

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Regular Work Session
March 5, 2015
Meeting – 7:00 p.m.
Richard Whitted Meeting Room
300 West Tryon Street
Hillsborough, NC

- | | | |
|---------------|----|--|
| (7:00 – 8:00) | 1. | Updates and Recommendations for Employee Benefits Effective July 1, 2015 |
| (8:00 – 9:00) | 2. | Orange County Bus and Rail Investment Plan Annual Report and Update |
| (9:00 – 9:45) | 3. | Presentation of Manager’s Recommended FY 2015-20 Capital Investment Plan (CIP) |

Orange County Board of Commissioners’ regular meetings and work sessions are available via live streaming video at orangecountync.gov/occlerks/granicus.asp and Orange County Gov-TV on channels 1301 or 97.6 (Time Warner Cable).

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: March 5, 2015

Action Agenda

Item No. 1

SUBJECT: Updates and Recommendations for Employee Benefits Effective July 1, 2015

DEPARTMENT: Human Resources

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

- A. Benefits Highlights
- B. Review of Health and Dental Rates

INFORMATION CONTACT:

Brenda Bartholomew, Human Resources
Director, (919) 245-2552
Diane Shepherd, Benefits Manager,
(919) 245-2558

PURPOSE: To receive information on the Manager's recommendations regarding employee benefit programs effective July 1, 2015 through June 30, 2016.

BACKGROUND: The County has been self-funded since January 1, 2014 for medical, pharmacy and dental claims. The County pays for all claims incurred by members enrolled in the UnitedHealthCare and Delta Dental programs. In addition, the County pays administrative fees which include stop-loss coverage to UnitedHealthCare. The administrative fee is \$107.03 per member per month including the stop loss coverage of \$100,000 per person.

Further, the County is currently transitioning from a twelve-month calendar plan year to a twelve-month fiscal plan year, July 1 through June 30. Therefore, a one time, six-month plan year was put in place effective January 1, 2015 through June 30, 2015. A twelve-month plan year will begin July 1, 2015 and end June 30, 2016 to align with the County's fiscal year.

In February 2015, the Health Insurance Advisory Committee, under the direction of County Purchasing Agent David Cannell, participated in the Request for Proposal (RFP) process for the selection of a Broker of Record for the administration of benefit programs which include but are not necessarily limited to health, dental, vision, and other voluntary programs for employees and retirees. The Manager made recommendation to the BOCC as per Action Agenda Item No. 7-a of the March 3, 2015 meeting to select Arthur J. Gallagher & Co. as the Broker of Record.

Overall, enrollment numbers for the six-month benefit period which were effective January 1, 2015 have remained consistent, with a slight decrease in the High Deductible Health Plan membership compared to FY 2014/15. The number of employees waiving health insurance coverage has increased primarily due to employees obtaining coverage elsewhere, usually a spouse's benefit plan. Attachment A shows benefits enrollments as of February 16, 2015.

The County continues to administer voluntary benefit programs including vision coverage, short term disability, whole life insurance, critical illness and accident insurance available through the benefit of a payroll deduction. At this time, there are no plans to change the voluntary benefit programs.

The County will continue to partner with representatives of the UNC Wellness @ Work program to offer health screenings to all employees. In the fall of 2014, the Health and Human Resources Departments coordinated flu clinics for employees and Human Resources held two Breast Cancer Awareness Days (for mammograms) at UNC Radiology in Hillsborough. Staff will be working closely with Arthur J. Gallagher & Co. to conduct a feasibility study related to wellness and an employee clinic.

Health Insurance

Open Enrollment for benefits will be held in April 2015 for coverage effective July 1, 2015 through June 30, 2016. Arthur J. Gallagher & Co. worked with United HealthCare to obtain utilization data for medical and pharmacy cost projections for the FY2015/2016 budget. The data incorporated 24 months of claims utilization including periods of January 2014 through January 2015 (self-funded) and January 2013 through December 2013 (fully insured). After a detailed review, Gallagher is recommending that the premium equivalent remain the same, with no increase for medical and pharmacy costs.

To date, no benefit changes are anticipated for FY2015/16 coverage. Health benefits, co-pays, co-insurance and deductibles are expected to remain the same. Arthur J. Gallagher & Co. will continue to work with Staff in analyzing all data relative to benefits and bring forward any recommendations, if necessary, to the Manager and the BOCC for consideration and approval.

Staff and the County Manager discussed with Gallagher ways to mitigate the potential of additional out-of-pocket expenses by some employees because of the plan year change from calendar to fiscal. It is estimated that approximately 18 percent of employees and retirees may have met or will meet some or all of their deductible in the short plan year. Gallagher is in the process of obtaining historical deductible information from UnitedHealthCare for a complete analysis to determine what is best for Orange County employees and retirees. The projection is approximately a \$100,000 impact to the FY2015/16 budget to credit employees for deductibles met during short plan year.

Dental Insurance

The County will continue providing dental coverage with Delta Dental. The premium rate charged for employees with dependent coverage has not increased since 2007, and the County's reserve fund has been able to sustain increases in claims and administrative fees. The rate for dental coverage is expected to increase 15% for Plan Year 2015/16 to sustain an adequate reserve for future claims. Attachment B reflects the increases.

FINANCIAL IMPACT: The financial impact of a 15% rate increase for dental insurance is approximately \$70,000. Further, the cost of mitigating the impact of employees paying double deductibles and other out of pocket expenses is approximately \$100,000. If approved by the Board, all costs will be part of the Manager's Recommended FY 2015/16 budget.

RECOMMENDATION(S): The Manager recommends that the Board discuss the recommendation of the rate increases proposed by Arthur J. Gallagher & Co. for health and dental coverage. Additionally, the Manager recommends that the Board discuss employee insurance benefits for FY 2015/16.

Benefits Highlights
Health Insurance Enrollment (at start of each Plan Year)

	2011	2012	2013	2014	2015
Traditional Plan	n/a	610	605	624	646
High Deductible Plan	n/a	187	197	198	182
Total Health Plan Participation	n/a	797	802	822	866
Health Savings Account (employee contribution)	n/a	81	89	73 (37%)	64 (33%)
Waived Health Insurance	20	22	21	29	31

Enrollments as of February 23, 2015

New employees enroll in plans effective with the 1st of the month after hire, and terminating employees' coverage ends on the last day of the month employed (unless a retiree under age 65).

Benefit	Enrollments	
	Active Employees	Retirees
Traditional Health Plan	647	156
High Deductible Health Plan	177	5
Delta Dental	838	
Medical Flexible Spending Account	134	
Dependent Care Spending Account	13	
Community Eye Care	477	
Accident Insurance	204	
Critical Illness	179	
Short-term Disability	231	
Whole Life	113	

Wellness Events/Activities September 2014 through February 2015
Annual Employee Flu Shot Clinic Participants

2010	2011	2012	2013	2014
204	169	225	207	196

Orange County Sportsplex

Sportsplex Membership remains consistent with the past few years. Approximately 240 employees are members, receiving a sizable discount on membership.

Employee Wellness Activities

- | | |
|---|-----------------------------|
| 1. Walk4Life—One Step at a Time Fitness Challenge | 178 participants |
| 2. Financial Health classes | 12 participants |
| 3. Maintain, Don't Gain Holiday Challenge | 26 participants |
| 4. National Nutrition Month Challenge/Activities | To be held March-April 2015 |

Additional Sponsored Health Screenings

Orange County Breast Cancer Awareness Day Mammograms	50 (30% increase over 2013)
Biometric Screenings (blood pressure, cholesterol, & glucose)	To be held as part of Open Enrollment in April/May

ATTACHMENT B**HEALTH INSURANCE RATES****UnitedHealthCare Health Insurance Premiums FY 2015-16**

		Total Cost	County Pays	Employee Pays
POS (Point of Service) Traditional Plan	Individual	\$ 364.51	\$ 364.51	\$0.00
	Ind/Child(ren)	\$ 572.69	\$ 457.74	\$114.95
	Ind/Spouse	\$ 737.40	\$ 532.81	\$204.60
	Family	\$ 1,036.57	\$ 669.16	\$367.42

HDP High Deductible Plan/Health Savings Account*	Individual	\$ 362.76	\$ 362.76	\$0.00
	Ind/Child(ren)	\$ 533.65	\$ 457.74	\$75.91
	Ind/Spouse	\$ 668.71	\$ 532.81	\$135.90
	Family	\$ 914.03	\$ 669.16	\$244.87

(Semi-monthly County contribution to Health Savings Account remains at \$59 in FY 2015-16)

DENTAL INSURANCE RATES

The County's Dental Plan, administered by Delta Dental of North Carolina, is self-insured and went into effect January 1, 2007. The County pays the cost of employees' dental claims and administrative fees, and employees pay a premium equivalent through a payroll deduction for any dependent coverage. Benefits are consistent with other employers, providing 100% preventive care and \$1,200 annually in benefits.

Semi Monthly Coverage	FY 2014/15		FY 2015/16 Increase		Difference
	County Pays	Employee Pays	County Pays	Employee Pays	Employee Pay
Employee	\$12.15	\$0.00	\$14.04	\$0.00	\$0.00
Employee/Child(ren)	\$12.15	\$20.97	\$14.04	\$23.86	\$2.89
Employee/Spouse	\$12.15	\$17.59	\$14.04	\$19.65	\$2.06
Family	\$12.15	\$30.04	\$14.04	\$35.09	\$5.05

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT**
Meeting Date: March 5, 2015

**Action Agenda
Item No.** 2

SUBJECT: Orange County Bus and Rail Investment Plan Annual Report and Update

DEPARTMENT: Planning and Inspections

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

INFORMATION CONTACT:

A. Memo from Triangle Transit with Attachments (A-1, A-2, and A-3)

Bonnie Hammersley, Orange County Manager, 919-245-2300
David King, Triangle Transit General Manager, 919-485-7424

PURPOSE: To receive Triangle Transit's annual report and update on the Orange County Bus and Rail Investment Plan (OCBRIP) and provide feedback.

BACKGROUND: The OCBRIP was approved by the BOCC in June 2012. The OCBRIP provides local and regional transit opportunities including expanded bus service and proposed light rail. Voters in November 2012 approved a one-half cent sales tax to fund the local portion of the Plan and collection of the sales tax began on April 1, 2013.

This is the second annual report that Triangle Transit has provided to the Board, the first taking place at the Board's February 4, 2014 meeting.

Attachment A is a memo from David King, General Manager of Triangle Transit (TTA), which outlines its update and associated attachments.

Additional background documents such as the adopted OCBRIP and Interlocal Implementation Agreement can be found via the following link, listed under Transportation Documents:

<http://www.co.orange.nc.us/planning/transportation.asp>

NEXT STEPS:

The following items will be coming to the BOCC in the near future:

1. Update on Durham-Orange Light Rail Transit Project (April 14 BOCC Work Session); and
2. OCBRIP financial updates for approval in accordance with the Interlocal Implementation Agreement.

FINANCIAL IMPACT: There is no financial impact associated with receiving the annual report and update. The OCBRIP serves as the financial plan for expending:

- Half-cent transit sales tax revenues;
- \$7 County vehicle registration fees;
- \$3 regional/TTA vehicle registration fees; and
- Existing regional/TTA rental car tax revenues.

RECOMMENDATION(S): The Manager recommends the Board:

1. Receive the report and update; and
2. Provide feedback as appropriate.

Memorandum

To: Orange Board of County Commissioners

From: David King, General Manager, Triangle Transit

Date: February 27, 2015

Re: Update on Implementation of the Orange County Bus and Rail Improvement Plan

We appreciate the opportunity to provide the Board with an update on implementation of the Orange County Transit Plan. We will report on the following issues:

- FY14 Annual Progress Report
- Planned Uses of Bus Service and Bus Capital Revenues for Triangle Transit and Chapel Hill Transit
- Hillsborough Train Station
- Chapel Hill Transit North-South Corridor Study

A separate update on the Durham-Orange Light Rail Transit Project is scheduled for the April 14th meeting of the Board of Commissioners.

We've attached the following documents for your review:

1. Orange County Transit Plan FY14 Annual Progress Report
2. Table of 5-Year Bus Revenue Forecast to Adopted Plan
3. Chapel Hill Transit North-South Corridor Study Update



In 2012, voters approved a local sales tax to support funding for the Orange County Bus and Rail Investment Plan (Transit Plan). This annual progress report highlights the goals, accomplishments, projects and finances of the Transit Plan during Fiscal Year 2014.

FY2014

ORANGE COUNTY

Bus & Rail Investment Progress Report

The long range goals of the Transit Plan are to:

- Improve overall mobility and transportation options in the region
- Provide geographic equity
- Support improved capital facilities
- Support transit supportive land use
- Provide positive impact on air quality

Accomplishments

During the year, the following service enhancements were made by Chapel Hill Transit (CHT), Orange Public Transportation (OPT) and Triangle Transit:

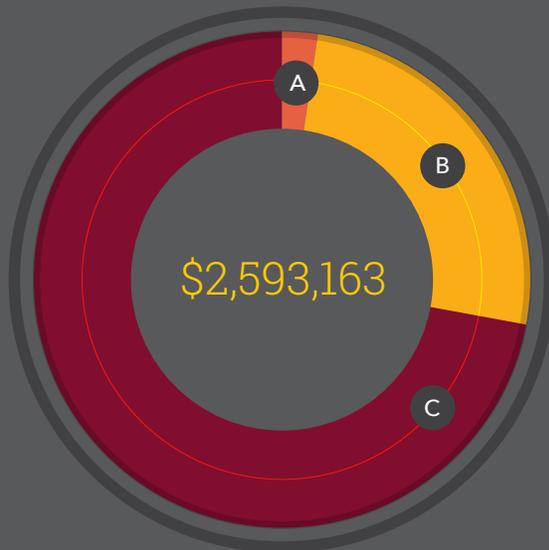
- Chapel Hill Transit added year-round evening and night service on:
 - ✓ CM Route
 - ✓ CW Route
 - ✓ D Route
 - ✓ J Route
- Chapel Hill Transit added two additional evening trips on F Route
- Additional Saturday service was added to CM, CW and JN Routes (not pictured)
- Triangle Transit added more frequent weekday service between the Streets at Southpoint Park-and-Ride and UNC Chapel Hill on Route 800

Orange County and Triangle Transit staff held four workshops in Cedar Grove, Efland, Hillsborough and Mebane and received public comments on preliminary concepts for future bus expansion in central and rural Orange County



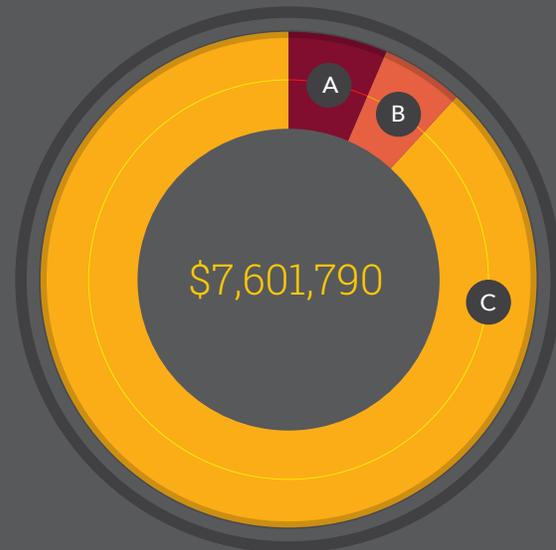
The charts show revenues and expenses for the Orange Bus and Rail Investment Plan for FY14. The revenues to fund the Transit Plan include a one-half cent sales tax, a \$7 County Vehicle Registration Tax and the Regional Vehicle Rental Tax. Expenditures include bus services, light rail project development and administration.

Orange County Expenditures



Administration	A	\$54,848
Bus Services*	B	\$530,100
Light Rail Development	C	\$2,008,215

Orange County Revenues**



\$7 Vehicle Registration Fee	A	\$565,560
Rental Car Taxes	B	\$476,437
Sales Tax	C	\$6,559,793

*During FY14, bus expenditures totaled \$353,400 for CHT and \$176,700 for Triangle Transit. In FY15, 64% of bus service expenditures will go to CHT, 12% to OPT and 24% to Triangle Transit.

** FY14 revenue shown excludes interest on investments of \$4,551; FY 14 Ending Reserves total \$6,125,407 (FY13 \$1,112,229; FY14 \$5,013,178). These reserves will be used for services and capital projects identified in the "Next Steps" section of this report.

Next Steps

The following services will be implemented in the upcoming fiscal year (July 2014 through June 2015):

- Chapel Hill Transit will add additional morning service along the A, D and J routes; additional mid-day service on the NS route and additional Saturday service on the D and FG routes
- Orange County will provide expanded service in rural portions of the county; additional senior center shuttle options; two fixed routes connecting Mebane, Efland and Hillsborough; more service on the Hillsborough to Chapel Hill midday shuttle; and continuation of the Hillsborough Circulator service in the spring of 2015
- New express service by Triangle Transit between Hillsborough, Duke University, and downtown Durham with an extension to Mebane and Efland
- Later Saturday evening and Sunday service on Triangle Transit routes between Durham, Chapel Hill and RTP, connecting with Route 100 to RDU Airport and Raleigh

Over the next five years, Chapel Hill Transit, Orange Public Transportation and Triangle Transit will implement new or expanded bus services. Residents will also see new bus shelters, Park-and-Ride lots, and sidewalk connections to bus stops.

Chapel Hill North-South Bus Project

Chapel Hill Transit is conducting the North South Corridor Study along the Martin Luther King Jr. Boulevard – South Columbia – US 15-501 South Corridor. The study is funded by a federal grant which is not part of the OCBRIP plan. The OCBRIP plan does include funding set aside for capital improvements, if this project moves to construction in the future.

During 2014, a Public Involvement Plan, Purpose and Need Statement and Tier 1 Analysis were completed. No Build, Bus Rapid Transit (BRT) Low and BRT High transit modes passed Tier 1 Analysis and moved into the Detailed Definition of Alternatives phase. CHT held three public meetings in March 2014 and will continue to share the study with the public and collect feedback.

Hillsborough Amtrak Station

Work on the station awaits a rail corridor capacity analysis to be performed by the North Carolina Railroad Company, Norfolk Southern and Triangle Transit. Planning work will begin after the analysis is complete.

Durham-Orange Light Rail Transit Project

In February, the Federal Transit Administration approved Triangle Transit's request to enter Project Development on the proposed 17-mile Durham-Orange Light Rail Transit Project. Environmental work is underway with a Draft Environmental Impact Statement to be published and available for public comment in spring 2015. The proposed light rail line will run from Chapel Hill to Durham and cost an estimated \$1.34 billion (in 2012 dollars). The Orange portion of the voter-approved one-half cent sales tax will help fund the local share of the rail project.

Bus Operations - Updated 5-Year Forecast

(Dollars shown in \$1000's)

Orange		FY14	FY15	FY16	FY17	FY18	FY19	Total
Total Hours - Orange County		7,685	20,292	30,199	34,568	35,301	35,601	163,645
Total Cost		\$ 736	\$ 1,884	\$ 2,904	\$ 3,509	\$ 3,650	\$ 3,788	\$ 16,471
Federal Share	2.3%	\$ -	\$ -	\$ 35	\$ 70	\$ 114	\$ 160	\$ 379
State Share	5.1%	\$ -	\$ 44	\$ 125	\$ 194	\$ 235	\$ 245	\$ 844
Local Share	81.8%	\$ 736	\$ 1,758	\$ 2,622	\$ 3,101	\$ 3,154	\$ 3,233	\$ 13,466
Farebox	3.9%	\$ -	\$ 82	\$ 122	\$ 144	\$ 146	\$ 150	\$ 644
TTA OBRIP New Hours (FY14 \$108/hr)		1,102	4,603	6,961	7,926	8,224	8,306	37,121
Total Cost		\$ 119	\$ 513	\$ 799	\$ 967	\$ 1,004	\$ 1,045	\$ 4,446
Federal Share		\$ -	\$ -	\$ 10	\$ 19	\$ 31	\$ 44	\$ 104
State Share	7.5%	\$ -	\$ 9	\$ 38	\$ 60	\$ 73	\$ 75	\$ 255
Local Share		\$ 119	\$ 422	\$ 629	\$ 744	\$ 754	\$ 776	\$ 3,444
Farebox	15.0%	\$ -	\$ 82	\$ 122	\$ 144	\$ 146	\$ 150	\$ 644
CHT OBRIP New Hours (FY14 \$103/hr)		4,575	10,929	16,355	19,219	19,457	19,625	90,160
Total Cost		\$ 471	\$ 1,161	\$ 1,791	\$ 2,169	\$ 2,264	\$ 2,355	\$ 10,211
Federal Share		\$ -	\$ -	\$ 25	\$ 51	\$ 83	\$ 116	\$ 275
State Share	7.5%	\$ -	\$ 35	\$ 87	\$ 134	\$ 163	\$ 170	\$ 589
Local Share		\$ 471	\$ 1,125	\$ 1,678	\$ 1,984	\$ 2,019	\$ 2,069	\$ 9,347
Farebox	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPT OBRIP New Hours (FY14 \$44/hr)		2,008	4,759	6,883	7,424	7,620	7,670	36,364
Total Cost		\$ 88	\$ 211	\$ 315	\$ 372	\$ 382	\$ 388	\$ 1,756
Federal Share		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Share		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Share	100.0%	\$ 88	\$ 211	\$ 315	\$ 372	\$ 382	\$ 388	\$ 1,756
Farebox	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Bus Capital - Bus Acquisitions - Updated Assumptions

Orange		FY14	FY15	FY16	FY17	FY18	FY19	Total
TTA Bus Acquisitions (2 buses)		0.00	458.45	0.00	487.31	0.00	0.00	945.76
Federal Share	30.0%	0.00	137.54	0.00	146.19	0.00	0.00	283.73
State Share	5.0%	0.00	22.92	0.00	24.37	0.00	0.00	47.29
Local Share	65.0%	0.00	297.99	0.00	316.75	0.00	0.00	614.75
CHT Bus Acquisitions (8 buses)		0.00	0.00	1,417.99	1,461.94	1,004.84	0.00	3,884.77
Federal Share	30.0%	0.00	0.00	425.40	438.58	301.45	0.00	1,165.43
State Share	5.0%	0.00	0.00	70.90	73.10	50.24	0.00	194.24
Local Share	65.0%	0.00	0.00	921.69	950.26	653.15	0.00	2,525.10
OPT Bus Acquisitions (2 buses)		0.00	150.41	0.00	0.00	164.84	0.00	315.25
Federal Share	30.0%	0.00	45.12	0.00	0.00	49.45	0.00	94.58
State Share	5.0%	0.00	7.52	0.00	0.00	8.24	0.00	15.76
Local Share	65.0%	0.00	97.77	0.00	0.00	107.15	0.00	204.91
Totals - Orange County		0.00	608.86	1,417.99	1,949.26	1,169.68	0.00	5,145.79
Total Federal Share	30.0%	0.00	182.66	425.40	584.78	350.90	0.00	1,543.74
Total State Share	5.0%	0.00	30.44	70.90	97.46	58.48	0.00	257.29
Total Local Share	65.0%	0.00	395.76	921.69	1,267.02	760.29	0.00	3,344.76

Bus Capital - Facilities - Updated Assumptions

Orange		FY14	FY15	FY16	FY17	FY18	FY19	Total
Total Cost		25.00	950.05	1,541.75	2,467.95	2,222.24	0.00	7,206.99
Federal Share Bus Facility	38.0%	0.00	361.02	585.86	937.82	844.45	0.00	2,729.16
State Share Bus Facility	8.0%	0.00	76.00	123.34	197.44	177.78	0.00	574.56
Local Share Bus Facility	54.0%	25.00	513.03	832.54	1,332.69	1,200.01	0.00	3,903.27

Chapel Hill Transit North-South Corridor Study

www.NSCStudy.org

SUMMARY: CHT North-South Corridor Study examines a variety of public transportation options and alignments and will conclude with the identification of a Locally Preferred Alternative (LPA) for the corridor. The study reviews the transportation corridor from the Eubanks Road Park and Ride to the Southern Village Park and Ride. The study began in January 2014 and is expected to conclude this fall.

STUDY COMMITTEES: The Study is guided by two committees – Policy and Technical.

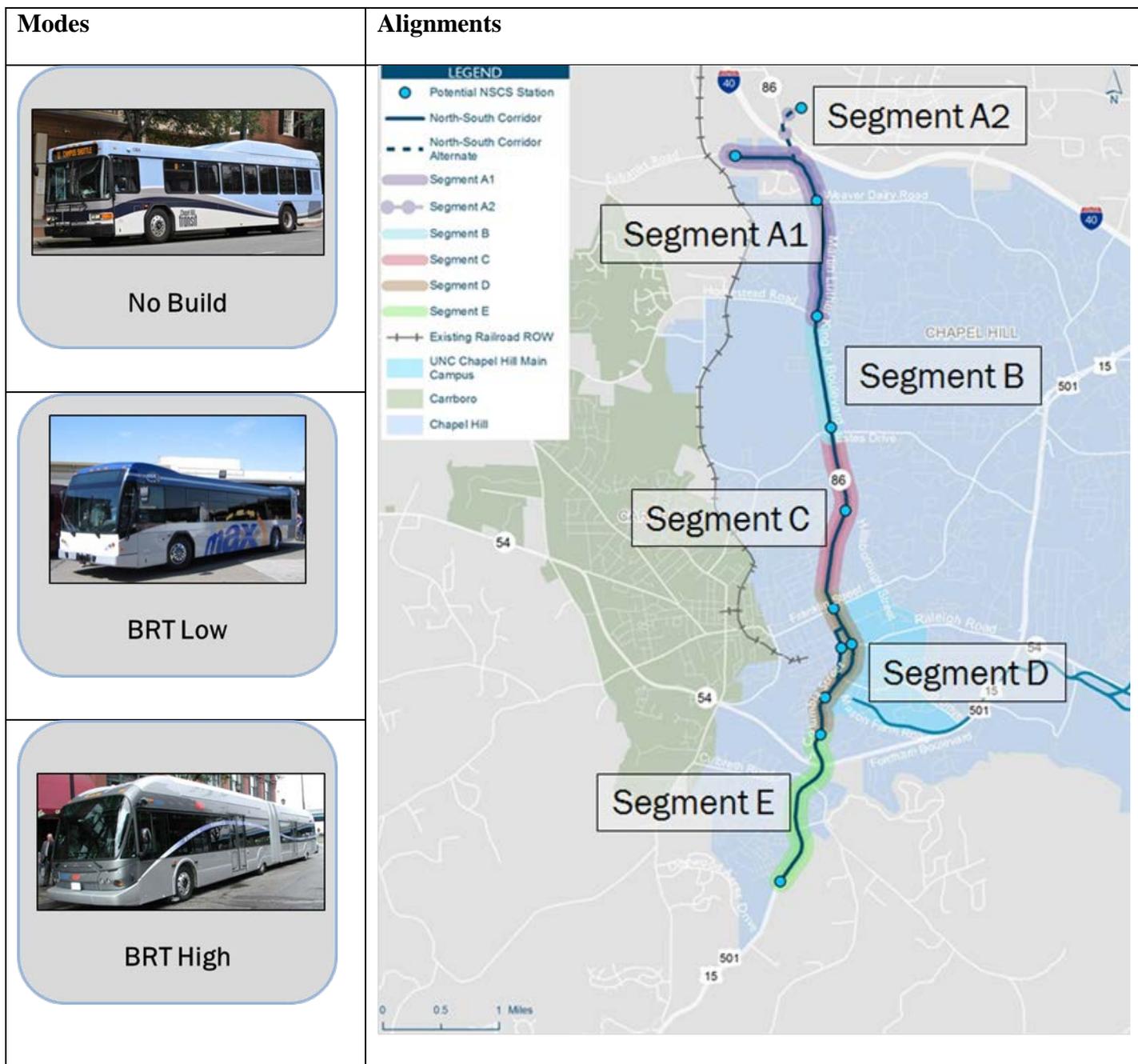
- **The Policy Committee** - responsible for the overall direction of the study and is comprised of elected, government and organizational officials from the study area. The committee members provide policy guidance throughout the study duration.
- **The Technical Committee** - responsible for advising on technical issues. The committee is a cross-section of transportation, planning and development professionals from the public and private sectors, community and business leaders.

TRANSPORTATION NEEDS:

- **Capacity** – CHT ridership has increased by more than 20% between 2005 and 2012, and buses often operate at capacity during weekday peak hours.
- **Population** - Chapel Hill is comparatively young, but its fastest-growing demographic is over age 65.
- **Development** - major development opportunities at the northern and southern ends of the corridor will fundamentally reshape mobility patterns and needs within the corridor.
- **Travel Demand Management** - multi-modal transportation investments are necessary to accommodate anticipated increases in travel demand resulting from planned development within the corridor.
- **Sustainable Growth** - Chapel Hill – and the surrounding region – has demonstrated a commitment to sustainable growth strategies in their adopted plans and policies.

PUBLIC INVOLVEMENT: There are several ways to stay informed and provide feedback: sign up for project updates through the study website, participate in the online community forum called MindMixer or attend public meetings. As of today, two rounds of public meetings were held. Meeting materials are available on the project website: <http://nscstudy.org/study-documents/>. The next round is planned for spring.

PROJECT STATUS: The Study is currently in the detailed evaluation (Tier 2) phase. Three elements to be evaluated in Tier 2 to determine preferred alternative(s) that is/are subject to further refinement: 1) Modes; 2) Alignments; and 3) Runningways.



Runningways - “mix-and-match” approach along the corridor

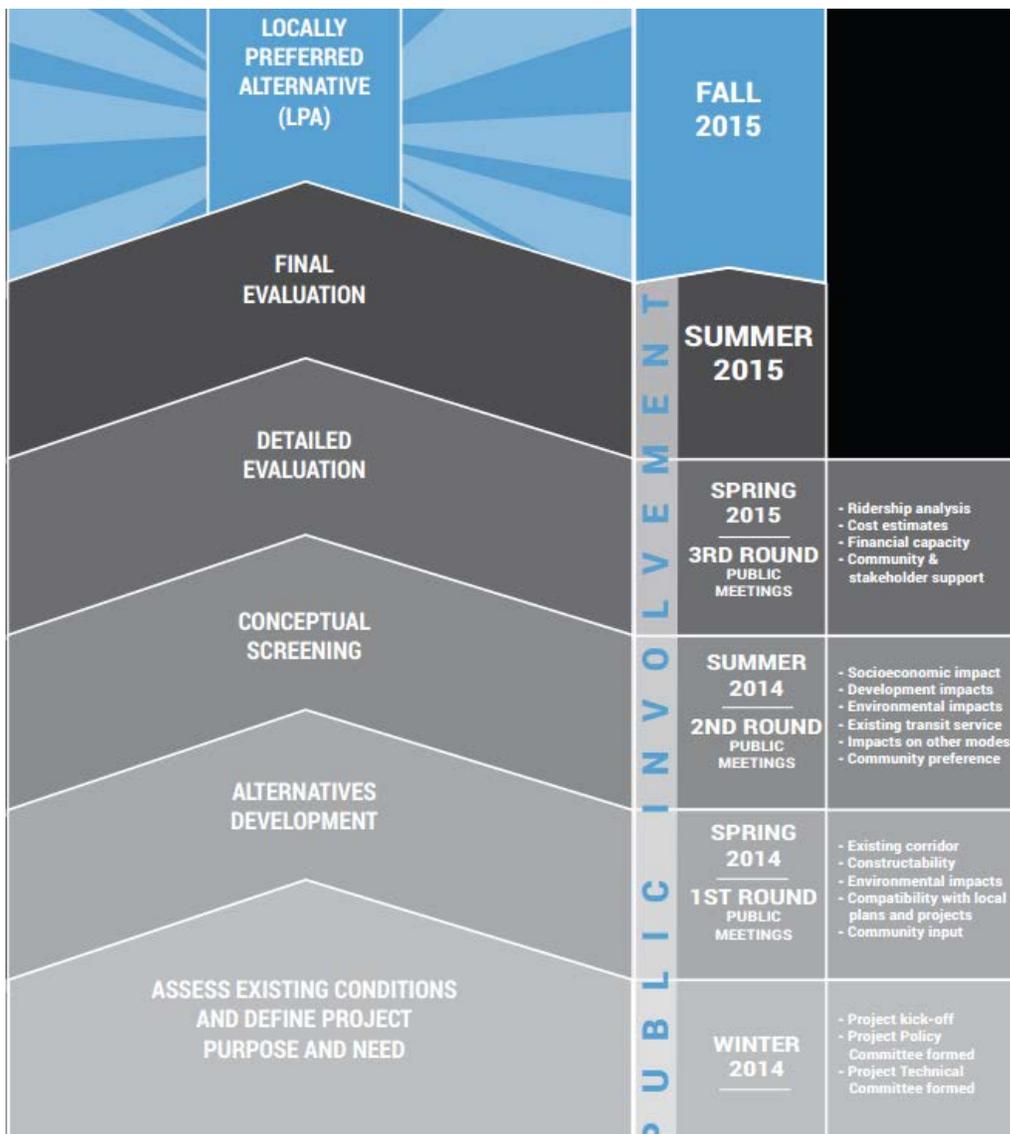
- Mixed Traffic
- Dedicated Side (Curb) Lanes
- Dedicated Center Lanes

NEXT STEPS: Tier 2 Detailed Evaluation - March 2015 to early July 2015

- March 2015 - Finalize Service Plans (draft available at www.ncstudy.org)

- March 2015 to May 2015 - Ridership Forecasting, Capital Cost, Operations and Maintenance Cost, Station Area Socio-Economic Analysis
- Spring 2015- Public Engagement

PROJECT SCHEDULE:



CONTACT INFORMATION:

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Mila Vega
 Transit Service Planner/Project Manager
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mvega@townofchapelhill.org

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: March 5, 2015

**Action Agenda
Item No. 3**

SUBJECT: Presentation of 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

UNDER SEPARATE COVER

Attachment B. Manager Recommended
FY 2015-20 County
Capital Investment Plan

Available Electronically

<http://orangecountync.gov/finance/budget.asp>

INFORMATION CONTACT:

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

PURPOSE: To receive 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.

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.

County Capital – Highlights

The County Capital section includes two (2) new projects in Years 1-5 that were not part of the FY 2014-19 CIP. These projects include the following:

Generator Projects – includes \$30,000 for design services and \$100,000 for a generator at Hillsborough Commons in Year 1 (FY 2015-16); \$100,000 in Year 2 (FY 2016-17) for a generator at Animal Services Facility; and \$175,000 in Year 3 (FY 2017-18) for generators at Cedar Grove, Efland Cheeks, and Historic Rogers Road Community Centers.

9-1-1 Back-up Center – includes \$369,499 in Year 1 (FY 2015-16) to provide a 9-1-1 Back-up Communications Center at the West Campus Office Building in Hillsborough. The NC 9-1-1 Board requires that all Public Safety Answering Points (PSAPs) have a back-up plan, no later than July 1, 2015, in the event of an outage or abandonment of the primary 9-1-1 Center.

Other Major County projects include the following:

Southern Orange Campus (Future Planning) – Design services of \$400,000 were included in FY 2014-15, with site development infrastructure work of \$3,600,000 in Year 1 (FY 2015-16) for campus buildings not associated with the existing Southern Human Services Center (SHSC). Expansion of the existing SHSC is included in a separate CIP project.

Southern Human Services Center Expansion – A full site master plan Special Use Permit (“SUP”) was approved in June 2014, providing the Board adopted guidance regarding expansion and remodeling to accommodate future Human Services and other identified County needs. The facility will be programmed to follow logical and timely development of master plan and Space Study work group recommendations (that will be presented to the Board of Commissioners in Spring of 2015). The Plan includes \$75,000 in Year 1 (FY 2015-16) for schematic design services to assist in visioning the expanded space and its potential uses, and \$6,475,000 in Year 2 (FY 2016-17) for the expansion, which includes a Dental Clinic.

Southern Branch Library – Funding of \$600,000 was approved in FY 2013-14 for possible land purchase; Design and engineering work of \$472,500 is included in Year 1 (FY 2015-16), and construction costs of \$5,625,000 and \$750,000 in equipment and furnishings are included in Year 2 (FY 2016-17). Note: construction costs for this project have been reduced from the current CIP by approximately \$1,400,000 due to the square footage reduction from 18,000 to 15,000 square feet, as well as a reduction in the number of dedicated parking spaces, from 80 to 50 spaces.

Proposed Jail – total project costs of approximately \$21,600,000, with site related planning costs of \$500,000 in Year 1 (FY 2015-16), architectural/engineering costs of \$500,000 in Year 2 (FY 2016-17), with the construction of a new 144 bed jail in Year 3 (FY 2017-18). Note: Construction costs for this project have been reduced from the current CIP by approximately \$4,100,000 due to building an initial 144 bed capacity, down from the 216 bed capacity in the current CIP, with expansion potential of up to a 250 bed capacity.

Environment and Agriculture Center – includes \$300,000 in Design Services in Year 1 (FY 2015-16), and construction costs of approximately \$3,100,000 in Year 2 (FY 2016-17) for a new center at the current Revere Road site. The current Center on the property will be deconstructed to allow for a new parking area. Note: this project has moved up one year from the current CIP.

Historic Rogers Road Neighborhood Community Center – During FY 2012-13, the Board of Commissioners approved the establishment of capital project for the construction of a Historic Rogers Road Neighborhood Community Center with funds of \$650,000. For Year 1 (FY 2015-16), \$260,000 is budgeted, which includes the County's 43% share of a Phase II Study, and construction costs of \$3,025,000 in Year 2 (FY 2016-17) for the County's 43% share of OWASA's Sewer Concept plan to provide sewer to 86 parcels identified by the Historic Rogers Road Neighborhood Task Force.

Efland-Cheeks Community Center Upfit – includes approximately \$425,000 in Year 5 (FY 2019-20) for an upfit/interior renovation to the current facility, including new equipment and furnishings, as well as area landscaping.

Emergency Services Substations – Funding for this project will enable the construction of 4 new co-built EMS stations and 2 stand-alone substations in geographical areas across the County that will help reduce response times. Year 2 (FY 2016-17) includes \$1.2 million for 2 co-builds, both with the Town of Hillsborough. Year 3 (FY 2017-18) includes a \$600,000 co-build with the Town of Chapel Hill. Year 4 (FY 2018-19) includes \$2.1 million for one co-build with the Town of Chapel Hill, and one stand-alone substation. An additional stand-alone substation is planned in Years 6-10. Note: the initial two substations in FY 2016-17 have been pushed back one year from the current CIP.

Blackwood Farm Park – includes \$150,000 in Year 2 (FY 2016-17) for final design and construction drawings, with Park construction funds of \$1,900,000 in Year 3 (FY 2017-18), and approximately \$1,100,000 in Year 4 (FY 2018-19) for a permanent parks operations base. Note: the parks operations base has moved up one year from the current CIP.

Soccer.com Soccer Center (Phase II) – This represents an investment in the current facility (formally named Eurosport Soccer Center), with \$425,000 included in Year 1 (FY 2015-16) for possible land acquisition for future expansion; Design costs of \$250,000 in Year 4 (FY 2018-19); and approximately \$4.6 million in Year 5 for the construction of new artificial turf fields, tennis courts, parking, restrooms/equipment building, equipment, and stormwater controls. Note: Possible land acquisition has moved up one year from the current CIP.

Millhouse Road Park – This project reflects a possible Town of Chapel Hill/County partnership concept for this project. Includes \$100,000 in Year 2 (FY 2016-17) for design, engineering, and preconstruction costs; and \$6,400,000 in Year 3 (FY 2017-18) for Park construction, including a soccer field complex, walking trails, and other amenities. This joint facility is reflected in both the Town and County's Parks and Recreation Master Plans.

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 (Elfand 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 Elfand 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 funds of \$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.

School Projects – Highlights

Chapel Hill-Carrboro City Schools – includes \$750,000 in Preliminary Planning funds in Year 1 (FY 2015-16) to allow the school system to be “shovel ready” for a project or projects after a successful Bond Referendum; funds would be reimbursed from the approved Bond Referendum funds.

Based on the Schools Adequate Public Facilities Ordinance (SAPFO) most recent November 15, 2014 projections, the following new schools/additions would be needed in Years 6-10: *Middle School #5* to open in FY 2023-24 (Note: the addition of 104 new seats in FY 2014-15 from the construction of the Science wing at Culbreth Middle School delayed the need for additional capacity at the middle school level by three years); *Elementary #12* to open in FY 2023-24. Pay-As-You-Go (PAYG) funds are estimated at a 1.5% annual growth rate and the Lottery Proceeds are held constant throughout the 5-year CIP period.

Orange County Schools – includes \$478,000 in Preliminary Planning funds in Year 1 (FY 2015-16) to allow the school system to be “shovel ready” for a project or projects after a successful Bond Referendum; funds would be reimbursed from the approved Bond Referendum funds.

Based on the SAPFO's recent November 15, 2014 projections, the following new schools/additions would be needed in Years 6-10: *Cedar Ridge High School Classroom Addition* to open in FY 2022-23. Pay-As-You-Go (PAYG) funds are estimated at a 1.5% annual growth rate and the Lottery Proceeds are held constant throughout the 5-year CIP period.

Note: Funds to address both school systems' Facilities Assessment Report needs are not included in the Recommended CIP. The Reports reflected needs totaling approximately \$330 million for both school systems. The size and timeframe of a future Bond Referendum and/or Alternative Financing that could possibly address facility needs has not yet been decided by the Board of Commissioners.

Appendices – Highlights

County Debt Service and Debt Capacity – Based on the Manager’s recommended funding, the County’s annual debt service as a percent of the General Fund budget would remain under the 15% Debt Service Policy throughout the 5-year CIP period, with the highest percentage in Year 4 (FY 2018-19) at 14.08%. Given the funding scenarios in the CIP for Years 6-10, the highest percentage in those years would reach 13.92% in Year 7 (FY 2021-22). Note: Even though there is new debt assumed in Years 6-10, it is offset by the retirement of some of the County’s existing debt.

Water and Sewer Projects Debt Service (to be paid with Article 46 Sales Tax proceeds) – based on the current allocation for debt service for Economic Development initiatives, the accumulated amount of revenue earmarked for debt service is adequate to cover debt service payments through the 5-year CIP period.

FINANCIAL IMPACT: There is no immediate financial impact associated with the presentation of the FY 2015-20 Capital Investment Plan. It is a long-range financial planning tool with a financial impact in FY 2015-20, 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 receive the presentation of the Manager’s Recommended FY 2015-20 Capital Investment Plan and provide direction to staff in preparation of the April 9, 2015 Budget work session.

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****Total Appropriations****\$ 24,731,705****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**