorate in the form of millage referendums. In both instances, the referendums were defeated.

The expansion and improvement of the WCCF, as documented in the above referenced studies, are critical to the ability of the Facility to meet the demands of the next 20 years. The Jail Overcrowding Task Force has been created to guide a study whose charge is to identify opportunities for enlarging the core jail service area. At time of press, the most cost-effective and least disruptive way to achieve expansion appears to be the construction of housing pods. However, upon completion of the study, findings will be presented to the Board of Commissioners and the citizens of Washtenaw County for approval, and funding for the project will be discussed.

**Court Needs and Courthouse Remodeling/Replacement:**

Another aspect of the study conducted by HLM Design (referenced above) was an examination of the space, security and facility needs of the Washtenaw County Courts. This study included consideration of the space and facility requirements of all the elements of the Courts, including:

Trial Court:	Administration Probate/Mental Health Family Division - Juvenile	Civil-Criminal Division Family Division - Friend of the Court
District Court:	Administration 14-A District	14-B District 15 <sup>th</sup> District

The finished report revealed a need for significant improvements to the current County Courthouse, recommending significant expansion and remodeling of the current structure so that it would meet the needs of all the County Courts, while meeting modern standards of safety, security and operational efficiency. As in the case of the proposed improvements to the WCCF (described above) the proposed project was presented to the Washtenaw County electorate in the form of a millage referendum and was defeated.

Again, as with the WCCF, the need for improvement of the County Courthouse remains. The County Space Plan, as currently adopted by the Board of Commissioners, allocated \$1,200,000 for remodeling of the Courthouse (Phase 1 Bond Sale). This funding has provided some relief to the existing overcrowding at the Courthouse through the remodeling of space vacated by the Prosecuting Attorney, Public Defender and County Clerk/Register of Deeds upon their relocation to 200 N. Main, as well as the renovation of three Courtrooms and their associated judicial chambers. The needs, though, far outreach what can be accomplished through this effort. In April of 2001 the Board passed a resolution (#01-0069)

directing the Administrator to “commence the process of planning with the Board of Commissioners to meet the future program and physical facility needs of the Washtenaw County Courts and County Jail.”

**Expansion of the County Library Learning Resource Center:**

In 1999 the County Library underwent extensive remodeling and expansion, which included the creation of the Library Learning Resource Center. The large number of County staff who utilize the meeting and training rooms that comprise the LLRC demonstrates the success of this project. Having already experienced more demand than the new facility can accommodate during its first year of operation, the need for further expansion remains. Development of additional meeting and training space is imperative if the County is to continue to support Guiding Principle #4: to provide the necessary knowledge, skills and resources to County employees. However, the intuitive development of the Service Center as a central complex for the Public Safety & Justice Community of Interest will need to be considered as a mitigating factor to adding capacity to the LLRC in its current location.

**Huron Valley Ambulance Headquarters Building:**

The headquarters of Huron Valley Ambulance (HVA) is currently located within the Washtenaw County Service Center. The facility is owned by HVA, but occupies land leased from Washtenaw County. HVA has solicited proposals for design services in conjunction with a new facility to be constructed near State Street and I-94. Development of this site, to be completed in December 2004, will include a new facility to house HVA headquarters, training activities, an ambulance “starter” facility and dispatch area. Washtenaw County will respond by acquiring the vacated building, with the intent of meeting some of the needs of the Correctional Facility through remodeling/renovation. Concurrently, Washtenaw County also plans to construct a revenue-generating Medical Examiner Building on the new HVA site.

**Relocation of the County Garage:**

Relocation of Washtenaw County Fleet Services, potentially to 2155 Hogback Rd., will be necessary to accommodate the future Correctional Facility expansion.

**Conclusion:**

The projects described above represent the future office/facility needs of Washtenaw County government. This long-term plan is based upon an understanding of the needs expressed by County departments and an examination of ongoing requirements. While it is possible to forecast or project future needs in this fashion, it is critical to note the planning process is a dynamic activity. Constant monitoring and updating are necessary to prepare plans and estimate associated costs so as to meet the service needs of Washtenaw County’s citizens and employees.

**CAPITAL IMPROVEMENT PLANNING & BUDGETING**

**PURPOSE**

An effective organization must carefully plan for and manage the use of its physical assets. The buildings, which comprise an organization’s physical inventory, must meet the operating needs of that organization. As an organization devoted to serving the public, Washtenaw County’s facilities serve as the support structure for County departments as they in turn provide service to the public. The process of capital planning and budgeting ensures that Washtenaw County facilities are developed and maintained in a manner that meets the needs of the County’s citizens. The process recognizes that governments operate within specific fiscal constraints and resources are not available to accomplish every objective immediately. Through the planning process, capital needs are reviewed and prioritized. The result is a schedule of improvements and maintenance designed to match needs with available resources.

**BACKGROUND**

Capital improvement projects involve large expenditures of funds and generate a product, or facility, with a life of multiple years. Examples of capital improvement projects include:

- Enlarging an existing facility
- Remodeling or reconstruction of an existing facility
- Repair or replacement of building equipment (HVAC, plumbing, etc.)
- Repair or reconstruction of a major support system (parking lot, sidewalk, etc.)

Within Washtenaw County, the capital improvement process focuses on existing facilities. Development of new County facilities is a function of the County Space Plan, as discussed earlier. The primary activities contained in the capital improvement process are remodeling and modification of existing facilities. In addition, improvements to existing facilities such as replacement of roof systems, carpeting and other interior finishes are also included in this process.

The Facilities Management group of Support Services is responsible for leading the capital improvement program (CIP). Development and implementation of the CIP is a collaborative effort involving Finance, Budget, and Administration staff. Through review and analysis of existing facilities and identified space needs, capital improvement projects are developed. The projects address necessary upgrades of County facilities with respect to the condition of the building and its systems, safety, building code compliance (including the Americans with Disabilities Act), reduction of liability and energy management.

Projects are divided into two basic categories. The first are “development” projects, responding to specific, identified needs. These include programmatic needs identified by a department that require significant change to an existing facility in order to meet a service delivery requirement. Such a need is accomplished through renovation or expansion of an existing structure. The second category is “maintenance”, involving necessary ongoing activities designed to ensure that existing facilities are kept in a sound, reliable condition. This includes repair and maintenance of major building systems, carpet replacement, painting and roof maintenance.

**PROCESS**

As mentioned previously, Facilities Management is responsible for the capital improvement process. Performance of this task involves a number of efforts:

1. **Annual review of the existing physical inventory of facilities.** Utilizing both departmental staff and appropriate consultants, a review is performed of existing facilities to determine maintenance and improvement needs. Staff incorporate established preventive maintenance schedules into this review effort, along with industry standards for equipment replacement, life expectancy for specific equipment and knowledge of current performance levels.
2. **Response to departmental requests.** In response to departmental requests for remodeling or modification of their space, the Facilities Management leadership team, taking direction from the Design and Construction team, develops plans to meet identified space needs. The plans are developed in concert with the requesting department, utilizing their input to shape the product. When necessary, appropriate consultants are utilized to support this effort. This often involves the use of mechanical engineers, or other specialized consultants that provide specific expertise or background. Input is sought from all staff within Facilities Management, particularly the line staff and Skilled Trades. These employees’ hands-on experience and knowledge of County facilities is a valuable element in the development of building renovation plans.
3. **Ongoing examination of projects and priorities.** Throughout the year, Facilities Management encounters requests for building changes and improvements, as well as unanticipated maintenance needs. Staff review the requests and maintenance needs and determine their relative priority in relation to projects already established or in development. If necessary, project schedules may be renegotiated to reflect the urgency or priority of need. It should be noted that while it is necessary to acknowledge that emergencies can arise, it is the intent of the planning process to minimize their occurrence.

Initiation of capital improvement projects is accomplished according to the following guidelines:

- A. Departments wishing to have Capital Improvement projects included in the Facilities Management Capital Improvement budget should notify the Director of Facilities Management by March 1<sup>st</sup> of odd-numbered years so it may be considered in the submittal of the 2 year budget.

- B. Requests not initiated by Facilities Management shall first be approved and then submitted in writing by the appropriate department head.
  
- C. When the Department occupying the space initiates a Capital Improvement request, the request shall consist of the following elements:
  - Location
  - Description of request including the purpose and life expectancy of the project and the impact on operating costs and staffing
  - Requesting department contact person
  - Funding source
  - Requesting department head authorization
  
- D. Upon receipt of the request, the Facilities Management leadership team shall determine the following:
  - Authorization for a preliminary review by the County Administrator or his designee
  - Conformance to the County Space Plan and 20 year Preventative Maintenance Schedule
  - Feasibility of project
  - Preliminary cost estimate
  - Estimated timetable for project including:
    1. Design time
    2. Approximate date project could start
    3. Construction time, including bidding time if project is to be contracted out
    4. Conformity to the requesting department's time need
  
- E. For projects not approved, Facilities Management shall indicate whether the project will be included in the next annual County budget or whether the project is not of sufficient priority to be supported.
  
- F. If Facilities Management initiates a project, the following procedure will be employed.
  - County departments affected by the project will be notified at least four weeks in advance of initiation. The department heads will have two weeks to respond in writing of any concerns or conflicts the proposed project may create. The notification will consist of the following information.
    1. Description of project
    2. Timeframe of project
    3. Impacts on building occupants
    4. Contact persons and telephone numbers at the Facilities Management
  - Any conflicts or concerns will be responded to within one week of receipt
  - Any conflicts or concerns not resolved between Facilities Management and the responding Department Head will be resolved by the County Administrator or his/her designee.
  
- G. Facilities Management shall oversee all projects through completion, whether modifications are completed by County employees or contracted with an outside agency.

The result of the capital improvement planning process is two primary products. The first is a **10-Year Preventative Maintenance Schedule**. This Schedule illustrates the County’s plan for repair, maintenance or replacement projects within County Facilities for the next 10 years. It addresses such major systems as HVAC systems, roof systems, carpet, etc.

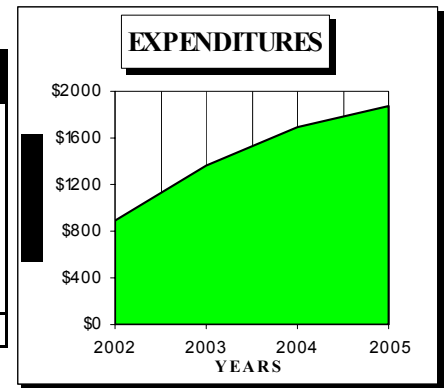
The second product is the **Annual Capital Maintenance Plan**. This Plan identifies specific projects that will be implemented during that year. It provides information on the type of project, estimated cost and the proposed timeframe for implementation. Management of the Capital Maintenance Plan is the responsibility of Facilities Management, in collaboration with the rest of Support Services, and County Administration.

The cost estimates for these projects are prepared through the review of current construction costs, historical construction cost data and the professional experience and judgment of the Facilities Management staff. Funds for the projects are provided by Resolution of the County Board of Commissioners to allocate 1/8 Mill for capital improvements from the General Fund.

The following pages contain the adopted budget for Capital Improvements, the 10 Year Capital Improvement Plan and the Capital Improvement Plan Detail for 2004 and 2005.

### CAPITAL IMPROVEMENTS

EXPENDITURES	2002 ACTUALS	2003 BUDGETED	2004 REQUESTED	2004 ADOPTED	2005 ADOPTED
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Svs. Charges	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ 885,948	\$ 1,360,834	\$ 1,483,408	\$ 1,483,408	\$ 1,567,962
Contingencies / Transfers Out	\$ -	\$ -	\$ 300,000	\$ 200,000	\$ 300,000
<b>Total</b>	\$ 885,948	\$ 1,360,834	\$ 1,783,408	\$ 1,683,408	\$ 1,867,962



**FIVE YEAR CAPITAL IMPROVEMENT PLAN SUMMARY  
2004 – 2008**

	Year 1	Year 2	Year 3	Year 4	Year 5
	2004	2005	2006	2007	2008
<b>Parking Lot Paving &amp; Repairs</b>					
Location	2140 Ellsworth	Service Center	Service Center	Ypsilanti Overflow	Prospect x Towner
Cost	148,529	158,314	186,904	192,511	198,287
<b>Renovations</b>					
Location	2140 Ellsworth	2140 Ellsworth	Community Corrections	Zeeb Rd., Admin Bldg.	101 E. Huron
Cost	396,077	422,171	498,411	513,363	528,764
<b>H.V.A.C. Equipment</b>					
Location	200 N Main, LLRC, Ellsworth	Ellsworth, Towner	101 E. Huron	Cherrywood, N. Territorial	FMC
Cost	168,333	179,423	211,825	218,179	224,725
<b>Restrooms</b>					
Location	Towner x FIA	Zeeb Road	FMC	LLRC, District Ct.	HVA Bldg.
Cost	49,510	52,771	62,301	64,170	66,096
<b>Roof</b>					
Location	2140 Ellsworth	Ellsworth	Shelsea Ct.	Ypsilanti FIA	Envirnmental Services
Cost	99,019	105,543	124,603	128,341	132,191
<b>Security/Safety</b>					
Location	Various Sites	Various Sites			
Cost	200,000	200,000			
<b>Landscaping</b>					
Location	Zeeb Road	Ellsworth, LLRC	Ypsilanti H.S.C.	Ann Arbor HSC	E.C.G.C.
Cost	29,706	31,663	37,381	38,502	39,657
<b>Fire Upgrades</b>					
Location	Zeeb, Admin., Ellsworth	Zeeb Road, Ellsworth	E.C.G.C.	FMC, LLRC	O'Brian, Juvenile
Cost	89,117	94,989	112,142	115,507	118,972
<b>Signage</b>					
Location	Various Sites	Various Sites	Various Sites	Various Sites	Various Sites
Cost	9,902	10,554	12,460	12,834	13,219
<b>Emergency Repairs</b>					
Location	Admin., Various Sites	Various Sites	Various Sites	Various Sites	Various Sites
Cost	293,216	312,534	368,974	380,043	391,444
<b>Annual Totals</b>	<b>1,483,408</b>	<b>1,567,962</b>	<b>1,615,001</b>	<b>1,663,451</b>	<b>1,713,354</b>

**FIVE YEAR CAPITAL IMPROVEMENT PLAN SUMMARY  
2009 - 2013**

	Year 6	Year 7	Year 8	Year 9	Year 10
	2009	2010	2011	2012	2013
<b>Parking Lot Paving &amp; Repairs</b>					
Location	Center St.	Catherine, CMH Homes	FMC, Zeeb Road	E.C.G.C.	Prospect x Towner
Cost	204,235	210,362	216,673	223,173	229,868
<b>Renovations</b>					
Location	Towner x FIA	LLRC, Jail	Miscellaneous Courts	200 N. Main, HVA Bldg.	Shelter, Head Start
Cost	544,627	560,966	577,795	595,129	612,982
<b>H.V.A.C. Equipment</b>					
Location	110 N. 4th	Admin. Bldg.	E.C.G.C.	Chelsea Ct.	Community Corrections
Cost	231,466	238,410	245,563	252,930	260,518
<b>Restrooms</b>					
Location	Courthouse	Miscellaneous Courts	Juvenile, O'Brien	Zeeb Road	E.C.G.C.
Cost	68,078	70,121	72,224	74,391	76,623
<b>Roof</b>					
Location	Repairs various sites	Repairs various site	Juvenile	H.S.C. 2	Admin. bldg.
Cost	136,157	140,241	144,449	148,782	153,246
<b>Security/Safety</b>					
Location					
Cost					
<b>Landscaping</b>					
Location	Zeeb Road	Juvenile	Juvenile	Downtown Ann Arbor	Sevice Center
Cost	40,847	42,072	43,335	44,635	45,974
<b>Fire Upgrades</b>					
Location	Towner x FIA	200 N. Main	110 N. 4th	Jail	14th District Ct.
Cost	122,541	126,217	130,004	133,904	137,921
<b>Signage</b>					
Location	Various Sites	Various Sites	Various Sites	Various Sites	Various Sites
Cost	13,616	14,024	14,445	14,878	15,325
<b>Emergency Repairs</b>					
Location	Various Sites	Various Sites	Various Sites	Various Sites	Various Sites
Cost	403,188	415,283	427,742	440,574	453,791
<b>Annual Totals</b>	<b>1,764,755</b>	<b>1,817,698</b>	<b>1,872,229</b>	<b>1,928,395</b>	<b>1,986,247</b>

**2004 CAPITAL IMPROVEMENT PLAN DETAIL**

Site	Description	Impact on Operating Budget	Completion Date	Cost
<b>Parking Lot Paving &amp; Repairs</b> 2140 Ellsworth	In preparation for Support Services integration.	Extends the useful life of parking lot.	3rd Qtr.	\$ 148,529
<b>Renovations</b> 2140 Ellsworth and Administration bldg.	In preparation for Support Services integration. Interior space reconfiguration.	To be determined.	3rd Qtr.	\$ 396,077
<b>H.V.A.C. Equipment</b> 200 N. Main, LLRC, 2140 Ellsworth	Equipment replacement. In preparation for Support Services integration.	Extends the useful life of mechanical issues.	4th Qtr.	\$ 168,333
<b>Restrooms</b> Towner, F.I.A.	Equipment replacement.	Major equipment will be replaced as a capital expense.	2nd Qtr.	\$ 49,510
<b>Roof</b> 2140 Ellsworth	In preparation for Support Services integration.	Extends the useful life of roof.	4th Qtr.	\$ 99,019
<b>Security/Safety</b> Various Buildings	Enterprise-wide security system maintenance and upgrades.	Uniform systems decrease redundant activities.	4th Qtr.	\$ 200,000
<b>Landscaping</b> Zeeb Road	Upgrade exterior visual impact of building.	Improves the visual appearance of facility.	2nd Qtr.	\$ 29,706
<b>Fire Upgrades</b> Zeeb Rd., 2140 Ellsworth and Administration building	Equipment replacement.	Major equipment will be replaced as a capital expense.	4th Qtr.	\$ 89,117
<b>Signage</b> Various Buildings	Installation of new signage.	To be determined.	3rd Qtr.	\$ 9,902
<b>Emergency Repairs</b> Various Buildings and Administration building	To be determined.	To be determined.	4th Qtr.	\$ 293,216
<b>Total Cost:</b>				\$ 1,483,409



**2005 CAPITAL IMPROVEMENT PLAN DETAIL**

Site	Description	Impact on Operating Budget	Completion Date	Cost
<b>Parking Lot Paving &amp; Repairs</b>				
Service Center	Upkeep of existing parking lot.	Extends the useful life of parking lot.	1st Qtr.	\$ 158,314
<b>Renovations</b>				
2140 Ellsworth	In preparation for Support Services integration.	To be determined.	3rd Qtr.	\$ 422,171
<b>H.V.A.C. Equipment</b>				
2140 Ellsworth and Towner	Equipment replacement. In preparation for Support Services integration.	Extends the useful life of mechanical issues.	2nd Qtr.	\$ 179,423
<b>Restrooms</b>				
Zeeb Road	Equipment replacement.	Major equipment will be replaced as a capital expense.	4th Qtr.	\$ 52,771
<b>Roof</b>				
2140 Ellsworth	In preparation for Support Services integration.	Extends the useful life of roof.	1st Qtr.	\$ 105,543
<b>Security/Safety</b>				
Various Buildings	Enterprise-wide security system maintenance and upgrades.	Uniform systems decrease redundant activities.	1st Qtr.	\$ 200,000
<b>Landscaping</b>				
2140 Ellsworth and LLRC	Upgrade exterior visual impact of building.	Improves the visual appearance of facility.	3rd Qtr.	\$ 31,663
<b>Fire Upgrades</b>				
Zeeb Rd., 2140 Ellsworth	Equipment replacement.	Major equipment will be replaced as a capital expense.	1st Qtr.	\$ 94,989
<b>Signage</b>				
Various Buildings	Installation of new signage.	To be determined.	4th Qtr.	\$ 10,554
<b>Emergency Repairs</b>				
Various Buildings	To be determined.	To be determined.	4th Qtr.	\$ 312,534
<b>Total Cost:</b>				\$ 1,567,962

## TECHNOLOGY AND CAPITAL EQUIPMENT

As we move into the 21<sup>st</sup> century, technology will play an increasingly larger role in how citizens, visitors, businesses, and employees conduct business with the County. Thus, Washtenaw County has made it a goal to maintain and continually upgrade the current viable technological infrastructure and to be a leader in the emerging field of E-Government.

### 2004/2005 TECHNOLOGY CAPITAL PLAN

DESCRIPTION	2002	2003	2004	2005	TOTAL
<b>Desktop Support</b>	\$ 1,111,489	\$ 811,100	\$ 711,250	\$ 711,250	\$ 3,345,089
<b>Network &amp; Applications Support</b>					
LAN / WAN Support	\$ 1,411,692	\$ 1,019,451	\$ 701,667	\$ 790,667	\$ 3,923,477
Telephone Systems	\$ 424,137	\$ 309,000	\$ 150,000	\$ 172,000	\$ 1,055,137
Enterprise Applications	\$ 735,288	\$ 482,000	\$ 240,000	\$ 150,000	\$ 1,607,288
	\$ 2,571,117	\$ 1,810,451	\$ 1,091,667	\$ 1,112,667	\$ 6,585,902
<b>Systems Integration</b>					
Document Management/Imaging	\$ 380,686	\$ 300,000	\$ 350,000	\$ 350,000	\$ 1,380,686
Workflow	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 250,000
Data Warehouse	\$ 31,534	\$ 75,000	\$ 25,000	\$ 25,000	\$ 156,534
GIS	\$ 185,043	\$ 115,000	\$ 50,000	\$ 50,000	\$ 400,043
Integration Support	\$ 44,153	\$ 53,107	\$ 241,829	\$ 220,829	\$ 559,918
	\$ 641,416	\$ 543,107	\$ 791,829	\$ 770,829	\$ 2,747,181
<b>Totals:</b>	\$ 7,536,555	\$ 5,518,216	\$ 4,478,242	\$ 4,478,242	\$ 22,011,255

**Desktop/PC Support** for all county employees, includes PC Replacement Plan, Printers, Scanners, Microsoft Office Upgrades, as well as any desktop tools and Replacement Parts for PCs.

**LAN/WAN Support**-Network Infrastructure upon which all applications run. This includes Network Switches, Wide Area Network Upgrades, Server replacement, and Network Monitoring Tools.

**Telephone Systems**-Installations, upgrades, and replacement of county owned telephone switches at our four main campus locations and many other smaller sites.

**Enterprise Applications**-Upgrades and enhancements to existing mission critical applications. Examples of enterprise applications include: Equalizer, JD Edwards, Tidemark, and File Net.

#### Document Management/Imaging

Systems which transfer or replace paper documents with electronic versions. These systems store the documents with index values which make retrieval fast and efficient. They also enable online access of paper documents where in the past, those documents were only available from the paper file. Other benefits include reduced storage space and better management of retention policies vs. paper documents.

### **Workflow**

Enables electronic routing of work based on business rules. Uses include situations where a known set of individuals or departments are required to do a known set of tasks within a work process. Examples of potential benefit include:

- contract management, where bid, award, management and closure follow a defined process
- criminal justice where information about defendants needs to be routed to specific individuals or departments based on the occurrence of specific events

### **Data Warehouse**

Enables aggregation and distribution of data from disparate systems. Existing implementations include property data from tax system made available for online systems and GIS.

### **GIS**

Geographic Information Systems allow “mapping” of data that has geographic components. Early examples were in planning and land use, but future uses include mapping of crime trends, disease outbreaks, and emergency management.

### **Integration Support**

In addition to development tools, two positions are funded out of the technology plan that are specifically geared towards the successful completion of technology plan initiatives. They are:

- Project Manager – will focus on various projects in transitioning IT to the future including the migration plan to core technologies. This position will be eliminated in December 2005.
- Management Analyst – will reduce reliance on outside consultation by focusing on process review and system integration.

## FLEET SERVICES

The procurement, operation and maintenance of County owned vehicles is the responsibility of Facilities Management - Fleet Services Division and all transactions for the fleet will be accounted for in the Facilities Management Transportation Fund. The overall size of the County fleet is established by Board resolution. Accordingly, any addition to the fleet requires Board authorization.

A summary of the policy governing vehicle procurement and management is as follows:

- A. Monthly lease fees shall be determined for departments or agencies utilizing a formula based upon the following factors:
  - 1. Initial purchase price plus any costs necessary to prepare the vehicle for use.
  - 2. The estimated life expectancy of the vehicle.
  - 3. An estimated salvage value.
  - 4. An interest rate deemed adequate by Central Administration to compensate for inflation and sufficiently replenish the fund.
- B. Lease payments shall not exceed the useful life of the vehicle.
- C. Requests for equipment shall be made by the department head or designee during the annual budget process.
- D. If the vehicle is purchased using money from sources other than the Fleet Management Fund, no monthly vehicle lease will be charged.
- E. The lease payments received by Fleet Services will be deposited in a separate organization within the Fleet Services Fund. The monies in the Fund will be rolled forward each year for the purchase of replacement and new vehicles. This fund will be reviewed by the Finance Department and adjustments to the balance will be applied to vehicle operational costs, as directed by the Administrator.

A listing of vehicles scheduled for purchase in 2004 and 2005 are included on page G-21. The listing is the County's revolving schedule and includes both replacement and new vehicle purchases.

**2004/2005 VEHICLE PURCHASES**

DEPARTMENT	DESCRIPTION	# OF UNITS	UNIT COST	TOTAL COST	EST. LIFE
<b>2004 Purchases</b>					
Building Inspection	Pickup Trucks	3	\$22,527	\$67,581	4 Yrs.
Drain Commissioner	Pickup Trucks	1	\$24,817	\$24,817	4 Yrs.
Facilities Management	Mini Van	1	\$19,330	\$19,330	3 Yrs.
	Utility Van	3	\$22,242	\$66,726	4 Yrs.
Soil Erosion	Pickup Trucks	2	\$20,214	\$40,428	4 Yrs.
Environmental Health	Pickup Trucks	1	\$20,214	\$20,214	4 Yrs.
CSTS	15 Passenger Vans	3	\$23,067	\$69,201	4 Yrs.
	Mini Van	2	\$19,330	\$38,660	4 Yrs.
Administration	Sedan	2	\$22,540	\$45,080	3 Yrs.
Parks & Recreation	Utility Trucks	1	\$28,887	\$28,887	4 Yrs.
Sheriff	Patrol Cars	17	\$21,689	\$368,713	3 Yrs.
	Detective Bureau Sedans	5	\$20,904	\$104,520	3 Yrs.
	Transport Van	1	\$24,444	\$24,444	4 Yrs.
	Utility Trucks	1	\$28,622	\$28,622	3 Yrs.
<b>2004 TOTALS:</b>		<b>43</b>		<b>\$947,223</b>	
<b>2005 Purchases</b>					
Administration	Sedan	2	\$23,441	\$46,882	3 Yrs.
Building Inspection	Pickup Trucks	3	\$23,428	\$70,284	4 Yrs.
Drain Commissioner	Pickup Trucks	1	\$25,809	\$25,809	4 Yrs.
Facilities Management	Utility Van	2	\$23,131	\$46,262	4 Yrs.
Prosecuting Attorney	Sedan	1	\$21,740	\$21,740	4 Yrs.
Family Court - Juvenile Div	Sedan	2	\$22,556	\$45,112	4 Yrs.
Soil Erosion	Pickup Trucks	1	\$21,022	\$21,022	4 Yrs.
Environmental Health	Pickup Trucks	1	\$21,022	\$21,022	4 Yrs.
CSTS	15 Passenger Vans	4	\$23,989	\$95,956	4 Yrs.
Emergency Management	Utility Trucks	1	\$29,776	\$29,776	3 Yrs.
Parks & Recreation	Pickup Trucks	1	\$26,841	\$26,841	4 Yrs.
Juvenile Center	15 Passenger Vans	2	\$23,989	\$47,978	4 Yrs.
Treasurer	Sedan	1	\$21,740	\$21,740	4 Yrs.
Sheriff	Patrol Cars	17	\$22,556	\$383,452	3 Yrs.
	Detective Bureau Sedans	5	\$21,740	\$108,700	3 Yrs.
	Transport Van	1	\$25,417	\$25,417	3 Yrs.
	Pickup Trucks	2	\$22,427	\$44,854	3 Yrs.
	Utility Trucks	1	\$29,776	\$29,776	3 Yrs.
<b>2005 TOTALS:</b>		<b>48</b>		<b>\$1,112,623</b>	

## DEBT SERVICE

The issuance of debt is controlled by various State of Michigan Statutes, which limit amounts and times for capital and other projects of the County. Depending on the applicable legislation, repayment is provided from a number of sources. In some cases the repayment comes from separate funds but with the general faith and credit of the County as additional security, while in other situations debt service is a direct charge to the General Fund of the County.

The six County agencies having statutory authority to issue bonds include:

- 1) The County as a whole for a General Obligation bond requiring voter approval of a specific bond issue;
- 2) The County Treasurer for cash flow borrowing;
- 3) The County Building Authority for capital improvement and expansion projects;
- 4) The County Drain Commissioner for drainage projects;
- 5) The County Board of Public Works for sewer, water or solid waste type projects; and
- 6) The County Road Commission when the Michigan Transportation Fund is involved.

Prior to 1979, State law permitted counties to levy extra property tax millage to retire debt on construction projects within limits, without a vote of the people. The State Headlee Constitutional Amendment now requires new issuances to be paid from within operating millage unless there is a specific vote of the people approving it. Therefore, the County now has a combination of debt retirement from outside the operating millage (pre-Headlee projects) and from within operating millage (post Headlee projects).

The County has entered into lease agreements with the Washtenaw County Building Authority, a separate nonprofit corporation, established under Act 31, P.A. Michigan 1948, for the use and improvement of various County buildings and facilities. By agreement, the leases are scheduled to terminate when sufficient rentals have been paid to the Building Authority to retire the related bond issues. At termination of the leases, titles to the leased properties will be passed to the County. Since the Building Authority is part of the governmental unit's entity for financial reporting purposes, the debt and assets of the Building Authority are reported as part of County funds.

The County has entered into lease agreements with various local units of government and agencies representing the amount of the bonds sold by the County to finance the construction of water and sewer systems for the local units of government and agencies. In compliance with Act 185, P.A. Michigan 1957, as amended, the County maintains ownership, and the local units of government and agencies operate, maintain, repair, insure and manage the systems.

Washtenaw County has established specific procedures that govern the issuance of debt, regardless of which agency initiates the process, which include but are not limited to the following:

- A. Total County debt shall not exceed 10% of the County's equalized property value. Computation of Legal Debt Margin is on page G-27.
- B. Bonds will be paid off within a period not to exceed the useful life of the project.
- C. The Board of Commissioners shall promote projects which meet comprehensive plans and goals.
- D. The Board of Commissioners shall review the feasibility of a local unit of government's request based on plans and goals and determine if the County's full faith and credit shall be approved to support County bonds and notes.
- E. The County Administrator, or his/her designee, shall be responsible for the administration and implementation of County policies and procedures and shall work closely with those Boards, Authorities or Officials that have County responsibility in determining feasibility and in implementing such projects.

- F. The County shall appoint a financial and bond counsel advisor and said consultant may assist the County Administrator in reviewing a government's bond requests. The services of the adviser shall only be used after it is determined that County staff cannot provide the information.
  
- G. The County Administrator shall provide, in writing, information which will assist the County to determine if a project is reasonable and should or should not be supported to receive County full faith and credit. Such information shall relate to County policies and procedures and shall be provided to the Board of Commissioners and other authorizing Boards and authorities within sixty (60) days after its receipt. Comments from the County Administrator shall come from but are not limited to the following:
  - 1. Input from the County Metropolitan Planning Commission as to whether the County's local land use policies are consistent or inconsistent with this proposed project.
  - 2. Input from the County Board or authority having statutory authority over the project regarding the project's technical acceptability.
  - 3. Input on how the financing of the project will affect financing projects of other local governments, County government or its agencies over the next five years.
  - 4. Input on how the project compares to the County formula for fund bond allocations for individual units of government.
  - 5. Input from a benefit analysis report for the project as it relates to the County's own funding allocation program.
  - 6. Input through a credit analysis carried out by the County appointed financial and bond counsel advisor.
  
- H. A local unit shall demonstrate its ability to retire County bonds as its schedule defines. If a feasibility study has been completed on a pay back schedule it should be included. The alternative methods of pay back include:
  - 1. If by revenues, what kind?
  - 2. If by taxes, would it be through extra taxes or within the existing tax levy?
  - 3. If by general appropriations, are there guarantees that the appropriations will continue to be collected?
  - 4. By special assessments.
  - 5. By connection charges or other extended annual charge.
  - 6. By any combination of the above.
  - 7. And other statutorily collected and distributed revenues.
  
- I. If growth in tax revenues as user fees is the approach to retiring bonds and notes, the local unit shall identify the projected rate of growth and how that rate was determined.
  
- J. A local unit shall identify any reserve funds that will exist to assist the local government retiring the bonds or notes if the primary source of repayment is depleted.
  
- K. In addition, to all other statutory requirements, any County agency issuing bonds or notes shall notify the Finance Department Head of pending issues, roles, funds, and bank accounts established and other relevant information to issuance so that the Finance Department may establish proper records and monitor the total County debt.
  
- L. County cash flow borrowings initiated by the County Treasurer, as agent for the County, shall be restricted for the purpose of paying 100% of the delinquent real property taxes for the preceding year to the County and all units of government within the County.
  
- M. Proceeds from long-term debt will not be used for current ongoing operations.

Source: Board of Commissioners Policy I-F3-1, Resolution 86-0252; County Procedure I-F3-4.

## ANALYSIS OF DEBT & SOURCES OF FUNDING

County indebtedness consists of General Obligation Bonds and Notes, Special Assessment Bonds and Installment Notes.

### General Obligation

General obligation bonds and notes include Waterworks Serial Bonds, Sanitary Sewer Improvement Serial Bonds, State Revolving Fund Act 185 Bonds, Michigan Department of Transportation Loan, Michigan Transportation Fund Bonds, Building Authority Bonds and Delinquent Tax Notes. As explained on page G-22, the County enters into lease agreements with various local units of government and agencies sufficient to cover indebtedness of bonds sold for the construction of water and sewer systems, roads and transportation improvements, building expansions and capital improvement projects. The County also has a financing arrangement for Delinquent Tax Notes whereby a bank will refinance delinquent tax notes monthly based on the FMC 7-day Commercial Paper rate, for an amount dependent upon delinquent tax collections. Delinquent property taxes receivable are pledged as collateral for repayment of the outstanding delinquent tax notes.

### Special Assessment Bonds and Installment Notes

Special Assessment Bonds and Installment Notes include Drain Improvement Bonds and Notes and Road Commission Notes. The debt is repaid from special assessment levies against benefited property owners. The County has pledged its full faith and credit for payment of the Drain Improvement Notes and Bonds. The Road Commission Improvement Bonds are backed by the full faith and credit of the local units of government (townships).

### Schedules

The Schedule of Bond Indebtedness and Notes Payable for 2004 is included on page G-25.

The Schedule of Debt Service Requirements for 2004 through 2022, including principal and interest payments, is reported on page G-26 for General Obligation Bonds and Notes, Special Assessment Bonds and Installment Notes Payable. The schedule reports a debt service requirement summary for the total reporting entity.

The Sources of Funding summary for debt retirement in 2004 is reported on page G-26. As explained on page G-22, the table shows the difference between operating millage and pre-Headlee millage sources of funding. Special assessment and project revenue comes from lease agreements, special assessment levies and some charge backs to districts or benefited property owners for services provided and time spent on specific projects. Interest and penalties revenue is comprised of interest earnings and collection fees.

The Computation of Legal Debt Margin on page G-27 shows the current debt of the County as a percentage of allowable debt (10% of the County's equalized value, see page G-22).



**SCHEDULE OF BOND INDEBTEDNESS & NOTES PAYABLE  
JANUARY 1, 2004**

DESCRIPTION	INTEREST RATE	FISCAL YEAR OF FINAL MATURITY	PRINCIPAL OUTSTANDING 1/1/2004	FISCAL YEAR 2002		BALANCE OUTSTANDING 1/1/2005
				PRINCIPAL	INTEREST	
<b>GENERAL OBLIGATION</b>						
Water/Sewer Serial Bonds	2.0% - 7.625 %	2022	\$ 43,577,279	\$ 4,550,000	\$ 1,888,726	\$ 39,027,279
Road Commission Bonds	3.75% - 7.0 %	2012	\$ 3,270,000	\$ 395,000	\$ 146,450	\$ 2,875,000
Building Authority Bonds	1.75% - 9.75 %	2022	\$ 43,275,000	\$ 3,400,000	\$ 1,616,678	\$ 39,875,000
Delinquent Tax Notes	1.75%	2004	\$ 9,000,000	\$ 9,000,000	\$ 118,125	\$ -
<b>SUBTOTAL</b>			<b>\$ 99,122,279</b>	<b>\$ 17,345,000</b>	<b>\$ 3,769,979</b>	<b>\$ 81,777,279</b>
<b>SPECIAL ASSESSMENT</b>						
Drain Improvement Bonds	3.25% - 6.8%	2015	\$ 3,070,000	\$ 450,000	\$ 133,890	\$ 2,620,000
Road Commission Bonds	4.7% - 7.0%	2005	\$ 140,000	\$ 70,000	\$ 5,477	\$ 70,000
<b>SUBTOTAL</b>			<b>\$ 3,210,000</b>	<b>\$ 520,000</b>	<b>\$ 139,367</b>	<b>\$ 2,690,000</b>
<b>INSTALLMENT NOTES</b>						
Drain Improvement Notes	2.82% - 5.96%	2010	\$ 1,160,698	\$ 311,998	\$ 52,886	\$ 848,700
<b>SUBTOTAL</b>			<b>\$ 1,160,698</b>	<b>\$ 311,998</b>	<b>\$ 52,886</b>	<b>\$ 848,700</b>
<b>TOTAL INDEBTEDNESS</b>			<b>\$ 103,492,977</b>	<b>\$ 18,176,998</b>	<b>\$ 3,962,232</b>	<b>\$ 85,315,979</b>

## DEBT SERVICE REQUIREMENTS-ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS 2004-2022

FISCAL YEAR	GENERAL OBLIGATION BONDS AND NOTES		SPECIAL ASSESSMENT BONDS AND NOTES		NOTES PAYABLE		TOTAL DEBT REQUIREMENTS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2004	\$ 7,950,000	\$ 3,505,404	\$ 9,520,000	\$ 257,492	\$ 706,998	\$ 199,336	\$ 18,176,998	\$ 3,962,232
2005	\$ 6,325,000	\$ 3,029,919	\$ 475,000	\$ 116,125	\$ 688,245	\$ 164,003	\$ 7,488,245	\$ 3,310,047
2006	\$ 5,730,000	\$ 2,777,195	\$ 405,000	\$ 95,370	\$ 677,745	\$ 135,104	\$ 6,812,745	\$ 3,007,669
2007	\$ 5,035,000	\$ 2,556,357	\$ 365,000	\$ 77,267	\$ 572,300	\$ 106,295	\$ 5,972,300	\$ 2,739,919
2008	\$ 4,665,000	\$ 2,369,719	\$ 330,000	\$ 61,063	\$ 446,010	\$ 80,521	\$ 5,441,010	\$ 2,511,303
2009	\$ 4,850,000	\$ 2,178,244	\$ 330,000	\$ 45,728	\$ 417,200	\$ 59,936	\$ 5,597,200	\$ 2,283,908
2010	\$ 4,965,000	\$ 1,973,621	\$ 280,000	\$ 31,498	\$ 322,200	\$ 40,923	\$ 5,567,200	\$ 2,046,042
2011	\$ 5,015,000	\$ 1,767,418	\$ 155,000	\$ 21,237	\$ 300,000	\$ 26,700	\$ 5,470,000	\$ 1,815,355
2012	\$ 5,315,000	\$ 1,553,404	\$ 100,000	\$ 15,000	\$ 300,000	\$ 13,500	\$ 5,715,000	\$ 1,581,904
2013	\$ 5,450,000	\$ 1,325,390	\$ 100,000	\$ 10,000	\$ -	\$ -	\$ 5,550,000	\$ 1,335,390
2014	\$ 3,630,000	\$ 1,081,548	\$ 75,000	\$ 5,625	\$ -	\$ -	\$ 3,705,000	\$ 1,087,173
2015	\$ 3,675,000	\$ 909,827	\$ 75,000	\$ 1,875	\$ -	\$ -	\$ 3,750,000	\$ 911,702
2016	\$ 3,130,000	\$ 746,909	\$ -	\$ -	\$ -	\$ -	\$ 3,130,000	\$ 746,909
2017	\$ 3,180,000	\$ 594,185	\$ -	\$ -	\$ -	\$ -	\$ 3,180,000	\$ 594,185
2018	\$ 2,960,000	\$ 442,999	\$ -	\$ -	\$ -	\$ -	\$ 2,960,000	\$ 442,999
2019	\$ 2,925,000	\$ 292,619	\$ -	\$ -	\$ -	\$ -	\$ 2,925,000	\$ 292,619
2020	\$ 1,532,279	\$ 149,529	\$ -	\$ -	\$ -	\$ -	\$ 1,532,279	\$ 149,529
2021	\$ 1,155,000	\$ 85,437	\$ -	\$ -	\$ -	\$ -	\$ 1,155,000	\$ 85,437
2022	\$ 1,125,000	\$ 32,062	\$ -	\$ -	\$ -	\$ -	\$ 1,125,000	\$ 32,062
<b>TOTAL</b>	<b>\$ 78,612,279</b>	<b>\$ 27,371,786</b>	<b>\$ 12,210,000</b>	<b>\$ 738,280</b>	<b>\$ 4,430,698</b>	<b>\$ 826,318</b>	<b>\$ 95,252,977</b>	<b>\$ 28,936,384</b>

## SOURCES OF FUNDING FOR 2004

DESCRIPTION	OPERATING MILLAGE	OTHER GOV. UNITS	SPECIAL ASSESSMENTS & PROJECT REVENUE	INTEREST EARNINGS AND PENALTIES	TOTAL
<b>GENERAL OBLIGATION</b>					
Water/Sewer Serial Bonds			\$ 6,438,726		\$ 6,438,726
Road Commission Bonds			\$ 541,450		\$ 541,450
Building Authority Bonds			\$ 5,016,678		\$ 5,016,678
Delinquent Tax Notes				\$ 9,118,125	\$ 9,118,125
<b>SPECIAL ASSESSMENT</b>					
Drain Improvement Bonds	\$ 53,563	\$ 53,563	\$ 476,764		\$ 583,890
Road Commission Bonds			\$ 75,477		\$ 75,477
<b>INSTALLMENT NOTES</b>					
Drain Improvement Notes			\$ 364,884		\$ 364,884
<b>TOTALS BY SOURCE</b>	<b>\$ 53,563</b>	<b>\$ 53,563</b>	<b>\$ 12,913,979</b>	<b>\$ 9,118,125</b>	<b>\$ 22,139,230</b>

**COMPUTATION OF LEGAL DEBT MARGIN  
JANUARY 1, 2004**

<b>Debt issued for purpose of County functions only:</b>	
General obligation tax notes	\$ 9,000,000
Building authority bonds	\$ 34,690,000
Notes payable	\$ 292,133
County share of drain bonds and notes	\$ 308,044
<b>Subtotal</b>	<b>\$ 44,290,177</b>
<b>Debt issued for benefit of local improvements:</b>	
Drain bonds and notes	\$ 3,922,654
Public works - water & sewer	\$ 43,577,279
County Road Commission	\$ 3,410,000
<b>Subtotal</b>	<b>\$ 50,909,933</b>
<b>Total debt issued with County full faith and credit</b>	<b>\$ 95,200,110</b>
<b>Washtenaw County debt limit:</b>	
2001 Assessed Value - Real & Personal Property *	\$ 15,045,690,552
Constitutional debt limit	10%
County debt limited	\$ 1,504,569,055
Outstanding debt	\$ 95,200,110
Remaining debt limit against which bonds may be issued	\$ 1,409,368,945
Outstanding debt as a percentage of limit:	6.33%

\* **Source:** County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax, and prior to any Board of Review actions

