

Item # 3

Moved by: WHALEY

Prepared by: Mathilde Crosby

Seconded by: FORD

Reviewed by: Marcy Ingram

RESOLUTION APPROVING AND APPROPRIATING THE FISCAL YEAR 2022 CAPITAL IMPROVEMENT BUDGET FOR APPROVED CAPITAL PROJECTS FOR ALL SCHOOL DISTRICTS TOTALING \$29,716,559.00, INCLUDING \$22,881,750.00 FOR SHELBY COUNTY SCHOOLS. SPONSORED BY COMMISSIONER EDMUND H. FORD, JR.

WHEREAS, A Proposed Five-Year Capital Improvement Plan (CIP) for Shelby County for Fiscal Years 2022-2026 has been prepared by the Shelby County Administration that is deemed to be a working five-year plan for Shelby County to project and plan for future capital and debt service needs; and

WHEREAS, The Commission's Committee No. 1, Budget and Finance, has reviewed the County's Proposed Five-Year CIP and the Proposed Fiscal Year 2022 Capital Improvement Budget, approved amendments to such CIP and Capital Improvement Budget, and recommends approval and adoption of the CIP for Fiscal Years 2022-2026 and the FY 2022 Capital Improvement Budget as amended; and

WHEREAS, The Fiscal Year 2022 Proposed Capital Improvement Budget includes an allocation of \$29,716,559.00 for all schools in the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the Fiscal Year 2022 Capital Improvement Budget for all school districts within Shelby County in the total amount of \$29,716,559.00 is adopted and shall be distributed on the basis of the prior-

year Weighted Full-Time Equivalency Average Daily Attendance (ADA) as follows:

Arlington	\$1,031,165.00
Bartlett	1,800,823.00
Collierville	1,869,172.00
Germantown	1,251,067.00
Lakeland	371,457.00
Millington	511,125.00
Shelby County Schools	22,881,750.00
Total	<u>\$29,716,559.00</u>

BE IT FURTHER RESOLVED, That all capital expenditures by the various school districts must meet the criteria for funding from bond proceeds.

BE IT FURTHER RESOLVED, That any project balances from current or prior budgets that have not been obligated by contract or Resolution by June 30, 2022, shall be cancelled and deemed unavailable for further appropriation with the exception of Shelby County Schools (SCS), which will follow the process outlined below:

- Remaining funds on completed capital projects will revert back to Shelby County for future appropriation and lower future bond debt issuances.
- Upon approval by the Board of Shelby County Commissioners, SCS can reallocate appropriated capital funds to new or other projects within the fiscal 2022 budget year. After the first year, the reallocation of capital funds for that particular year will not be approved, emergency circumstances being excepted.
- Capital project balances from current or prior appropriations that have been fully or partially obligated by contract shall remain available in future fiscal years, as capital projects occur in interdependent phases, starting with design, with most of the schools' construction occurring during the summer when school is not in session.

BE IT FURTHER RESOLVED, That the following procedure shall be followed with regards to the disbursement of capital funding to all school districts until amended by

subsequent resolution of the Board of County Commissioners:

1. Each school district shall accrue 85% of its total share of budgeted capital improvement funds in equal monthly amounts, and such amounts may be payable in equal monthly installments or as requested by each school district up to the amount accrued; however, if a school district has not complied with the prior fiscal year's Capital Improvement Plan encumbrance and spending requirements, amounts up to 85% of such school district's total share of budgeted Capital Improvement Plan funds shall be paid on a reimbursement basis.
2. The remaining 15% shall be withheld until incremental expenditures for all school districts are completed.
3. Each school district is required to submit a quarterly spending report ("report") to the Shelby County Board of Commissioners and the Shelby County Director of Administration and Finance no later than the 20th of each month following the end of each quarter.
 - a. The report shall be in a uniform format approved by the Board of Commissioners and the Director of Administration and Finance; and
 - b. If any district does not provide its required report within 45 days of quarter end, the Director of Administration and Finance is authorized to suspend monthly payments of the current year's capital funds until such time as the report has been received.
4. Upon receipt of a periodic spending report referenced above, the Director of Administration and Finance may act as follows:
 - a. As evidenced by the report(s), if a school district has not spent at least 50% of the funds it has received and encumbered at least 60% of the funds it has received for FY 2022 by June 30, 2022, the County will reserve that school district's future monthly disbursements in order to ensure compliance with state and federal law, including, but not limited to, Tenn. Code Ann. §49-3-1003 and 26 C.F.R. §1.148-7.

- b. As evidenced by the report(s), if a school district has not spent 100% of the funds it has received for FY 2022 by September 30, 2022, the County will discontinue monthly disbursements to that school district and revert to funding such school district on a reimbursement basis upon submission of appropriate invoices in order to remain compliant with state and federal law, including, but not limited to, Tennessee Code Annotated, Section 49-3-1003 and 26 C.F.R. §1.148-7.
 - c. Monthly payments suspended pursuant to subsection (a) will resume after the district provides proof that all funds received have been expended and after the Director of Administration and Finance has developed a payment structure that is in compliance with state law and all bonding requirements.
- 5. Additionally, Shelby County Schools will continue to submit monthly invoice detail to the Director of Administration and Finance in order to maintain the required records for County bonds.
 - 6. Upon closure of each fiscal year, the school districts shall be forwarded any funding owed based on all school districts' completed expenditures, pursuant to the prior year Weighted Full-Time Equivalency Average Daily Attendance.

BE IT FURTHER RESOLVED, That the accounting and budget records of the Capital Improvement Fund shall be maintained according to the policies established by Resolution No. 8, adopted by this Commission on June 3, 2013.

BE IT FURTHER RESOLVED, That the Administration is directed to write-off all appropriated allocations that remain following final payment, including any contract retainage and, after review and consideration, any appropriated allocations from prior fiscal years that remain for which no payment has been made against the original appropriation, as approved in the applicable Resolution.

BE IT FURTHER RESOLVED, That the Mayor and the Director of Administration

and Finance are authorized to issue their warrant or warrants for all amounts appropriated herein, and to take proper credit in their accounting therefor.

BE IT FURTHER RESOLVED, That this Resolution shall become effective in accordance with the Shelby County Charter, Article II, 2.06(B).



Lee Harris
County Mayor

Date: 6/14/2021

ATTEST:

Clerk of County Commission

ADOPTED: June 7, 2021

CERTIFIED COPY

CLERK OF COUNTY COMMISSION

DATE 9/30/2021