



# 2020-2026 RECOMMENDED CIP

5 November 2018

# 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 5; 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 19**
- Following public input Commissioners will hold a work session **November 27** beginning at 9:30 am to review plan in detail
- Staff's goal is an adopted **revised** plan **December 17**

# Overall Strategy



- Find the best way to schedule and fund critical needs
- Be cautious with debt-funded projects until impact of significant future projects and of future growth is known
  - ▣ Construction of additional schools
  - ▣ Shared western intake and water plant
  - ▣ County complex master plan
  - ▣ Chatham Park
- 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
  - ▣ 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

# Despite Funding Strategy



- Construction industry experts continue to warn of significant cost increases due to economic growth and impact of recent hurricanes on building costs and labor availability
- If bids come in well over budget, the debt model and capital reserve will be impacted

# New Debt-funded Projects



- Emergency Communications Radio System Upgrade and Emergency Operations Center Expansion
- Both were future projects in prior CIPs
- Additional 1.5 cents would need to be added to the debt-model

# Substantial Changes from Last Year—Schools



- Chatham Grove Elementary School [+3,791,698]
- Seaforth High School [+9,376,058]
- Central Services Building [+5,028,177]



# Substantial Changes from Last Year—County Buildings



- Animal Shelter Expansion and Renovation [+971,574]

# Additional New Projects



- Schools - Resurfacing of Tracks [+474,480]
- Chatham County Detention Center Second Generator [+627,739]

# Additional Future Projects



- Schools - New Elementary School in Chatham Park
- County Complex Master Plan
- Chatham County Agriculture & Conference Center Phase II
- Technology – Expand County Network/Broadband

# A Word about AAA



- The county's diligent planning contributed to the bond rating:
  - AAA from Standard and Poor's
  - Aa1 from Moody's
- These ratings mean that the county is in a very competitive position in the debt market, as demonstrated in our recent borrowing:
  - Interest rate 3.056732%

# Next Steps



- Public hearing on November 19 (regular meeting)
- Work session on November 27, 9:30 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 17 (depending on outcome of work session)