

## **CAPITAL IMPROVEMENT PROGRAM**

The five-year Capital Improvement Projects Plan (CIP) is a financing construction/acquisition plan for projects that require significant capital outlay. The CIP provides an overall perspective to capital planning, as it includes projects that are funded from all funds.

The CIP is currently approved in concept only, meaning that the Board of County Commissioners has expressed its desire to follow the CIP, and yet not have obligated any funds to the projects. This allows the Commissioners to express their approval of the plan, and yet wait until the issue is revisited in the Fall when items such as Fund Balance levels are known before committing funds.

Even after the approval of the CIP, the plan remains a dynamic process that will include changes over time. These changes may be necessitated by organizational changes, funding uncertainties, unforeseen emergencies, project delays, or plans by other entities. Even though changes will occur, there are many benefits to the long term planning and analysis that go into the development of the CIP.

### **Capital Asset/Improvement**

The county defines capital assets as assets with an individual cost of more than \$5,000, and an estimated useful life of more than two years. These items are budgeted in the annual operating budget within each department. A capital project is undertaken to acquire a capital asset. Capital improvements are defined as land purchases for a public facility, major facilities, major renovations or expansion of existing facilities, and major pieces of equipments or rolling stock.

### **Capital Project**

The CIP includes all capital expenditures of \$50,000 or more which are funded in whole or in part through county government. In general, CIP projects are adopted annually as multi-year funds until the project is completed and closed out. The County does not adopt projects using the Capital Project Ordinance method. The multi-year capital project fund authorizes all the funding and expenditures for the completion of the entire project.

### **CIP Preparation**

The start of the annual budget process begins with the preparation of project requests in mid-October. During the budget process, management and staff decide which programs to fund and at what level. CIP requests are due back to the Finance Officer by the end of October. In mid-November, the County Manager delivers the CIP to the Board of County Commissioners at their regularly scheduled meeting.

### **Funding Overview**

The Capital Improvements Program relies on a variety of funding sources to accomplish its many efforts. These include general fund appropriations, debt financing, state shared revenues and grants from the state government, federal government or private sources. Projects funded through debt financing also have a major impact on the annual operating budget because of their ongoing debt services expenses. A summary of the county's outstanding debt obligations and the related debt service are included in the Recommended and Adopted Budgets.

**Person County  
Capital Improvement Plan (CIP)  
Budget Year 2009-10  
Board Approved**

<b>Sources of Revenue for Project Costs:</b>	<b>Budget Year 2009-10</b>	<b>Planning Year 2010-11</b>	<b>Planning Year 2011-12</b>	<b>Planning Year 2012-13</b>	<b>Planning Year 2013-14</b>
<b>Revenues:</b>					
Transfer from General Fund	1,471,000	1,250,000	1,120,000	901,600	721,000
Transfer from County Capital Reserve Fund	50,000	136,000	475,000	480,000	656,000
Transfer from County Capital Reserve Fund (Schools)	260,000	1,060,000	1,155,000	1,700,000	1,145,000
Grants	-	-	500,000	-	-
Debt Service Proceeds	-	3,817,000	5,500,000	-	-
<b>Total Sources:</b>	<b>1,781,000</b>	<b>6,263,000</b>	<b>8,750,000</b>	<b>3,081,600</b>	<b>2,522,000</b>
<b>Project Costs:</b>					
<b>Public Buildings:</b>					
New roof-Library	250,000	-	-	-	-
New roof-Olive Hill Gym	160,000	-	-	-	-
New roof-Airport Pump Building	-	25,000	-	-	-
Hot Water repair at LEC (will need to do re-piping)	60,000	50,000	-	-	-
Courthouse Renovations *	-	3,200,000	-	-	-
New roof-Kirby Civic Auditorium	-	225,000	225,000	-	-
New Roof-PCOB	-	200,000	200,000	-	-
New Roof-EMS	-	-	150,000	50,000	-
New roof-Huck Sansbury Gym	-	-	250,000	150,000	-
Replace carpet & tile (PCOB)	-	-	-	200,000	200,000
Remove 4000 Gallon UST (deisel fuel tank) @ EMS and Replace with above ground tank-used for the generator	-	-	-	60,000	-
Paving-driveway & parking lots-Anim Ctrl & PW maintenance	-	-	-	50,000	50,000
Demolition of house & pave lot	-	-	-	-	-
<b>EMS:</b>					
ECG Monitor Replacement Program	-	-	-	-	75,000
<b>Fire Marshal:</b>					
Mobile Air and Light Vehicle	-	-	-	-	-
<b>Recreation, Arts &amp; Parks:</b>					
Rec Center/Senior Center Engineer Fees	26,000	26,000	-	-	-
Helena gym improvements	-	-	-	26,000	27,000
Recreation and Senior Center **	-	-	6,000,000	-	-
Paving-6 Walking tracks (3 per year)	-	-	-	30,000	35,000
Office Rec Center--old DSS building	-	-	-	25,000	-
Playground improvements	-	-	-	25,000	-
Kirby--Renovate second floor	-	-	-	250,000	-
Mayo Park-camping cabins (2) and restrooms for camp area (2)	-	-	-	50,000	-
Helena park expansion	-	-	-	-	-
Olive Hill---construct outside restrooms	-	-	-	-	-
<b>Total County Projects</b>	<b>496,000</b>	<b>3,726,000</b>	<b>6,825,000</b>	<b>916,000</b>	<b>387,000</b>
<b>Piedmont Community College (PCC):</b>					
New roof-F, G, and I Buildings (\$225K/ea.)	225,000	225,000	225,000	-	-
Technical Education Building ***	-	617,000	-	-	-
New Telephone System (Voice Over IP)	-	-	30,000	35,600	-
Paving and Expansion-Parking Lot 4	-	-	-	50,000	50,000
Renovate Building F lower level, Bldg G lower level & Bldg D	-	-	-	100,000	100,000
<b>Total PCC</b>	<b>225,000</b>	<b>842,000</b>	<b>255,000</b>	<b>185,600</b>	<b>150,000</b>

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<b>Project Costs: (in recommended order)</b>	<b>Budget Year 2009-10</b>	<b>Planning Year 2010-11</b>	<b>Planning Year 2011-12</b>	<b>Planning Year 2012-13</b>	<b>Planning Year 2013-14</b>
<b>Public Schools:</b>					
New roof-Northern Middle School	750,000	750,000	-	-	-
Exterior wall waterproofing Person High	60,000	-	-	-	-
PHS fire alarm & security system replacement	200,000	-	-	-	-
New roof-SMS Gym	50,000	50,000	-	-	-
New roof-portion of PHS	-	500,000	500,000	-	-
New roof-Early Intervention	-	50,000	75,000	-	-
New roof-North End	-	250,000	250,000	250,000	-
New roof-Southern Middle	-	-	750,000	750,000	-
Chiller replacement @ PHS	-	95,000	95,000	95,000	-
Window replacement-Earl Bradsher	-	-	-	185,000	185,000
Window replacement-North Elem	-	-	-	125,000	325,000
Window replacement-North End Elem	-	-	-	250,000	250,000
Window replacement-Woodland Elem	-	-	-	200,000	200,000
Window replacement-Oak Lane Elem	-	-	-	125,000	125,000
Window replacement-South Elem	-	-	-	-	300,000
Window replacement-Person High	-	-	-	-	300,000
Stadium restrooms & seating	-	-	-	-	250,000
Paving-PHS & South Elem	-	-	-	-	50,000
VCT floor tile replacement Earl Bradsher	-	-	-	-	-
Paving-tracks at PHS & SMS	-	-	-	-	-
Maintenance Facility	-	-	-	-	-
<b>Total Public Schools</b>	<b>1,060,000</b>	<b>1,695,000</b>	<b>1,670,000</b>	<b>1,980,000</b>	<b>1,985,000</b>
<b>Total Uses:</b>	<b>1,781,000</b>	<b>6,263,000</b>	<b>8,750,000</b>	<b>3,081,600</b>	<b>2,522,000</b>

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<b>Sources of Revenue for Operating Impact Costs:</b>	<b>Budget Year 2009-10</b>	<b>Planning Year 2010-11</b>	<b>Planning Year 2011-12</b>	<b>Planning Year 2012-13</b>	<b>Planning Year 2013-14</b>
Property Tax	132,115	287,115	1,062,115	1,187,115	1,102,115
Grants (Rec Center)	-	-	500,000	-	-
Fees (Rec Center)	-	-	100,000	200,000	200,000
<b>Total Sources of Revenue for Operating Impact Costs</b>	<b>132,115</b>	<b>287,115</b>	<b>1,662,115</b>	<b>1,387,115</b>	<b>1,302,115</b>

<b>Operating Impact Costs:</b>	<b>Budget Year 2009-10</b>	<b>Planning Year 2010-11</b>	<b>Planning Year 2011-12</b>	<b>Planning Year 2012-13</b>	<b>Planning Year 2013-14</b>
Courthouse Project					
Operating	-	5,000	5,000	5,000	5,000
Personnel	94,768	94,768	94,768	94,768	9,768
Recreation and Senior Center Project	-	-	-	-	-
Personnel/Operating	-	-	500,000	500,000	500,000
Technical Education Building Project					
Current Expense	37,347	37,347	37,347	37,347	37,347
Debt Service Payments:					
Courthouse Project	-	125,000	250,000	250,000	250,000
Recreation and Senior Center Project	-	-	225,000	450,000	450,000
Technical Education Building Project	-	25,000	50,000	50,000	50,000
<b>Total Operating Impact Costs</b>	<b>132,115</b>	<b>287,115</b>	<b>1,162,115</b>	<b>1,387,115</b>	<b>1,302,115</b>

**Notes:**

The items highlighted in orange represent the year that these projects are to be fully funded. This CIP is adopted with the contingency that it not to be included in the budget for next year until fund balance at year-end is finalized through the audit for 2008-09. Once the audit is complete, this CIP will be re-visited before the budgeting of these projects is finalized.

The remaining items are costs that will be budgeted in the Capital Reserve Fund that year to minimize the impact of the full cost of the project in a future year. If it is decided that the funding capacity is not there to make this possible or that the fund balance appropriation would be too high, these projects would be need to be reduced or moved across the year(s).

**\* Courthouse Renovation Project**

We have 3 years to be able to finance this project and include the costs incurred in FY 2009 for architect fees & safety equipment. If it is decided to delay this project beyond that time, these A&E fees and safety equipment costs would not be eligible for reimbursement under the financing agreement. However, this should not dictate the timing on a financing if the funding capacity is not available within that 3 year window.

**\*\* Rec and Senior Center**

We have 7 years before we are required to issue obligation bonds for this project, if in fact it is the Commissioners desire to fund it this way. However, the A&E fees (\$52K) would need to be incurred in the year prior to the beginning date of project construction to determine the total scope of this project.

**\*\*\* PCC's Technical Education Center**

We will complete the payment on this project in the current year for FY 2009. This project was approved with the intent of doing a future borrowing. We have 3 years to finance this project. If it is decided not to include in a borrowing, then this amount would just close to fund balance in FY 2009 and would come off of the CIP. We are currently showing a borrowing for this project to be done in conjunction with the Courthouse project. The courthouse will more than likely serve as collateral for this project if we couple it with the Courthouse Renovation project.