



2018-2024 RECOMMENDED CIP

21 November 2016

What is the CIP?



- Capital Improvements Program/Plan
- The county's long-term plan for important improvements
- The beginning of the budget process
 - ▣ The operating effects of the Approved CIP will inform the budget process
 - ▣ The required debt service contribution will be set
 - ▣ The required capital reserve contribution will be set

County's Process



- **County staff presents a recommended capital improvements program (CIP) on November 14; copies of the document will be available the next day in county's 3 libraries and on the website**
- **Public input is an important goal** of the Board of Commissioners, so that is the **first step** in reviewing the plan and the purpose of the public hearing; the public hearing is **November 21**
- Following public input Commissioners will hold a work session **November 22** beginning at 9 am to review plan in detail
- Staff's goal is an adopted **revised** plan **December 19**

Overall Strategy



- Find the best way to schedule and fund critical needs
- Be cautious with debt-funded projects until impact of significant future projects is known
 - ▣ Replacement of the radio system
 - ▣ Construction of additional schools
 - ▣ Shared western intake and water plant
 - ▣ Chatham Park and Megasites
- Continue a capital reserve for pay-as-you-go projects, instead of relying on an annual appropriation

Funding Strategy



- Fund large, needed facilities through debt:
 - School debt to be repaid from impact fees, lottery proceeds, debt reserve, and restricted sales tax
 - Water debt to be repaid from water capital reserve
 - Other debt to be repaid from 7.7 cents on tax rate going into reserve
 - Debt model is based on these funding sources
- Fund smaller needs through capital reserve, funded up front

Funding Strategy



- Maximize grant opportunities (parks, Sheriff)
- Fund parks through grants, recreation fee, and capital reserve

3 New Debt-funded Projects



- Schools - New Central Services Building
[+5,607,079]
 - ▣ Offsets the “purchase” of the old bus garage site
 - ▣ Existing building has exceeded capacity
 - ▣ Space in Horton Middle School currently occupied by central services personnel will be needed for classroom use by FY 2021

- Increase capacity of New High School from 1,000 students/1,200 core to 1,200 students/1,400 core
[+9,370,958]
 - ▣ Without this expansion Northwood High School could be over capacity by 2024

3 New Debt-funded Projects



- Renovation of Annex West Wing and Old Agriculture Building [+3,368,763]
 - Existing project has been combined with renovation of the old Agriculture Building
 - Funds already accumulated for the Annex project will be used to offset the old Agriculture Building renovation as that project will be completed first.
 - Additional funds are required for the Annex that cannot be absorbed in the contribution to the capital reserve.
 - Because we will be borrowing funds in FY 2019 for several projects, the Annex can be added without substantially affecting the debt model.

Substantial Changes from Last Year—Schools



- Perry Harrison Elementary School Traffic Pattern Improvements [+432,500]
- Paving overlay at Northwood High School [+189,002]
- Additional mobile units [+480,000]
- Schedule replacement of the wastewater replacement system at Silk Hope School (formerly future project) [+643,500]
- Add Northwood High School to the Locker Room Renovation project [+360,000]

Future Projects—New



- Paving Repair
- New Schools/Capacity Expansion
 - ▣ Prior New Schools future project has been expanded to include modular space

Board of Education Priorities



1. Safety
2. Capacity/Function
3. Enhancement

Board of Education Priorities

FUNDED FROM DEBT MODEL

Category	Project	Requested FY	Recommendation
Capacity/Function	Expand capacity of new high school to 1,200 students and 1,400 core	Open August 2021	Open August 2021
Capacity/Function	New Central Services Building	Open August 2022	Open August 2022

Board of Education Priorities

FUNDED FROM CAPITAL RESERVES

Category	Project	Requested FY	Recommendation
Safety	Perry Harrison Elementary Traffic Pattern Improvement	FY 2019	FY 2019
Capacity/Function	Additional Modular Classrooms	Begin FY 2019	Begin FY 2019
Capacity/Function	Replace Silk Hope School waste water system	FY 2023	FY 2023
Capacity/Function	Add Northwood to locker rooms	FY 2021	FY 2021
Enhancement	Northwood Paving Overlay	Begin FY 2019	Begin FY 2019

Additional New Projects



- Replace all audio/visual equipment in the new Agriculture & Conference Center [+247,500, FY 2024]
- Add the renovation of old Agriculture Building to Annex Renovation project [+3,368,763]
- Body Cameras: [+223,637]

Cancelled project - Bike Lanes



- Prior budgeted project cost was \$403,000
- Revised NCDOT estimate for the county portion of the project is \$1,162,247
- Acquisition of the right-of-way would be the county's responsibility
 - ▣ Significant work effort
 - ▣ No negotiations have been initiated
 - ▣ Land would have to be condemned if no agreement could be reached

A Word about AAA



- No doubt the county's diligent planning contributed to the recent bond rating upgrade:
 - AAA from Standard and Poor's
 - Aa1 from Moody's
- These ratings mean that the county is in the most competitive position in the debt market, as evidence, some stats from our recent borrowing
 - ~\$1.4 million bond premium for Ag Center
 - 2.818% interest rate (lowest ever)
 - \$3,107,982 savings on refunding in 2014
 - \$2.6 million savings on refunding in 2015

Next Steps



- Public hearing on November 21 (regular meeting)
- Work session on November 22, 9 am
 - ▣ If you have questions that you want addressed in depth at the work session, please email us and we will be sure to prepare it for you
- Adoption at regular meeting on December 19 (depending on outcome of work session)