

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Budget Work Session
May 14, 2015
Meeting – 7:00 p.m.
Richard Whitted Meeting Facility
300 West Tryon Street
Hillsborough, NC

- (7:00 – 10:00) 1. To Continue Review and Discussion of the Manager’s Recommended FY 2015-20 Capital Investment Plan (CIP) –
- County Projects (not discussed at the April 9, 2015 work session)
 - Special Revenue Projects (Article 46 Sales Tax Projects)
 - Proprietary Projects (Water & Sewer, Solid Waste, and Sportsplex Projects)
 - Year 1 (FY 2015-16) Recommended CIP Projects

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**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 14, 2015

**Action Agenda
Item No. 1**

SUBJECT: To Continue Review and Discussion of the Manager's Recommended
FY 2015-20 Capital Investment Plan (CIP)

DEPARTMENT: Financial Services

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

Attachment A. Year 1 (FY 2015-16)
Recommended Projects

**Previously Provided Under Separate
Cover - Also Available Online:**

*Manager Recommended FY2015-20
County Capital Investment Plan*

[http://www.orangecountync.gov/departments/
county_budgets.php](http://www.orangecountync.gov/departments/
county_budgets.php)

INFORMATION CONTACT:

Bonnie Hammersley, County
Manager, (919) 245-2300
Paul Laughton, Financial Services,
(919) 245-2152

PURPOSE: To continue review and discussion of the Manager's Recommended FY 2015-20
Capital Investment Plan.

BACKGROUND: For over 20 years, the County has produced a Capital Investment Plan (CIP)
that establishes a budget planning guide related to capital needs for the County as well as
Schools. The current CIP consists of a 5-year plan that is evaluated annually to include year-to-
year changes in priorities, needs, and available resources. Approval of the CIP commits the
County to the first year funding only of the capital projects; all other years are used as a
planning tool and serves as a financial plan. Attachment A includes the Year 1 (FY 2015-16)
Recommended Projects.

Capital Investment Plan – Overview

The FY 2015-20 CIP includes County Projects, School Projects, Proprietary Projects, and
Special Revenue Projects. The Proprietary Projects include Water and Sewer, Solid Waste
Enterprise Fund, and Sportsplex projects. The Special Revenue Projects include Economic
Development and School related projects funded from the Article 46 (1/4 cent) Sales Tax
proceeds. The Article 46 Sales Tax was approved by the voters in the November 2011
election, and became effective April 1, 2012.

The CIP has been prepared anticipating continued slow economic growth of between 1-2% annually over the next five years. Many of the projects in the CIP will rely on debt financing to fund the projects.

Tonight's work session discussion will be focused on County Capital projects not discussed at the April 9, 2015 work session, Special Revenue Projects (Article 46 Sales Tax), Proprietary Projects (Water and Sewer, Solid Waste, and Sportsplex), Debt Service and Debt Capacity, and Year 1 (FY 2015-16) Capital Projects.

County Capital projects (not discussed at the April 9, 2015 work session) – Highlights

The following County Capital projects will be discussed at tonight's meeting:

HVAC Projects (*CIP page 26*)

Roofing Projects (*CIP page 27*)

Information Technology (*CIP page 28*)

Register of Deeds Automation Project (*CIP page 29*)

Government Services Center Annex (*CIP page 33*)

Parking Lot Improvements (*CIP page 34*)

Court Street Annex (*CIP page 36*)

Generator Projects (*CIP page 39*)

Orange County Radio/Paging Systems Upgrade (*CIP page 40*)

Communication System Improvements (*CIP page 41*)

Special Revenue Projects (Article 46 Sales Tax Proceeds) – Highlights

The Special Revenue section includes anticipated revenue from the Article 46 (1/4 cent) Sales Tax, with 50% of the proceeds for Economic Development initiatives and 50% for Education (allocated by the ADM count of the two school districts). In FY 2015-16, proceeds are estimated at \$2,814,576, with 1.5% growth assumed in subsequent years. A summary is provided within the Special Revenue Projects section of the document listing the recommended uses of these proceeds.

Proprietary Projects – Highlights

Water & Sewer Utilities:

Buckhorn EDD – Phase 2 Extension (Efland Sewer to Mebane) – includes \$240,000 in Year 1 (FY 2015-16) for project management funds related to the construction of the project, which will be completed in FY 2015-16; this continues to fit into the long range strategy to ultimately turn over the operation of the Efland sewer system to the Town of Mebane.

Hillsborough EDD - reflects funds of \$1,000,000 in Year 1 (FY 2015-16) for construction of water and sewer infrastructure in this EDD.

Eno EDD - includes \$1,050,000 in Year 1 (FY 2015-16) to begin the construction work in this EDD, as well as an additional \$750,000 in Year 2 (FY 2016-17) due to the planned construction timeline crossing two fiscal years. Note: this project has been moved up 2-3 years from the current CIP, because there is a smaller area in the eastern portion of the EDD that could be served by gravity sewer and may offer an opportunity to begin extending infrastructure within the next two years.

Buckhorn-Mebane EDD Phases 3 and 4 - includes \$2,500,000 in Year 4 (FY 2018-19) for the Buckhorn-Mebane Phases 3 and 4 construction projects. Note: this project has been moved back two years from the current CIP to allow for the operation of Phase 2 for a period of time prior to starting Phases 3 and 4.

Economic Development Utility Extension Project(s) – provides funds of \$250,000 in Year 1 (FY 2015-16) for future economic development projects that are currently being considered, but have not been finalized. If no project develops in the coming year, which requires utility extension, the funds would be available for future years as needed.

Solid Waste:

Sanitation – the current FY 2014-15 funds of approximately \$3.1 million includes improvements to the Eubanks Road Solid Waste Convenience Center (SWCC), including the relocation of the main landfill entrance and scales from the south side to the north side of Eubanks Road; funds of \$296,035 in Year 1 (FY 2015-16) for the replacement of a front end loader; Year 2 (FY 2016-17) includes \$519,750 for SWCC improvements at the High Rock Road site; and Year 3 (FY 2017-18) includes \$393,750 for SWCC improvements at the Ferguson Road site.

Recycling Operations – the current FY 2014-15 includes the purchase of a replacement roll off truck and a commercial recycling truck, and the purchase of 7,600 rural recycling carts, at a total cost of \$880,203. Year 1 (FY 2015-16) provides for the purchase of 1,750 additional rural carts, the purchase of a new rural curbside recycling truck, the replacement of a rural curbside recycling truck, the replacement of a front end loader, and the construction of a recycling roll cart distribution and maintenance building, at a total Year 1 costs of \$1,177,884. Years 2-5 includes the replacement of several other trucks and front end loader, as per the Enterprise Fund's vehicle/equipment replacement schedule.

Construction and Demolition (C & D) Landfill – includes \$252,994 in Year 2 (FY 2016-17) to rebuild a compactor, and \$219,475 in Years 6-10 to rebuild two dozers. Note: the Solid Waste Management Department has instituted a re-build program for its heavy pieces of equipment (not trucks) rather than being replaced. Re-building, or overhauling, is significantly less expensive than replacing with new equipment, thereby extending its life and reducing costs.

Sportsplex – the current FY 2014-15 includes funding for a Mezzanine addition at the pool area to include dedicated member change areas and lockers, workout rooms, and a senior/adult cardio strength center. Year 1 (FY 2015-16) includes \$2,800,000 for a new building addition that would house an indoor turf field for soccer, lacrosse, senior walking, running, Kidsplex functions, and youth/adult flag football leagues, as well as a basketball court, including bleacher seating, for youth and adult basketball leagues, court based fitness programs, volleyball, and Kidsplex activities. Projected revenue from these new projects would generate enough funds to cover the additional annual debt service needed for these projects.

FINANCIAL IMPACT: There is no immediate financial impact associated with discussion of the FY 2015-20 Capital Investment Plan. It is a long-range financial planning tool with a financial impact in FY 2015-16, if the first year of the CIP is approved by the Board of County Commissioners with the adoption of the Annual Budget.

RECOMMENDATION(S): The Manager recommends the Board continue their review and discussion of the Manager's Recommended FY 2015-20 Capital Investment Plan and provide direction to staff.

Orange County CIP - Year 1 (FY 2015-16) Recommended Projects
Fiscal Years 2015-16

	Fiscal Year 2015-16
Appropriations	
County Capital Projects:	
Southern Orange Campus (Future Planning)	3,600,000
Southern Human Services Center (Expansion)	150,000
Southern Branch Library	472,500
Cedar Grove Community Center Library Kiosk	180,000
Roofing Projects	172,000
Information Technology	500,000
Register of Deeds Automation	80,000
Proposed Jail	500,000
Environment and Agriculture Center	300,000
Parking Lot Improvements	120,000
Life Safety - ADA	35,000
Historic Rogers Road Community Center/Infrastructure	260,000
Generator Projects	130,000
9-1-1 Back-up Center	369,499
Conservation Easements	250,000
Upper Eno Nature Preserve-Public Access Area	125,000
Soccer.com Soccer Center Phase II	425,000
New Hope Preserve/Hollow Rock Public Access	25,000
River Park Phase II	300,000
Little River Park Phase II	100,000
Facility Renovations and Repairs	300,000
Total County Projects	\$ 8,393,999
Special Revenue Fund (Article 46 Sales Tax)	
Economic Development:	
Debt Service on Infrastructure	857,287
* Buckhorn EDD Phase 2	
* Buckhorn-Mebane EDD Phase 3 & 4	
* Efland Sewer Flow to Mebane	
Infrastructure (Utility Service Agreement w/ Mebane)	50,000
Collaborative Outreach	20,000
Small Business Loan Pool	200,000
Collateral Materials	20,000
Innovation Centers	100,000
**Launch Chapel Hill" Incubator	
Agricultural Economic Development	60,000
Business Investment Grants	100,000
Total Economic Development - Article 46 Sales Tax	\$ 1,407,287
Chapel Hill Carrboro City Schools:	
Technology - Student Access Computing Devices	432,741
Improvements at Older Schools	432,741
Total Chapel Hill-Carrboro City Schools	\$ 865,482
Orange County Schools:	
Technology - 1:1 Initiative (District-wide) and Technology Upgrades	541,807
Total Orange County Schools	\$ 541,807
Total Article 46 Sales Tax	\$ 2,814,576

Proprietary Capital Projects**Water & Sewer Utilities:**

Efland Sewer Flow to Mebane	240,000
Economic Development Infrastructure	50,000
Economic Development Utility Extension Projects	250,000
Hillsborough EDD	1,000,000
Eno EDD	1,050,000
Total Water & Sewer	\$ 2,590,000

Solid Waste:

Sanitation - Replacement of Front End Loader	296,035
Recycling Operations - Purchase additional Rural carts; new Rural curbside truck; construction of new roll-cart distribution and maintenance facility; replacement of Front End Loader and Recycling truck	1,177,884
Total Solid Waste	\$ 1,473,919

Sportsplex:

New Facilities Projects:	
Major Expansion - Phase 2/3 (Indoor Turf Field and Court)	2,800,000
Parking Lot Repair/Repave	150,000
Pool Pump/Boiler	100,000
Ice Rink Repairs	75,000
Signage Upgrade	25,000
Total Sportsplex	\$ 3,150,000

Schools Capital Projects**Chapel Hill Carrboro City Schools:**

Long Range Capital:	
Pay-As-You-Go Funds	2,275,138
Lottery Proceeds	835,626
Preliminary Planning Funds	750,000
Total	\$ 3,860,764

Orange County Schools:

Long Range Capital:	
Pay-As-You-Go Funds	1,449,711
Lottery Proceeds	520,736
Preliminary Planning Funds	478,000
Total	\$ 2,448,447

Total School Projects	\$ 6,309,211
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Total Appropriations	\$ 24,731,705
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Revenues/Funding Source

Transfer from General Fund - County	1,000,000
Transfer from General Fund - W & S Utilities	
Transfer from General Fund - Schools	3,724,849
Solid Waste Fund Balance	904,329
Sportsplex Fund Balance	350,000
Lottery Proceeds	1,356,362
Register of Deeds Fees	80,000
9-1-1 Funds	369,499
Grants & Contributions	175,000
Article 46 Sales Tax Proceeds	2,814,576
Article 46 Sales Tax Proceeds - Water & Sewer	590,000
Financing:	
Debt Financing - County Capital	6,769,500
Debt Financing - W & S Utilities	2,000,000
Debt Financing - Solid Waste	569,590
Debt Financing - Sportsplex	2,800,000
Debt Financing - Schools Capital	1,228,000

Total Revenues	\$ 24,731,705
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