2020-2026 RECOMMENDED CAPITAL IMPROVEMENTS PROGRAM (CIP)

27 November Work Session

CIP Meeting Agenda

- Brief Review of CIP process
- School projects
- Debt
- Other projects

Review of CIP process

CIP Process

- Requests for new projects or updates to existing projects are submitted
- County manager's office reviews requests and makes a recommendation
- The board adopts an approved CIP, which is a PLAN and can be modified at any time
- Individual projects must also be approved by the BOC through the operating budget or separate project ordinance
- Today, we recommend that you hear all projects before making a decision on any individual project

Overall Strategy

- Find the best way to schedule and fund critical needs
- Be cautious with debt-funded projects until the impact of high-priority future projects and the impact of Chatham Park and Megasites is better understood
- Continue a capital reserve for pay-as-you-go projects, instead of relying on an annual appropriation

A Word About Inflation

- Projecting costs is not a science; timing can be for us or against us
- During the recession construction costs were less expensive than anticipated
- With economic recovery and rebuilding after weather disasters, proposals are coming in higher than anticipated
- In the past we inflated construction cost 5% per year. We will now inflate 10% per year.
- Other costs are inflated by 3%, which is ahead of overall inflation

Overview of School Projects

Completed Projects – Page12

- Northwood High School Auditorium HVAC replacement
  - Final project budget: $225,000
  - Final project cost: $234,605

Approved—No Contracts

- No construction contracts have been executed (no construction or purchase contracts let; design contracts may have been let; commissioners may decide to delay or cancel)
- These projects were recommended and approved in prior CIPs
- Commissioners have discretion to change, delay, or delete the projects, realizing that some planning costs may have been incurred
- For some projects, this applies only to future phases

Bleacher Replacements (Indoor) (Page 35)

- Renovate and/or install new indoor bleachers at Chatham Central, Jordan-Matthews, J.S. Waters, Moncure, and Horton Middle [$392,088]
- Chatham Central and Jordan-Matthews are complete
- JS Waters, Moncure & Horton ($272,250) scheduled for FY 2019; funded from capital reserve

New Central Services Building (Page 42)

- Substantial change from prior year
  - 34,000 square-foot building (up from 24,000) based on space needs study
  - Meet current needs and those projected for the next 20 years
  - LEED Silver, Geothermal
  - Includes demolition of existing building & old maintenance building, regrading of back site
  - 3rd party estimate +$5,194,844
- Operating effect ~ $32,000 in FY 22

Roof Replacements (Page 47)

- Total budget: $6,461,354
  - $2,885,213 capital reserves
  - $638,060 water capital reserves
  - $1,157,659 leftover Pollard
  - $1,780,422 motor vehicle windfall and general fund

Roof Replacements (Page 47)

- THE END IS IN SIGHT!
- **Roofs complete:** JSW, Sage, Moncure, Chatham Central High School, North Chatham Elementary, Bennett School and Pittsboro Elementary School
- **Roofs in progress and finishing up this year:**
  - Perry Harrison and Siler City Elementary Schools in progress; estimated completion June 2019
  - Jordan-Matthews and Northwood High Schools design in progress; estimated completion June 2019

Wastewater replacement at Silk Hope School (Page 51)

- Replace wastewater system at Silk Hope School
- The 2 main parts of the current system located .5 miles apart
- One part is on privately owned land
- Property owner unwilling to give the easement required by DEQ
- $643,500 in FY 2023 funded from capital reserve

Approved Contracts Let

- Little discretion about delaying or not funding

Chatham Grove Elementary School (Page 36)

- Construct a 96,827 square-foot elementary school in the northeastern area of Chatham County to open in August 2020
- Prior budget: $31,340,266
- New budget: $33,109,621
  - Increase absorbed in the debt model
- Includes LEED, geothermal, shelter, rec center
- Site clearing and grading, erosion control, and geothermal well drilling in progress

Locker Room Renovations (page 38)

- Renovate the locker rooms at Jordan Matthews, Chatham Central, Moncure, JS Waters, and Northwood [$1,139,950]
- FY 2018 CCHS and JM design; construction in FY2019
- FY 2020 JS Waters and Moncure
- FY 2021 Northwood

Mobile Classrooms (Page 40)

- Purchase modular classrooms to alleviate overcrowding
- Five have been purchased and installed
  - Siler City Elementary (3); NWHS (1); Chatham Middle (1)
- Unspent funds from 2018 and 2019 have been redirected to the Energy Efficient LED project
  - Grant from Duke Progress in conjunction with Lime Energy
  - LED lighting upgrades at Bennett, Horton Middle, JSW, Moncure and Pittsboro Elementary
- Reallocated funds will be replaced and assigned to FY2023 and FY2024

Northwood HS Paving Overlay (Page 44)

- Repair pot holes and cracks in the pavement at Northwood High School
- $189,002 funded from capital reserve
- The student parking lots are complete
- Bus parking/driveway repairs on hold until spring or summer of 2019

Perry Harrison School Traffic Pattern (Page 45)

- Implement a DOT recommended traffic pattern to reduce backup on and off campus and provide safer drop-off and pick-up
- $441,050 funded from capital reserve
- Construction is in progress; estimated completion January 2019

Seaforth High School (Page 49)

- Construct a new 209,000 square-foot high school in the northeast quadrant of the county to open August 2021
- Prior budget $69,758,570 funded through debt
- New budget $74,831,148
  - Increase can be absorbed in the debt model
- Includes LEED Silver, Geothermal, On-site wastewater reuse system
- Site clearing, grading, and erosion control in progress.
- Operating Costs ~$2M beginning FY 22

New Projects Recommended

- Have not been approved in a previous CIP; commissioners have full discretion to not move forward

Resurface Tracks (Page 46)

- Tracks at all 3 high schools are showing signs of deterioration
  - Holes
  - Latex surface is separating from the asphalt
- Resurface one track each year between FY 2020 and FY 2022
- $474,480
  - Includes contingency in case asphalt repair is needed

Future Projects

- Not enough information is available to schedule or there is no identified funding source for these projects
- Projects are NOT recommended by the County Manager for FY 2020-2026 CIP; but could be recommended in future CIPs
- Included to give Commissioners “heads up” about possible future obligations

HVAC/Lighting Replacement (Page 79)

- Upgrade outdated and inefficient HVAC and Lighting
- Create a long-term (seven years or longer) project that will provide a to-be-determined amount of money to be used annually to upgrade HVAC and lighting to more energy efficient systems
- $300K in capital reserve starting in FY 21

New Elementary School at Chatham Park (New Future Project Page 79)

- During the next ten years the Northwood attendance zone is projected to grow by 1,900
- Over 600 of these students generated by Chatham Park
- Financial and architectural plans for a new elementary school will have to begin when the need becomes apparent

New Schools/Capacity Expansion (Page 80)

- Extends the previous future project New Schools to encompass new schools, additions to existing schools and/or modular classrooms as most feasible

Paving Repair (Page 80)

- Paved areas on all campuses deteriorate as they age
- Create a long-term (seven years or longer) project that will provide a to-be-determined amount of money to be used annually to repair paving

Replace Gyms at Bennett, Silk Hope, and Bonlee (Page 81)

- The gymnasiums at Bennett, Silk Hope, and Bonlee schools are in poor condition. Chatham County Schools has determined that it is more economical to replace them rather than renovate them
- The cost of the expansion would require additional debt funding

Last questions for CCS?

Financing Methods

Funding strategy, funding sources

Debt Model

- Reserve for debt established in FY 2006 with help from financial consultant, DEC
- Originally established with 4-cents on property tax rate transferred to reserve
- Impact fees and lottery are included in the reserve for school debt
- Allowed county to move forward with projects during economic downturn
- The county saved millions as a result

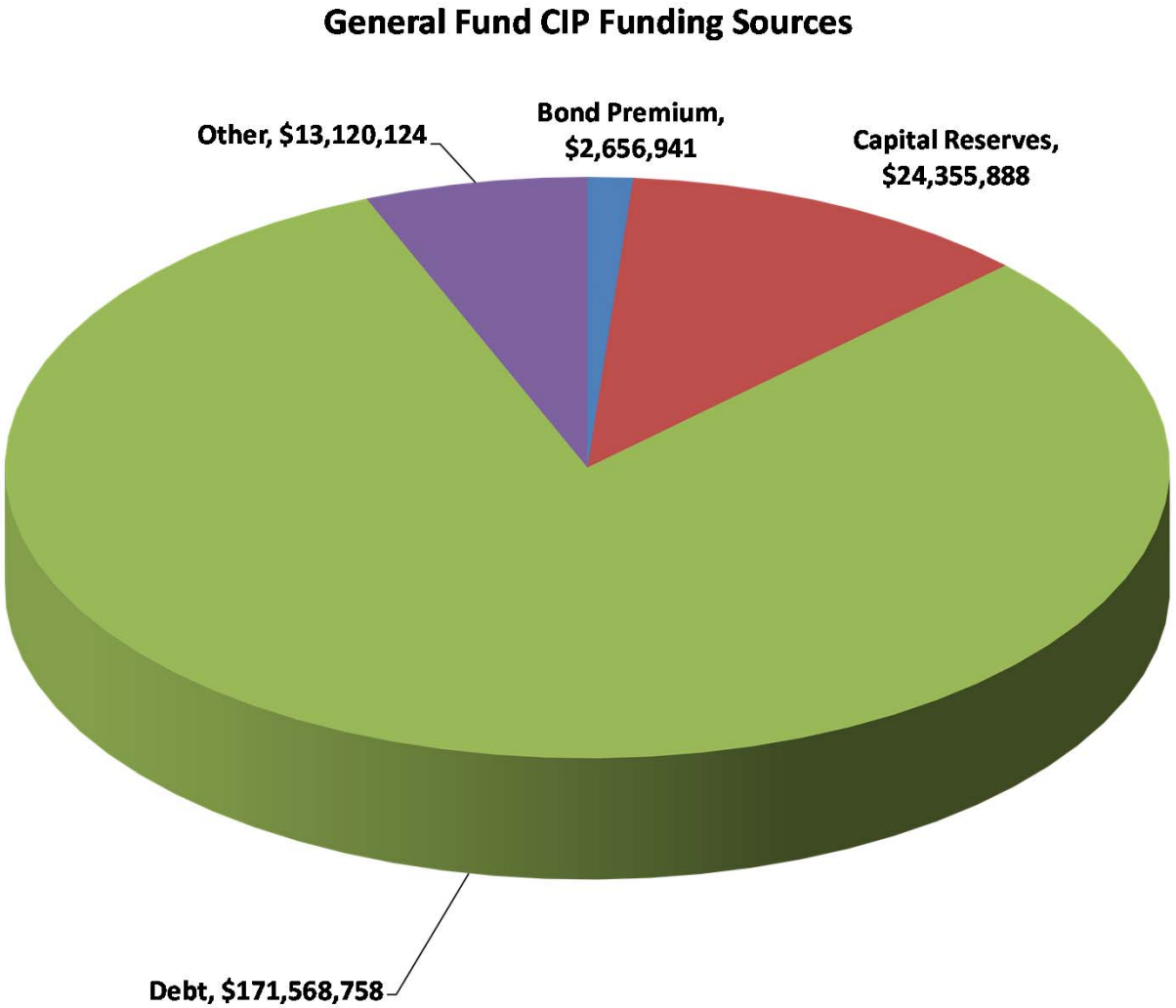
DEC Associates

LUNCH BREAK

Introduction to other projects

Revenue Sources

Funding Sources (pages 8-10)



School Impact Fees

- Paid countywide by residential dwelling unit
- $3,500 for single family; $1,110 for multi family
- Based on a extensive study conducted by an expert consultant
- **Proceeds restricted** to student growth-related capital improvements (new schools, land, and mobile units)
- Proceeds earmarked for existing and future debt (VCE, Pollard Middle, new high school, previous NW renovation, new northeast elementary school)

Lottery Funds

- Counties are getting about half of what was originally promised (statutory obligation also removed)
- Proceeds are restricted to capital expenses for schools
- Chatham County's allocation is roughly $500K/year—had been almost double
- Proceeds are earmarked for school debt, namely bus garage; proceeds cannot be "pledged"

Parks Capital Reserve

- Reserve established in FY 2009 with "1-cent" contribution from property tax; stopped in FY 2012
- Total of $1.3M contributed
- Funded NE Park and minor improvements to NW and SE parks
- $224,458 projected balance FY2019
- No additional contribution is being made
- Staff will explore how best to leverage remaining funds (e.g., through PARTF)

Recreation Exaction Fee

- Collected when final subdivision plats are recorded in the county's planning jurisdiction (doesn't apply to towns and ETJ, such as Chatham Park)
- Exempt and family subdivisions don't pay
- Based on average assessed value of 1/35 of a developed acre in eastern and western districts
  - $926/lot in east
  - $548/lot in west
- Except in Briar Chapel (because of developer agreement), must be used only for land

Recreation Exaction Fee

- $1.8 M for Briar Chapel Park improvements (currently planned)
- Fees collected will reimburse the general fund for NW land purchase
  - NW—not in our great-grandchildren's lifetime (several hundred years)
- BOC approved using Coal Ash settlement to reimburse the general fund for SE land purchase
- Bottom line: Funds for additional land purchase only available in eastern district in future (little balance now)

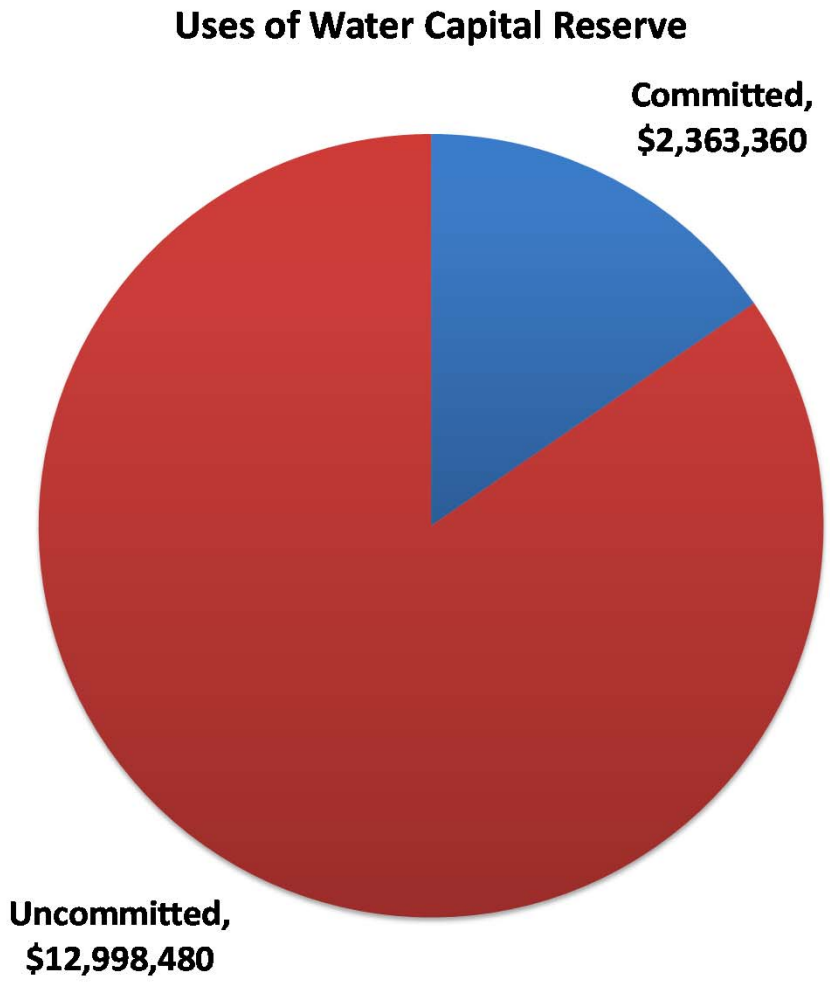
911 Funds

- Funded from $0.60/month surcharge on phone bills
- Distributed by the state based on 5-year rolling average of expenses
- Proceeds restricted to expenses for 911 call-taking, dispatching, furniture for dispatchers, and other equipment located in the 911 center related to receiving and dispatching emergency calls
- Cannot be used for future radio system upgrade but can be used for consoles

Water Capital Reserve

- Funded through availability fees when customers connect and historically (until 2010) from General Fund transfers
- $5M transferred from general fund in FY 2007 for project to connect to Harnett water system
- BOC approved transferring back the $5M in FY 2014 for school roofs and new financial software- being transferred as needed
- Current balance is $15.4M

Funding Sources (pages 8-10)



Non-school Projects

Completed Projects – Page 12

- Purpose for including completed projects is to "close the loop"
- Projects that had spending in the previous and/or current fiscal year are included
- Gives final accounting for budget

Completed projects (page 12)

- Emergency Communications – Next Generation 911
  - Final project budget: $221,432
  - Final project cost: $258,216
  - Funded with 911 funds

New Debt-funded projects

Emergency Communications – Radio System Upgrade (Page 30)

- Replace current emergency radio system infrastructure with a reliable and industry standard P25 radio system
- Existing VHF frequency system is 30 years old and is obsolete
- Proposed new system consists of 6 tower sites and associated equipment
- Radios funded with capital reserve
- 911 funds cover console replacements
- Exploring potential for grants

Radio System Upgrade

QUESTIONS FROM PRIOR MEETINGS

- Interoperability
- Maps
- Demo of radio

County Buildings – Emergency Operations Center Expansion (Page 27)

- Expand the Emergency Operations Center so the Communications Division can expand
- The communications room that house emergency dispatch is full; currently one dispatcher station is located in the EOC
  - With growth anticipated, the number of dispatchers on shift will increase substantially
- This project is related to the Radio System Upgrade
  - Timing the two projects together makes sense with regard to funding and to function
- $10,000,000

New pay-go projects

a.k.a. capital reserve

Chatham County Detention Center Generator (page 16)

- Purchase and install a second generator at the Detention Center
- Current generator does not power the entire building and all daily needs during prolonged power outage
- $627,739 FY2023

Existing projects

Approved—Substantially Complete

- Approved in a previous CIP
- Punch list items remain
- Some other expenses may remain

Central Carolina Business Campus (Page 14)

- Construct the infrastructure for Chatham County's Business Campus in Siler City including construction of roadways, water mains, sewer mains, and sewer pump stations
- $8.8 million; $7.4 million in COPs issued; $496K capital reserve; $264K general fund; $400K from grants; $338K from water capital reserve; $28K in interest
- Substantially complete in November 2009
- DOT has completed punch list for repairs needed
  - Pavement overlay, bridge repair
- Estimated $500,000 FY21

County Buildings – Agriculture & Conference Center (Page 25)

- Construct a new 35,000-square feet agricultural center for Chatham County, including offices for agriculture-related services, a large meeting space to seat 800/400 at tables, and 4 breakout rooms
- $15M, $2.6M bond premium, $12M limited obligation bonds; $394,523 general fund; $29,032 interest
- Operating effect ~ $210K beginning in FY 2018
- Substantial completion January 2017; staff moved in
- Conference center opened to public April 2017
- Walkthrough for final completion early 2018; all items cleared but fixture replacements and equipment and circuit testing continue.

Approved—Contracts Let

- Little discretion to change or remove the project
- Construction or purchase contracts have been executed
- May be able to postpone expenses beyond FY 2019 if multi-phased

CCCC – Health Sciences Building (Page 17)

- Construct a 40,000-square-foot Health Sciences Building at Briar Chapel to open August 2019
- Building will include an early voting site for northeast Chatham
- Site has been master planned for a 10,000-square-foot library to be added in the future
- $12.3 million funded with debt
- Construction cost offset by $2.1 million NC Connect Bonds that the college will receive
- Operating effect $294,450 beginning FY 2019

CCCC Trails (Page 20)

- Repair and replace the existing walking trail at the Pittsboro campus and create a connector trail between the campus and the CCA&CC
- Phase1: FY 2019 repair of existing trail [$183,750]
  - In progress, targeted completion December 2018
- Phase 2: FY 2021 [$115,000]
- Project funded through capital reserve

CCCC Trail

County Buildings - Animal Shelter Expansion and Renovation (Page 22)

- Build a 7,931-square-foot addition to the existing Animal shelter and renovate the existing building
- Bacon Group needs assessment recommended more space for animals and found numerous problems with existing facility
- Bids came in higher than estimated [+971,574]
  - LEED Silver under consideration
  - Completion now estimated for FY 2020
- $5,585,630 from capital reserves
- $162K estimated in net operating costs, beginning FY 2021

Technology – Integrated Public Sector Software (Page 59)

- Purchase software specifically designed to support the public sector that integrates financials, human resources, and utility billing
- Current software was outdated; human resources was still on paper; data was entered multiple times
- Selected vendor has a platform for many other functions that could be added later (e.g., tax and permitting)
- Finance went live March 2015; HR went live January 2016; utility billing is in progress, expected go live in January 2019.
- $1.5 million; funded from water capital reserve
- $12K in increased operating costs in FY 2016

Water—Nature Trail Water Main Replacement (Page 72)

- Replace all existing water lines in Nature Trail MHP
- Existing mains are old and improperly installed
- County could save approximately 288 employee hours per year by avoiding repairs
- Budget $1,824,788; construction began in April 2018
- Estimated completion Winter 2018

Approved—No Contracts

- No construction contracts have been executed (design contracts may have been executed)
- Manager is recommending these projects
- Commissioners have discretion to change, delay, or delete the projects realizing that some planning costs may have been incurred

CCCC – Roof Replacement (Page 19)

- Replace the roof on Building 42 on the Pittsboro Campus
  - Original roof (1996)
- No current issues
- College anticipates the roof will need replacement within the timeframe of the CIP
- $478,500 (Capital Reserve)
- FY 2023

County Buildings – New EMS Base (Page 29)

- Construct a new 3-bay EMS base on 15-501 near Fearrington Village and Briar Chapel
- There is a gap in the 12-minute response time for EMS coverage along the 15-501 corridor
- $1.3M funded through capital reserve
- Slight increase due to escalation increase

Parks – Briar Chapel (Page 32)

- Accept the 62-acre Briar Chapel Park with existing regulation soccer, football, baseball, and softball field; fence and light the athletic fields; and construct a restroom, concessions building, and trails over several phases using recreation fees paid by the BC development and grant funding (if available)
- County closed on property June 2012
- Construction of athletic fields, parking, and entrance had been completed by BC development

Parks – Briar Chapel (Page 32)

- Received PARTF September 2017: $150,000
  - PARTF grant project FY 2018-FY2019: Picnic shelter, fencing & landscaping, walking trail, playground, school connector [$368K]
- FY 2020 includes soccer field lights [$155,000]
- FY 2021 plan: Depending on availability of rec fees, another multipurpose field with lights, fence, and dugouts; spectator bleachers; scoreboard; restroom with storage; parking lot; sidewalk to tie to school connector

Parks – Lower Haw River (page 34)

- Build a pedestrian bridge across Pokeberry Creek and improve the one-mile natural surface
- Funded with a grant from the Recreation Trail Program (RTP) - $100,000
  - County match $25,000
- Project is being planned; Expected completion end of FY 2020

Technology – Agriculture & Conference Center A/V Replacement (Page 52)

- Replace all audio/visual equipment in the Chatham County Agriculture & Conference Center
- Planned for FY 2024
- $343,475 [+ 44,000 due to installation of additional equipment in 2018]
- Funded with capital reserve

Technology – Body Cameras (Page 54)

- Purchase body cameras, servers, and media storage to capture use-of-force situation in a video format for the Sheriff's Office
- Sheriff requested a total of 147 cameras FY 2018
- Manager recommended phasing the project over 3 years to avoid high replacement cost
- $50,000 grant received in FY 18
- Grant availability has diminished but grant application for FY 2019 in progress ($38,000)
- Operating effect ~ $96,000 begin FY 21

Technology—Increase Capacity for Data Storage (Page 56)

- Provide a secure storage system for the county's increasing data storage needs
- Phases one and two of the project were completed in 2009; phase 3 scheduled in FY 2020
- $724K from capital reserve

Technology – Justice Center AV Replacement (Page 61)

- Replace all audio/visual equipment in the Historic Courthouse and Justice Center
  - Newly installed in 2012
  - Warranties will soon expire
  - Equipment will need to be replaced by 2023 if not sooner
- $465,850
- Funded with capital reserve

Technology – Tax Software (Page 63)

- Replace current software with a system that will provide improved functionality for staff and the public in FY 21
  - Project start delayed to allow for next revaluation
- Current software is based on out-of-date programing language and platform
- Availability of support and maintenance programmers is limited
- $1M from Capital Reserve
- Operating effect $75,000 begin FY 22

Telephone System Replacement – Countywide (Page 65)

- Replace the county's phone system from FY 2015-2018
- Project purchases a centrally managed software solution, rather than individual hardware solutions; began in FY 2015 for Detention Center system
- $262K budgeted from from capital reserve ($85K less than hardware solution)
- Targeted completion December 2018
- Increased net operating costs of approximately $18K, beginning FY 2019

Voting Equipment Replacement (Page 67)

- Replace voting equipment for Chatham County elections
- Voting equipment owned by Chatham County has an average expected life span of 12-14 years. By 2019, the county's voting equipment will be approximately 15 years old
- Project will replace ADA devices as well
- $676K from capital reserve
- Pending state approval of vendors
- Project delayed until FY 2020

Water – Haywood Water Main Replacement (Page 70)

- Replace existing 4-inch main under the railroad tracks on Haywood Road with a 6-inch main that supports fire hydrant use
- Originally part of Southeast Water District, but removed because of cost
- 4-inch line prevents use of hydrants in the area
- $138K from water capital reserve
- CSX requiring additional approval for geotechnical subsurface borings
- Estimated possible completion is first part of 2019

Water – Planning Western Intake & Water Treatment Plant (Page 74)

- Fund ***initial planning*** *costs* to construct a water intake and treatment plant on the west side of Jordan Lake
- Chatham County is approaching the capacity of the existing water treatment plant and additional supply will be needed in the future. Current maximum demand is 2.8 mgd. Chatham is working with regional partners to build a treatment plant and western intake
- $2.2M from water capital reserve
- Cost to construct the plant and intake will be substantially more

Effect on Operating Budget (page 11)

- Estimating impact on operating budget is important part of CIP request
- Fairly detailed, gets more so as project becomes closer and operating costs clearer
- Operating impact is modeled, along with CIP to ensure county can absorb cost and meet financial goals
  - Operating costs increase substantially in FY 2020 and FY 2022 when new schools come online
  - These costs that follow project completion are paid in the operating budget

Future Projects

- Not enough information is available to schedule or fund these projects
- Projects are NOT recommended by the County Manager for FY 2020-2026 CIP; but could be recommended in future CIPs
- Included to give Commissioners “heads up” about possible future obligations
- Projects are moved from this list to scheduled when need fully justified and funding source identified and set aside

County Buildings – Agriculture and Conference Center Phase II (page 76)

- Expand the current Chatham County Agriculture & Conference Center to include a multi-purpose event arena, outdoor classroom space, farmer's market venue, office space, demonstration plots, and storage buildings
- Supports the importance that agriculture plays in our local economy and way of life
- Extension Director is working to obtain a feasibility study

County Buildings – County Complex Master Plan (page 76)

- Develop a long-term master plan to address long-term space needs for county buildings currently at the government annex campus while being responsive to the desire for a clear vista between the Justice Center and the Historic Courthouse
- Commissioners heard presentation from consultant in October 2018 and requested development of additional design options

County Buildings – New Sheriff Office (Page 77)

- Build a new facility to house Sheriff's Office employees
- Renovation of the old jail was costly and would not provide sufficient room to grow and be consolidated in one location
- The Sheriff prefers the new building to be constructed on the space available in front of the Detention Center

County Buildings – Northeast Library (Page 78)

- Build a library branch in the northeastern part of the county
- Land provided by Briar Chapel could provide another joint-use facility to serve the county and the CCCC Health Sciences Building.
- Success of the new eResources collection has addressed some of the concerns of residents who can not drive to a branch
- County currently lacks debt capacity to build a new library

Technology – Expand County Network/Broadband (Page 81)

- Revision to former project to extend county fiber from Renaissance Drive/US 64 to county offices in Siler City
- Commissioners heard presentation in October 2018
- County MIS and Chatham County Schools are partnering to explore collaborative strategies and grants to extend broadband

Water District - Southwest Water District Distribution Lines Construction (Page 82)

- Install approximately 48 miles of water distribution mains in the Southwest Water District
- District was formed by voter approval in 2004
- Comprised of Gulf and Bear Creek townships
- Still do not have sufficient sign-ups for project to be viable (numerous attempts)
- Preliminary engineering report is out of date and will have to be updated before the project could move forward

Next Steps

- Approve projects and schedule, as changed by BOC
- Are we ready to do this on December 17?

obrigado
Dank U
Merci
mahalo
Köszi
спасибо
Grazie
Thank you
mauruuru
Takk
Gracias
Dziękuję
Děkuju
danke
Kiitos

THANK YOU !