

2011 – 2021 Major Capital Improvements Program - Future Projects Forsyth County, North Carolina

The Forsyth County Major Capital Improvements Program (CIP) is the result of an ongoing process by County officials to assess the need for major capital expenditures, the feasibility of funding these projects, and to establish an orderly plan for implementing these projects.

The total Plan is much longer, and includes detailed pages for each project. Included herein are the summary pages of the Plan. The Plan contained herein is not an approved Plan. Final approval of any plan or project is subject to subsequent action by the Board of Commissioners.

Some of the projects contemplated in this plan require long-term financing. Long before the November 2006 bond referendum for the Schools and FTCC, the County Commissioners had an informal policy goal of capping annual debt service at 10% of the budget for that year. The Commissioners gave their approval of sending the November 2006 bond referendum (\$250 million) to the people for a vote, knowing that the required debt service would exceed the 10% limit if approved. The table below shows the current debt service (which includes the November 2006 debt service) peaking in FY 2013 at around 13.7%. The additional debt service required for additional possible projects in the Plan in the future pushes this percentage higher, reaching a maximum of 19.3% in FY 2019. The policy of keeping debt service at less than a specified percent of the budget can greatly influence the timing and/or the amount of funding for a project, as well as the method of funding.

FY	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Existing:	12.9%	13.5%	14.0%	13.7%	13.6%	12.7%	12.0%	11.5%	10.8%	10.4%	9.7%
Existing + proposed CIP	12.9%	13.5%	14.7%	14.8%	18.0%	17.3%	18.1%	18.7%	19.3%	19.1%	19.2%

The CIP is reviewed by the Commissioners periodically, usually twice a year, once at the annual Commissioners' Planning Workshop, and then again during their annual budget deliberations. The most recent discussion occurred in May 2010 during budget deliberations. At that time, Commissioners favored moving ahead with relatively few projects in the first half of the planning period. These included a bond referendum in November of 2010 for Library Facilities improvements, as well as the renovation of the Phillips Building for use by Sheriff's Administration, expanded jail space, and possible other emergency services. Lastly, the Commissioners expressed a desire to move forward with replacing the Youth Detention Center and Justice system renovations.

The following pages include:

- Summary of all projects considered, & a description of projects included, & not included, in the Plan;
- A summary of the estimated timing of project construction;
- Annual General Fund needs to support these projects, on a project by project basis. *The annual needs include any costs which will impact the General Fund.* Annual needs include debt service, & all related operating costs of the project once complete, i.e., personnel, utilities, etc.

Major Capital Improvements Programs (Contd.)

Key points of the Capital Plan include:

Source of Funding for Included Projects

GO Bonds	\$260,250,000
Limited Obligation Bonds	173,150,000
Pay As You Go	6,902,000
Short Term Financing	2,800,000
2/3rds Bonds	71,250,000
State of NC	5,250,000
Total	<u>\$519,602,000</u>

School Projects

The amount included in the Plan for the Winston-Salem/Forsyth County Schools is \$105,350,000. A successful referendum in the fall of 2016 is assumed for the difference (\$210,700,000) between the total request of the Schools as indicated 4 years ago and the amount ultimately included and approved in the bond referendum in November, 2006 (\$250 million). This plan assumes \$190,250,000 of bonds would be issued during the planning period. The related operating costs (salaries, utilities, etc.) as well as debt are shown below and are also included in the Net Annual County Dollar Requirements page.

Details for the affected years:

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	\$2,866,506	6,859,892	8,775,131	10,691,307	13,269,141	12,914,160
Related Operating Costs	-	704,687	2,044,789	2,623,676	2,689,268	3,461,187
Total Impact on General Fund	<u>2,866,506</u>	<u>7,564,579</u>	<u>10,819,920</u>	<u>13,314,983</u>	<u>15,958,409</u>	<u>16,375,347</u>

Schools Capital Maintenance Plan

The amount included in the plan for Capital Maintenance of facilities is \$40,500,000. This amount will be funded through the use of 2/3rds Bonds. It was determined that a plan needed to be established to maintain facilities currently in the system beginning in FY 2011.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Debt Service	854,080	828,800	1,497,940	1,451,800	2,113,590
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	2,046,650	2,686,690	2,600,550	3,221,090	3,115,450

Major Capital Improvements Programs (Contd.)

Non-School Projects

Forsyth Technical Community College (FTCC).

This CIP assumes a successful bond referendum in the (FY 2015) for \$30 million. FTCC requested funding of \$8 million for the Main Campus Renovation, \$4.4million for a 20,000 square foot addition at the Northwest campus for classroom space, computer labs, nursing labs, biology labs, etc., as well as funding of \$17.6 million for a new campus in the western part of Forsyth County. It will house classrooms, computer labs, nursing labs, biology labs, early childhood labs, continuing ed. classrooms, etc. Funding requirements are as follows:

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt	\$ 3,202,800	3,108,000	3,015,000	2,919,000	2,874,000	2,778,000
Related Operating Costs	-	605,000	620,125	635,628	651,519	667,807
Total	\$ -	<u>3,713,000</u>	<u>3,635,125</u>	<u>3,554,628</u>	<u>3,525,519</u>	<u>3,445,807</u>

Forsyth Technical Community College (FTCC) Capital Maintenance

The amount included for Capital Maintenance of facilities is \$2,300,000. This amount will be funded through the use of 2/3rds Bonds in FY 2011. It was determined that funds are needed to be established to maintain facilities currently in the system.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Debt Service	245,548	238,280	231,150	223,790	220,340
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	212,980	206,080	199,180	192,280	185,380

Justice System. Additional space for the Justice System will be needed in the foreseeable future, and \$91 million is included for this purpose in FY 2013. This includes additional space next to the existing Hall of Justice, as well as renovations to the existing Hall of Justice. This project will be funded with LOBS.

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Debt	\$9,715,160	9,427,600	9,145,500	8,854,300
Related Operating Costs		1,980,625	2,040,044	2,101,245
Total	<u>\$9,715,160</u>	<u>11,408,225</u>	<u>11,185,544</u>	<u>10,955,545</u>
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt	8,717,800	8,426,600	8,153,600	7,880,600
Related Operating Costs	2,164,283	2,229,211	2,296,087	2,364,970
Total	<u>\$10,882,083</u>	<u>10,655,811</u>	<u>10,449,687</u>	<u>10,245,570</u>

Major Capital Improvements Programs (Contd.)

Library Facilities. The Library System is in need of major replacements or renovations. This plan provides \$40 million for the replacement/renovations of the Central, Clemmons and Kernersville branches as well as funds to make repairs at the other branches. This plan assumes a successful bond referendum in FY 2011. The amounts shown below are for the Debt Service that would be funded with GO Bonds. No additional operating expenses are assumed because the new structure would be replacing existing facilities.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Debt Service	\$ 1,266,667	1,900,000	3,720,690	3,634,207	3,547,724
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	\$3,461,241	3,374,759	3,288,276	3,201,793	3,115,310

Park System Development. \$ 4 million in various park improvements or repairs is assumed to be funded through 2/3rds Bonds in FY 2011. Additional improvements and repairs to the system will continue in FY 2013 at \$3.25 million and alternating years going forward. There may be additional operating costs that have not been identified at this time. The revenue below from Guilford County is their portion of funding for the continued development of Triad Park.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Debt Service	\$427,040	414,400	748,970	725,900	1,056,795
Revenue From Guilford County		400,000	0	400,000	0
Total Impact on General Fund	<u>\$427,040</u>	<u>14,400</u>	<u>748,970</u>	<u>325,900</u>	<u>1,056,795</u>
	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Debt Service	\$1,023,325	1,343,345	1,300,275	1,610,545	1,557,725
Revenue From Guilford County	400,000	0	0	0	0
Total Impact on General Fund	<u>\$ 623,325</u>	<u>1,343,345</u>	<u>1,300,275</u>	<u>1,610,545</u>	<u>1,557,725</u>

Phillips Building. This project is an adaptive reuse of a building in close proximity to the existing Detention Center. The current administrative space occupied by the Sheriff is becoming inadequate due to additional staff added over the years. In addition, the County is planning for additional jail space because the existing jail is projected to be at capacity in the near future. The proposed use of the building is to move Sheriff Administration from its existing location, as well as provide for jail expansion space. Also under consideration is potential space for an Emergency Operations Center or other possible related uses. Although there will be related operating costs for this building, there will be some cost avoidance by no longer using the current Sheriff's administration building. A comparison has not been completed. The project will be done in phases. There are 2 phases assumed in the Plan, spread over 5 years.

Major Capital Improvements Programs (Contd.)

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Debt Service	\$1,361,190	2,682,090	2,602,275	2,521,950	3,871,257

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	\$5,178,852	\$5,017,170	4,857,510	4,718,970

Public Safety Training Facility. The Public Safety Training Facility would serve the Law Enforcement Departments of the County and City. Various cost sharing arrangements have been discussed with the City of Winston-Salem. This version of the Plan assumes that the County will fund \$4 million of the project in the form of lease payments of \$200,000.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Related Operating Expense	\$ 200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Public Safety – Replacement of the Youth Detention Center. The existing facility was built in 1962, and is in need of replacement. This plan assumes the construction of a new facility in FY 2017 with Limited Obligation Bonds. It will house more youth than the current facility, and will require additional personnel, the costs of which are shown below. We expect the State of NC to fund ½ of the construction costs, and the debt service shown is for the County's ½. In addition, the State will reimburse the County for a portion of the related new operating costs.

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	\$560,490	543,900	527,625	510,825
Related Operating Costs		510,389	523,148	536,227
Offsetting Revenue		255,194	261,574	268,113
Total	<u>\$560,490</u>	<u>799,095</u>	<u>789,199</u>	<u>778,939</u>

Public Safety – Emergency Communications Upgrade. This project is to upgrade the emergency communications system in FY 2019 with Limited Obligation Bonds for \$25 million. The upgrade costs will be shared equally with the City of Winston-Salem. No additional operating expenses are assumed because the new system will be replacing the existing system..

	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	\$2,669,000	2,590,000
Offsetting Revenue	1,334,500	1,295,000
Total	<u>\$1,334,500</u>	<u>1,295,000</u>

Major Capital Improvements Programs (Contd.)

Public Safety – Emergency Services Renovations. This project would renovate and improve the Fairchild Fire Facility and outlying stations. The renovations would begin in FY 2013 for \$4.2 million in 2/3rds Bonds. Debt Service is shown below and there may be additional operating costs, but they have yet to be identified.

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Debt Service	\$448,392	435,120	422,100	408,660	402,360	388,920	376,320	363,720

Information Systems. This category includes projects to be funded with short term financing (5 years) or possibly PayGo funds. Specific projects include replacement of network switches (\$1.25 million) and the data archive system (\$700,000) in FY 2011 and replacing the storage area network in FY 2015 (\$850,000). No additional related operating costs are expected.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Debt Service	\$450,401	450,401	450,401	450,401	646,729

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$196,329	196,329	196,329	196,329

Public Health Expansion or Renovation. With the rapid expansion of WIC, and the natural growth of other Public Health services, the existing Public Health Building is becoming too crowded. \$1.5 million is included for the expansion or renovation of the building in FY 2015. Also, the Cleveland Avenue Dental Center lease will be up in FY 2014. The building can be purchase at that time for \$402,000. This plan assumes the purchase. Source of funding is assumed to be PayGo. Any additional related operating costs have not been estimated, but should be minimal.

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
PayGo	\$ -	-	-	402,000	1,500,000

Justice System Building Design. This project is for the design phase of the Justice System project listed above. The design phase is budget at \$5 million and will be fund with PayGO in FY 2011.

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
PayGo	\$5,000,000	-	-	-	-

Major Capital Improvements Programs (Contd.)

Science Center. This project, although still being considered, is not funded in this latest version of the CIP. The project, estimated to cost \$30 million, would replace the center on Hanes Mill Rd and move to a new location to be determined.

Park Land Long Range Plan and Acquisition. This project is still in the development stages and is included for discussion and place holding purposes. No estimates of future costs have been developed.

Human Services Campus Land Acquisition and Future Needs. This project is still in the development stages and is included for discussion and place holding purposes. No estimates of future costs have been developed