

2010 – 2020 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, feasibility of funding these projects, and 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 yet 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 our annual debt service at 10% of the budget for that year. The Commissioners gave their approval of sending the November 2006 bond referendum (\$275 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 13.3%. The additional debt service required for additional possible projects in the Plan in the future pushes this percentage higher, reaching a maximum of 14.9% in FY 2017. 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.

Long Term Debt Service as a percent of budget:												
FY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Existing:	12.6%	12.5%	13.2%	13.3%	12.7%	11.5%	10.7%	10.0%	9.2%	8.8%	8.0%	
Existing + proposed CIP	12.6%	12.7%	14.1%	14.4%	14.0%	14.2%	13.6%	14.9%	14.6%	14.6%	13.9%	

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 February 2009 at their annual Planning Workshop. 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 replacing the Central Library, as well as wanting to pursue purchase and 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.

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	\$174,048,087
COPS or 2/3rds bonds	185,924,931
Pay As You Go	2,700,000
Short Term Financing	4,287,500
Private Sources	15,950,000
State of NC	5,250,000
Guilford County	1,200,000
Total	<u>\$389,360,518</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 3 years ago and the amount ultimately included and approved in the bond referendum in November, 2006 (\$250 million). This plan assumes \$105,350,000 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 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$ -	2,866,506	7,547,391	10,770,047
Related Operating Costs	-	-	687,499	1,994,916
Total Impact on General Fund	<u>-</u>	<u>2,866,506</u>	<u>8,234,890</u>	<u>12,764,963</u>

Non-School Projects

Forsyth Technical Community College (FTCC).

This CIP assumes a successful bond referendum in the Fall of 2014 (FY 2015) for \$22 million. FTCC requested funding 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 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt	\$ -	2,348,720	2,279,200	2,211,000	2,140,600	2,107,600
Related Operating Costs	-	-	605,000	620,125	635,628	651,519
Total	\$ -	<u>2,348,720</u>	<u>2,884,200</u>	<u>2,831,125</u>	<u>2,776,228</u>	<u>2,759,119</u>

Not included are operating costs (\$363,145) for a Downtown Research Park Building to be built with private funds. These costs are, however, included in the Future Budget Projects in the Policies and Goals section.

Major Capital Improvements Programs (Contd.)

Justice System. Additional space for the Justice System will be needed in the foreseeable future, and \$108.6 million is included for this purpose in FY 2016. This includes additional space next to the existing Hall of Justice, as well as renovations to the existing Hall of Justice. This is proposed to be funded with COPS. There may be near term renovations to the existing Hall of Justice, but these plans have not been finalized, and would likely be funded with Pay as You Go funding, or possibly federal Stimulus funds to replace the windows and portions of the HVAC systems.

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt	\$11,592,666	11,249,534	10,912,916	10,565,440
Related Operating Costs		2,164,283	2,229,211	2,296,087
Total	<u>\$11,592,666</u>	<u>13,413,816</u>	<u>13,142,127</u>	<u>12,861,528</u>

Information Systems. This category includes projects to be funded with short term financing (5 years). Specific projects include replacement of network switches (\$2.5 million) during FY 2010 and FY 2011, and replacing the storage area network in FY 2015 (\$850,000). No additional related operating costs are expected.

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Debt Service	\$288,718	577,437	577,437	577,437	577,437

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$485,047	196,329	196,329	196,329	196,329

Central Library. The existing Central Library is in need of major renovation or replacement. This plan assumes a successful bond referendum in the Fall of 2010 (FY 2011) to fund ½ of the estimated cost of \$31,900,000. One half of the cost is assumed to be funded from private sources. The amounts shown below are for the Debt Service for the ½ that would be funded with bonds. No additional operating expenses are assumed because the new structure would be replacing existing facilities.

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Debt Service	\$ -	-	1,702,822	1,652,420	1,602,975	1,551,935	1,528,010

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$1,476,970	1,429,120	1,381,270	1,333,420

Clemmons and Kernersville Libraries. The replacement of, or additions to, these branch libraries are assumed to be funded with a successful bond referendum in the Fall of 2016. No additional operating expenses are assumed because no new staff are anticipated being needed. Each facility is ½ of the costs shown below.

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$ -	1,323,824	1,284,640	1,246,200

Major Capital Improvements Programs (Contd.)

Open Space Preservation. Years ago, the County funded a "Purchase of Development Rights" Program, with funding fluctuating from year to year. As budgets became tighter, the funding stopped. At the time, it was thought that a way of funding this program was to put it to the voters in a bond referendum. The amount of \$7 million was determined by estimating the yearly amount possible in terms of demand, coupled with the requirement to spend GO Bond proceeds within seven years. The CIP assumes a successful bond referendum in the fall of 2016. No related operating costs are envisioned. Debt service requirements are as follows:

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$ -	747,320	725,200	703,500

Parks - Triad Park. Triad Park is the newest County Park, straddling the border between Forsyth and Guilford counties. It is jointly funded by both counties. This plan fully funds the final 3 phases of development. To accomplish this, Forsyth County's share of the final three phases (50% of \$2.4 million) PayGo funds in FY 2012 - FY 2014. The annual requirements from the Forsyth County General Fund are ½ of this amount, or \$400,000. This plan assumes this portion will be funded on a pay as you go basis. There may be additional operating costs, but they have yet to be identified.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
PayGo	\$ 800,000	800,000	800,000
Revenue from Guilford Co.	400,000	400,000	400,000
Net County Dollars	<u>\$ 400,000</u>	<u>400,000</u>	<u>400,000</u>

Parks – Countywide System Development. \$ 7.3 million in various park improvements or repairs is assumed to be funded through a successful referendum in the fall of 2016. These include \$2.7 million in the Southeastern/Union Cross area of the County, and \$2.4 million in new construction at Horizons Park in the Northeastern part of the County. There may be additional operating costs, but they have yet to be identified. The remainder is devoted to repairs and other purposes in the other County Parks.

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$ -	784,482	761,262	738,483

Parks – Tanglewood Park Enterprise Related Projects. These projects total \$6.3 million and include: lake repairs and engineering, bunker renovation, swimming pool enhancements, replacing Mallard Lake concessions and restrooms, various Manor House repairs, Main Clubhouse renovation, Par 3 clubhouse replacement, and replacing the cottages. The pool enhancement is scheduled for FY 2011, with most of the remainder scheduled for FY 2016. The plan assumes these projects would be funded with COPS or 2/3rds bonds, but some could be accomplished through PayGo funding. No additional related operating costs or revenues are included in the plan.

Major Capital Improvements Programs (Contd.)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Debt Service	\$ -	53,380	51,800	50,250	48,650
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$47,900	100,822	247,173	544,785	528,280

Parks – Tanglewood Park non-Enterprise Related Projects. These projects total \$3.7 million and include: replacing Shelter 1 and the Family Picnic Shelter in FY 2012. In FY 2018, the plan anticipates funds for walking paths and equestrian trails, as well as paving repairs. There may be additional operating costs, but they have yet to be identified.

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Debt Service	\$ -	-	98,219	95,312	92,460
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Debt Service	\$ 89,516	88,136	85,192	350,672	338,952

Phillips Building. This project is an adaptive reuse of a building which is in close proximity to the existing Jail. The space currently 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 not too distant future. The proposed use of the building would be to move Sheriff Administration from its existing location, as well as provide for jail expansion space. It is also under consideration for other possible related uses. Although there will be related operating costs for this building, we are also avoiding costs by no longer using the current Sheriff's administration building, and 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.

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Debt Service	\$1,088,952	2,417,910	3,707,190	5,003,967	6,275,862	6,100,665
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	
Debt Service	\$6,100,665	5,926,980	5,755,290	5,586,150	5,397,210	

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. 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	\$ -	-			1,500,000

Major Capital Improvements Programs (Contd.)

Public Safety – Expansion of EMS (Emergency Medical Services) Space. This project, although still being considered, is not funded in this latest version of the CIP. The project, estimated to cost \$13.5 million, would provide for space for warehousing and logistical support for EMS. Other alternatives are being considered, and it is hoped a less expensive solution will emerge.

Public Safety – Purchase of EMS Defibrillators. This project came about through the FY 2009-2010 budget process. The department had requested to replace 1/5 of its defibrillators, and it hoped to replace all over the next 5 years. There is some benefit to having consistent models, and it was decided to replace all 30 units at once, at about the same cost per year. Short term, 5 year financing is assumed.

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Debt Service (5 yr)	\$216,539	216,539	216,539	216,539	216,539

Public Safety Training Facility –second phase. The location is planned to be a part of the new northern satellite campus of Forsyth Technical Community and would serve the County and City Public Safety departments. Various cost sharing arrangements have been discussed with the City of Winston-Salem. This version of the Plan assumes that the County would fund \$4 million of the project separately from what the City is funding. Related operational costs have not yet been determined.

	<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>	<u>FY 2020</u>
Debt Service	\$ 427,040	414,400	402,000	389,200	383,200	370,400	358,400	346,400

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 2014. 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 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>
Debt Service	\$560,490	543,900	527,625	510,825	502,950	486,150	
Related Operating Costs		473,946	485,795	497,940	510,389	523,148	
Offsetting Revenue		236,973	242,898	248,970	255,194	261,574	
Total	<u>\$560,490</u>	<u>780,873</u>	<u>770,523</u>	<u>759,795</u>	<u>758,144</u>	<u>747,724</u>	