AGENDA

Orange County Board of Commissioners
Chapel Hill–Carrboro Board of Education
Orange County Board of Education
Joint Meeting

September 13, 2012
7:00 p.m.

Southern Human Services Center
2501 Homestead Road, Chapel Hill

Welcome and Opening Remarks (Chair Pelissier, Chair Coffey and Chair Burroughs)

1. Pre-K and School Enrollment – Orange County Schools

2. Pre-K and School Enrollment – Chapel Hill – Carrboro City Schools

3. County Update Pre-K Enrollment Impact on the Schools Adequate Public Facilities Ordinance

4. County Update - Overview of the County Capital Projects – Next Five Fiscal Years

ORANGE COUNTY
BOARD OF COMMISSIONERS

ACTION AGENDA ITEM ABSTRACT
Meeting Date: September 13, 2012

Action Agenda Item No. 1,2&3

SUBJECT: County Update Pre-K Enrollment Impact on the Schools Adequate Public Facilities Ordinance

DEPARTMENT: Manager, Finance and Administrative Services, Planning

PUBLIC HEARING: (Y/N) N

ATTACHMENT(S):

1. Department of Public Instruction/SAPFO/Pre-K Analysis (Statistics from Annual Report 2012)

INFORMATION CONTACT:
Frank W. Clifton, Jr., County Manager, 919-245-2300
Clarence Grier, Assistant County Manager-CFO, Finance and Administrative Services, 919-245-2453
Craig Benedict, Planning Director, 919-245-2592

PURPOSE: To discuss the effects of Pre-K enrollment as it relates to the Schools Adequate Public Facilities Ordinance (SAPFO).

BACKGROUND: The SAPFO Memorandum of Understanding (MOU) and model ordinance was approved in July 2003. This is an agreement between Orange County and Boards of Education with implementation coordination with other local governments. The ordinance includes aspects of measuring capacity and membership, methodologies for school membership projections, capital improvement planning and an implementation program known as the Certification of Adequate Public Schools (CAPS).

The attached analysis and table is a summary of some of the implications of gauging Pre-K enrollment within the SAPFO construct. Staff will be available to answer questions at the meeting.

FINANCIAL IMPACT: If Pre-K enrollment projections were equated to a new elementary school, which is approximately 585 students, a 300 capacity capital need (see Attachment 1 for CHCCS) would be approximately $12 million and a 210 capacity capital need (see Attachment 1 for OCS) would be approximately $8.25 million.

RECOMMENDATION(S): The Manager recommends the Boards receive and discuss this information.

DPI/SAPFO/PRE-K ANALYSIS

(Statistics from Annual Report 2012)

ORANGE COUNTY SCHOOLS:

The DPI capacity of the Orange County Schools (OCS) elementary level (7 schools) is	3,694
The SAPFO capacity (105%) is	3,879
The 2011-12 enrollment is	3,348
Available SAPFO capacity	531
(Hypothetical) 7 schools with 2 Pre-K with 15 students each	210
Remaining Capacity with Pre-K enrollment	321

CHAPEL HILL/CARRBORO CITY SCHOOLS:

The DPI capacity of the Chapel Hill/Carrboro City Schools (CHCCS) elementary level (10 schools) is	5,244
The SAPFO capacity (105%) is	5,506
The 2011-12 enrollment is	5,464
Available SAPFO capacity	42
(Hypothetical) 10 schools with 2 Pre-K with 15 students each	300
Remaining capacity if possible Pre-K enrollment was included over SAPFO capacity	(-258)

DPI/SAPFO/PRE-K ANALYSIS

COMMENTS

The SAPFO capacity thresholds are based on an aggregate of all schools within a certain level such as seven (7) elementary schools in Orange County Schools (OCS) and ten (10) elementary in Chapel Hill/Carrboro City Schools (CHCCS). The school level capacity represents 105% of the school rated DPI capacity and this percentage was adopted as part of the School Adequate Public Facilities Ordinance (SAPFO) and Memorandum of Understanding (MOU). Capacity is further defined to note what should be counted or not, such in the case of mobile classrooms.

Orange County and the Boards of Education have made a change to the individual ratings of each elementary school in the past due to state class size suggestions. Since SAPFO is a relatively independent good faith agreement between local governments and Boards of Education, the parties can set unique capacity standards since the ordinance and process is used as a bellwether for capital improvement planning.

The effect of adding Pre-K capacity and decreasing K-5 capacity would also affect the Orange County/Boards of Education school construction standards, which attempt to develop schools with certain rated capacity.

ORANGE COUNTY
BOARD OF COMMISSIONERS

ACTION AGENDA ITEM ABSTRACT
Meeting Date: September 13, 2012

Action Agenda Item No. 4

SUBJECT: County Update-Overview of the County Capital Projects-Next Five Fiscal Years

DEPARTMENT: Finance and Administrative Services

PUBLIC HEARING: (Y/N) No

ATTACHMENT(S):
1. Summary of County and Schools Capital Projects
2. Summary of Emergency and Medical Services Recommendations
3. County Debt Capacity Calculations

INFORMATION CONTACT:

Frank Clifton, 919-245-2300
Clarence Grier, 919-245-2453

PURPOSE: To provide an overview of the County Capital Projects and the future operating and debt capacity impacts of the County for the next five years.

BACKGROUND: At the August 28, 2012 County/Schools Collaboration Work Group Meeting, the Work Group requested that the County provide an update on the future capital needs of the County over the next five years, and the potential impacts associated with those needs on future General Fund's operating budgets and debt capacity.

The County's FY2012-2017 Capital Investment Plan (CIP) included County and School related capital projects that total $193.3 million over the next five years (See Attachment 1). The details are included the County FY2012-2017 CIP.

Recently, the interim Emergency Medical Services and 911 Communications Operations Study made several operational and capital investment recommendations that were not included in the County's FY2012-13 Annual Operating Budget or included in the FY2012-2017 CIP. These recommended operational expenditures and capital investments in emergency medical services and 911 communications total $7.5 million over the next five fiscal years, and $15.6 million over the next ten fiscal years (See Attachment 2). Over the next five fiscal years, the recommended additional emergency medical services and 911 communications capital projects, if approved and implemented, would total $4.2 million and would increase the County's total capital investment to $197.5 million over the next five fiscal years. The recommended operational expenditures of the study total $3.3 million over the next five fiscal years (Attachment 2).

Additionally, although not a capital project, the County's other post-employment benefit (OPEB) liability increases approximately $4.5 million each year, and the County has recently started addressing the funding of the total required contribution in order to address the concerns of the Local Government Commission (LGC) and the debt issuance community (bond rating agencies, lenders, and etc.). The outstanding liability currently is $62.8 million. It has been communicated to the County's staff by the LGC and debt issuance community that the County's ability to issue future debt and the ratings for any future debt could be affected by not fully funding the annual contribution and addressing the liability. This would ultimately affect the number and size of the future capital projects that the Board of County Commissioners could consider funding in future years.

Finally, the County debt policy requires that the annual debt service payments be no more than 15% of the General Fund's expenditures each fiscal year. The recommended additional emergency medical and 911 communications operating expenditures and the annual OPEB contribution will put the County close to the debt service capacity beginning FY2016-17 (See Attachment 3).

FINANCIAL IMPACT: There are not any current financial impacts in receiving this information. All future financial impacts will incur only when actions to approve and fund the operational and capital recommendations included in this abstract.

RECOMMENDATION(S): The Manager recommends that the Boards receive this information and provide direction and feedback to staff.

Orange County
Summary to Total Capital Projects
For the Fiscal Years Ending June 30,

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
County	$ 6,666,950	$ 2,956,000	$ 11,546,000	$ 19,569,400	$ 39,322,000	$ 80,060,350
Article 46	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
Solid Waste	4,836,283	4,014,332	2,149,791	1,256,788	2,039,522	14,296,716
Sportsplex	660,000	505,000	1,175,000	1,150,000	200,000	3,690,000
Water & Sewer	4,274,750	1,600,000	4,350,000	1,000,000	168,000	11,392,750
Total County	18,937,983	11,575,332	21,720,791	25,476,188	44,229,522	121,939,816
Schools	26,546,199	5,102,072	15,333,783	19,076,344	5,274,769	71,333,167
Total	$ 45,484,182	$ 16,677,404	$ 37,054,574	$ 44,552,532	$ 49,504,291	$ 193,272,983

Attachment 1

APPROVED - Orange County Capital Investment Plan
Fiscal Years 2012-17

	Current Fiscal Year 2011-12	Year 1 Fiscal Year 2012-13	Year 2 Fiscal Year 2013-14	Year 3 Fiscal Year 2014-15	Year 4 Fiscal Year 2015-16	Year 5 Fiscal Year 2016-17	Five Year Total	Year 6 to Year 10
Appropriations								
County Capital Projects	3,128,404	6,666,950	2,956,000	11,546,000	19,569,400	39,322,000	80,060,350	48,670,000
Special Revenue Fund (Article 46 Sales Tax)								
Economic Development	312,500	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	6,250,000	6,250,000
Chapel Hill Carrboro City Schools	190,625	760,000	760,000	760,000	760,000	760,000	3,800,000	3,800,000
Orange County Schools	121,875	490,000	490,000	490,000	490,000	490,000	2,450,000	2,450,000
Proprietary Capital Projects (1)								
Water & Sewer Utilities	5,114,101	4,274,750	1,600,000	4,350,000	1,000,000	168,000	11,392,750	
Solid Waste	1,814,662	4,836,283	4,014,332	2,149,791	1,256,788	2,039,522	14,296,716	9,036,234
Sportsplex	583,500	660,000	505,000	1,175,000	1,150,000	200,000	3,690,000	
Schools Capital Projects								
Chapel Hill Carrboro City Schools	3,110,440	24,605,782	3,140,144	3,175,021	3,210,421	3,246,353	37,377,721	46,651,682
Orange County Schools	6,815,086	1,940,417	1,961,928	12,158,762	15,865,923	2,028,416	33,955,446	16,352,910
Total	21,191,193	45,484,182	16,677,404	37,054,574	44,552,532	49,504,291	193,272,983	133,210,826
Revenues/Funding Source								
Available Project Balances	444,675	450,000					450,000	
Transfer from Capital Reserve	284,894	50,000					50,000	
Transfer from General Fund - County	448,349	500,000	975,000	1,116,000	1,295,000	850,000	4,736,000	4,500,000
Transfer from General Fund - W & S Utilities		419,300	600,000	50,000		168,000	1,237,300	
Transfer from General Fund - Schools	2,628,969	3,724,849	3,780,722	3,837,433	3,894,994	3,953,419	19,191,417	20,674,606
Transfer from other Capital Projects	587,026	623,000					623,000	
County Capital Fund Balance	137,500							
Visitors Bureau Fund Balance								
Solid Waste Fund Balance	439,662	3,706,202	591,883	1,126,283	455,091	1,921,325	7,800,784	5,392,937
Sportsplex Fund Balance	583,500	660,000	505,000	225,000	150,000	200,000	1,740,000	
Recycling - 3R Fee	125,000	567,238	871,872	526,744	595,845	118,197	2,679,896	3,643,297
Lottery Proceeds	1,363,921	1,321,350	1,321,350	1,321,350	1,321,350	1,321,350	6,606,750	6,606,750
QSCBs	5,269,440							
Register of Deeds Fees	150,000	75,000	75,000	80,000	80,000	80,000	390,000	400,000
9-1-1 Funds		100,000	100,000	100,000	260,000	100,000	660,000	
Grants & Contributions	1,629,061	311,500		100,000	3,637,500		4,049,000	2,300,000
Article 46 Sales Tax Proceeds	625,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000	12,500,000

Attachment 1 4

	Current Fiscal Year 2011-12	Year 1 Fiscal Year 2012-13	Year 2 Fiscal Year 2013-14	Year 3 Fiscal Year 2014-15	Year 4 Fiscal Year 2015-16	Year 5 Fiscal Year 2016-17	Five Year Total	Year 6 to Year 10
Financing:								
Debt Financing - County Capital	1,216,000	4,557,450	1,806,000	10,150,000	14,296,900	38,292,000	69,102,350	41,470,000
Debt Financing - W & S Utilities	3,345,000	3,855,450	1,000,000	4,300,000	1,000,000		10,155,450	
Debt Financing - Solid Waste	1,250,000	562,843	2,550,577	496,764	205,852		3,816,036	
Debt Financing - Sportsplex				950,000	1,000,000		1,950,000	
Debt Financing - Schools Capital	663,196	21,500,000		10,175,000	13,860,000		45,535,000	35,723,236
Total	21,191,193	45,484,182	16,677,404	37,054,574	44,552,532	49,504,291	193,272,983	133,210,626

(1) Orange County has established three Proprietary Funds used to account for services provided to customers. All three Funds are established as enterprise funds and fees are imposed on customers to pay for the full cost of providing the services. The Water & Sewer Utilities Fund accounts for revenues and expenses related to the provision of sewer service. The Solid Waste Fund accounts for the revenues and expenses related to the provision of solid waste disposal and recycling activities. The Sportsplex Fund accounts for the revenues and expenses related to the services provided at the Triangle Sportsplex. All three funds are included as supplemental information and are not funded by the General Fund.

Attachment 1

SECTION 6-IMPLEMENTATION SCHEDULE

YEAR 1-5

No.	Recommendation	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
1	Adjust Medic 5 & 8 coverage	$ -	$ -	$ -	$ -	$ -	$ -
2	Add 9a-9p @12/7 ALS	$ -	$ 452,500	$ -	$ -	$ -	$ 452,500
3a	BLS for Non-Em transports @ 12/7	$ -	$ -	$ 405,000	$ -	$ -	$ 405,000
3b	Staff BLS for NE transports @ 12/7	$ -	$ -	$ 205,876	$ -	$ -	$ 205,876
4	Assess FD- MFR/RT requirements	$ 8,000	$ -	$ -	$ -	$ -	$ 8,000
5a	Implement FD/MFR initiative	TBD	$ -	$ -	$ -	$ -	$ -
5b	Add four (4) QRV's @ 12/7	$ -	$ 704,650	$ -	$ -	$ -	$ 704,650
6	Add six (6) ALS Ambulances @ 12/7	$ -	$ -	$ -	$ 1,357,500	$ -	$ 1,357,500
7	Hire Shift Supervisor; ALS @ 24/7	$ -	$ -	$ -	$ 366,300	$ -	$ 366,300
8	Space Needs Assessment	$ 16,000	$ -	$ -	$ -	$ -	$ 16,000
9	Identify nine (9) base locations	$ -	$ -	$ -	$ -	$ -	$ -
10	Purchase sites/buildings	$ -	TBD	TBD	TBD	TBD	$ -
11	Design services- nine (9) bases	$ -	$ -	$ -	$ 540,000	$ -	$ 540,000
12	Construction/Renovation-9 bases	$ -	$ -	$ -	$ -	$ 2,688,000	$ 2,688,000
12	Hire Data System Manager	$ 74,250	$ -	$ -	$ -	$ -	$ 74,250
14	Hire Training/QA Officer	$ 72,800	$ -	$ -	$ -	$ -	$ 72,800
15	Hire T/QA Officer	$ -	$ -	$ 72,800	$ -	$ -	$ 72,800
16	Schedule hiring/training for ne TC's	$ -	$ -	$ -	$ -	$ -	$ -
17	Hire 17 new Telecommunicators	$ -	$ 230,850	$ -		$ 230,850	$ 461,700
18	AVL hardware-new vehicles	$ -	$ 40,000		$ 20,000	$ -	$ 60,000
19	LE & FD Software Orientation	$ -	TBD	$ -	$ -	$ -	$ -
		$ 171,050	$ 1,428,000	$ 683,676	$ 2,283,800	$ 2,918,850	$ 7,485,376
	Capital/One-Time Cost	$ 24,000	$ 488,400	$ -	$ 993,600	$ 2,688,000	$ 4,194,000
	Operating Cost	$ 147,050	$ 939,600	$ 683,676	$ 1,290,200	$ 230,850	$ 3,291,376

SECTION 6-IMPLEMENTATION SCHEDULE

YEAR 6-10

No.	Recommendation	Year 6	Year 7	Year 8	Year 9	Year10	5-Year Total
1	Adjust Medic 5 & 8 coverage	$ -	$ -	$ -	$ -	$ -	$ -
2	Add 9a-9p @12/7 ALS	$ -	$ -	$ -	$ -	$ -	$ -
3a	BLS for Non-Em transports @ 12/7	$ -	$ -	$ -	$ -	$ -	$ -
3b	Staff BLS for NE transports @ 12/7	$ -	$ -	$ -	$ -	$ -	$ -
4	Assess FD- MFR/RT requirements	$ -	$ -	$ -	$ -	$ -	$ -
5a	Implement FD/MFR initiative	$ -	$ -	$ -	$ -	$ -	$ -
5b	Add four (4) QRV's @ 12/7	$ -	$ -	$ -	$ -	$ -	$ -
6	Add six (6) ALS Ambulances @ 12/7		$ -	$ 1,357,500	$ -	$ -	$ 1,357,500
7	Hire Shift Supervisor; ALS @ 24/7	$ -	$ -	$ -	$ -	$ -	$ -
8	Space Needs Assessment	$ -	$ -	$ -	$ -	$ -	$ -
9	Identify nine (9) base locations	$ -	$ -	$ -	$ -	$ -	$ -
10	Purchase sites/buildings	$ -	$ -	$ -	$ -	$ -	$ -
11	Design services- nine (9) bases	$ 540,000	$ -	$ -	$ 540,000	$ -	$ 1,080,000
12	Construction/Renovation	$ -	$ 2,688,000	$ -	$ -	$ 2,688,000	$ 5,376,000
12	Hire Data System Manager	$ -	$ -	$ -	$ -	$ -	$ -
14	Hire Training/QA Officer	$ -	$ -	$ -	$ -	$ -	$ -
15	Hire T/QA Officer	$ -	$ -	$ -	$ -	$ -	$ -
16	Schedule hiring/training for ne TC's	$ -	$ -	$ -	$ -	$ -	$ -
17	Hire 17 new Telecommunicators		$ 323,190	$ -	$ -	$ -	$ 323,190
18	AVL hardware-new vehicles	$ -	$ -	$ -	$ -	$ -	$ -
19	LE & FD Software Orientation	$ -	$ -	$ -	$ -	$ -	$ -
		$ 540,000	$ 3,011,190	$ 1,357,500	$ 540,000	$ 2,688,000	$ 8,136,690
	Capital/One-Time Cost	$ 540,000	$ 2,688,000	$ 685,200	$ 540,000	$ 2,688,000	$ 7,141,200
	Operating Cost	$ -	$ 323,190	$ 672,300	$ -	$ -	$ 995,490

Orange County Debt Capacity
For the Fiscal Years

	FY2012 - 2013	FY2013- 2014	FY2014- 2015	FY2015- 2016	FY2016- 2017
Current and Previously Projected Budget	$ 180,002,776	$ 181,802,804	$ 183,620,832	$ 186,375,144	$ 189,170,771
Emergency Services Workgroup Operating	-	147,050	939,600	683,676	1,290,200
OPEB Additional Funding	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Estimated Future Budgets	$ 183,002,776	$ 184,949,854	$ 187,560,432	$ 190,058,820	$ 193,460,971
Calculatetd Annual Debt Service ($) Capacity of the General Fund	$ 27,450,416	$ 27,742,478	$ 28,134,065	$ 28,508,823	$ 29,019,146
Actual Future Debt Service	$ 24,887,879	$ 26,107,262	$ 25,584,537	$ 26,653,704	$ 28,402,304
Annual Debt Service Debt Service as % of General Fund	13.60%	14.12%	13.64%	14.02%	14.68%
Available Annual Debt Service Capacity	$ 2,562,537	$ 1,635,216	$ 2,549,528	$ 1,855,119	$ 616,842

Assupmtions:
$960,000 of annual debt service = $10,000,000 of debt issued at current interest rates for 15 years.
$800,000 of annual debt service = $10,000,000 of debt issued at current interest rates for 20 years.
Annual Debt service will be incurred the following year after debt issuance
Assume annual growth of 1% (FY2013 and FY2014), 1.5%(FY2015-2017)

Attachment C