

2008 – 2018 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. The County Commissioners long ago established an informal policy goal of capping our annual debt at 10% of the budget for that year. This policy can greatly influence the timing and/or the amount of funding for a project, as well as the method of funding. The recently approved (November 2006 - \$275 million) bond referendum pushes that percent to a number considerably more than 10% in future years.

As a result of the passage of a Statewide Lottery last year, Counties in North Carolina are eligible to use Lottery proceeds for School construction, either on a pay as you go basis, or to offset debt service, including existing debt service back to that issued since 2003. This Plan assumes no lottery proceeds because the Commissioners decided we will use the Lottery proceeds to help pay for debt service resulting from that portion of the November 2006 referendum which was for schools (\$250 million). Consequently, there is a significant change in calculating debt as a percent of budget. We are now using a net debt service number which subtracts the lottery proceeds from school debt. In addition, the Commissioners decided in the FY 2008 budget to levy 3 cents on the Property Tax Rate for the "Education Debt Leveling Plan". Together with the Lottery Proceeds, no future increase in the Property Tax Rate for the debt service from the 2006 referendum should be necessary. In addition, we are using revenue from the City of Winston-Salem against the debt for the Public Safety Training Facilities.

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, 2007 at the Commissioners' Planning Workshop.

At the Workshop in February, the Commissioners discussed the issues of debt as a percent of budget, and tax rate consequences. No firm decisions were reached in February. The Plan contained herein contains some timing changes as well as the inclusion of some projects not included in February.

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, and all related operating costs of the project once complete, i.e., personnel, utilities, etc.***

Key points of the Capital Plan include:

Projects Considered	\$560,737,661
Projects Included	495,221,061

Source of Funding for Included Projects

GO Bonds	285,000,000
COPS	156,200,000
Pay As You Go	42,599,308
Short Term Financing	11,421,753
Total	<u>\$495,221,061</u>

Major Capital Improvements Program (Contd.)

School Projects

The amount included in the Plan for the Winston-Salem/Forsyth County Schools is \$210.7 million. This reflects the difference between the total request of the Schools as indicated a year ago and the amount ultimately included and approved in the bond referendum in November, 2006 (\$250 million). This Plan assumes a \$210.7 million bond referendum in the Fall of 2014, which would be in the FY 2015 fiscal year.

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.

	<u>FY 2008-2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Impact	\$ -	7,108,010	17,709,616	22,669,631

Details for the affected years:

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Debt Service	5,733,012	13,719,784	17,550,262
Related Operating Costs	1,374,998	3,989,832	5,119,369
Total Impact on General Fund	<u>7,108,010</u>	<u>17,709,616</u>	<u>22,669,631</u>

Related Operating Costs include additional personnel, salary supplements, and utilities for the additional schools to be built. The schools include 2 elementary schools to open in FY 2016, 1 middle and 1 high school in FY 2017, and another middle school in FY 2018. It should be noted that these are the incremental increases required since providing additional schools moves existing personnel from mobile classrooms to permanent facilities.

Non-School Projects

Forsyth Technical Community College (FTCC) –major projects. This category includes a number of projects to be accomplished over the planning period. They have been grouped into two classifications; major projects and capital maintenance. This CIP assumes the major projects would be funded with bonds, and the capital maintenance projects funded on a “pay as you go” basis. It should be noted that one of the proposals from FTCC is actually for Public Safety personnel from Forsyth County and the City of Winston-Salem. It is shown separately as a Public Safety project entitled “Public Safety Training Facility”.

FTCC requested funding for \$66.8 million in projects, and the plan assumes funding for \$66.8 million (these amounts *exclude* \$9 million for classroom space in lieu of renovating the career center). The largest project (\$17 million) requested involves acquiring and renovating the WS/FC Schools Career Center for additional classroom space, thus necessitating new space for School administration (\$20 million). These amounts are only staff estimates, and will be modified once more accurate information is available for use in a potential bond referendum. While this Plan assumes a Fall 2010 Bond Referendum, it may be held two years earlier (Fall 2008) if plans are firmed up. Additionally, included in a 2010 bond referendum are renovations to Main Campus buildings in the amount of \$7 million.

	<u>FY 2008-2011</u>	<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>
Impact	\$ -	5,767,236	5,637,454	5,510,960	5,380,247	5,329,925	5,200,208	5,080,409

Major Capital Improvements Program (Contd.)

Details for the affected years:

	<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>
Debt	5,017,720	4,869,200	4,723,500	4,573,100	4,502,600	4,352,200	4,211,200
Related Operating Costs	749,516	768,254	787,460	807,147	827,325	848,008	869,209
Total Impact on Gen. Fd	<u>5,767,236</u>	<u>5,637,454</u>	<u>5,510,960</u>	<u>5,380,247</u>	<u>5,329,925</u>	<u>5,200,208</u>	<u>5,080,409</u>

Justice System. There are 2 projects in this category ...near term (FY 2008 and FY 2009) and further out (FY 2014). The near term could involve renovations to the Hall of Justice for the courts, or possibly be used towards another building which would be funded on a "pay as you go" basis with transfers from the newly established Capital Reserve Fund. Additional space for the Justice System will be needed in the foreseeable future, and \$100 million is included for this purpose in FY 2014. This is proposed to be funded with COPS.

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010-14</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Impact	\$ 4,600,000	4,600,000	-	10,676,000	12,400,044	12,151,245	11,894,283

Details for the affected years:

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010-14</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
PayGo	\$4,600,000	4,600,000	-				
Debt Service	\$ -	-	-	10,676,000	12,400,044	12,151,245	11,894,283

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) at an estimated cost of \$27,300,000. One half of the cost is assumed to be funded from private sources, and the other one half with Bonds. 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 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>
Debt Service	1,457,274	1,414,140	1,371,825	1,328,145	1,307,670	1,263,990	1,223,040

Public Safety Training Facility – second phase. The location is planned to be a part of the new northern satellite campus of Forsyth Technical Community College, and has been submitted by FTCC on behalf of the County and City Public Safety departments. The Plan calls for 2 phases. The first phase includes the Fire portion which was approved in the November 2006 bond referendum (\$5 million). The second phase would be for the remainder of the facility (\$8.2 million) to be funded with COPS which are proposed to be funded in FY 2009. Furthermore, it is assumed that ½ of the debt service and operating expenses will come from the City of Winston-Salem. The total debt service per year is estimated to be around \$1,400,000. Consequently, County costs as shown on the "Annual County Dollar Requirements by Project" would be 50% of total costs.

	<u>FY 2008-09</u>	<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>	<u>FY 2017</u>	<u>FY 2018</u>
Impact	\$ -	437,716	424,760	412,050	398,930	392,780	379,660	367,360	355,060	342,760

Major Capital Improvements Program (Contd.)

Details for the affected 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>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Debt Service	\$875,432	849,520	824,100	797,860	785,560	759,320	734,720	710,120	685,520
Revenue - City of W-S	\$437,716	424,760	412,050	398,930	392,780	379,660	367,360	355,060	342,760
Net Impact on Gen. Fd	\$437,716	424,760	412,050	398,930	392,780	379,660	367,360	355,060	342,760

Public Safety – New Sheriff Administration Space. The space currently occupied by the Sheriff is becoming inadequate due to additional staff added over the years. This plan assumes a 75,000 square foot building in FY 2012 at a cost of \$26,200,000. Debt Service would begin in FY 2013 and the building would open in FY 2014.

	<u>FY 2008-12</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>
Impact	-	\$2,797,112	2,832,337	2,754,067	2,673,251	2,637,051	2,556,388

Details for affected years:

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Debt Service	\$2,797,112	2,714,320	2,633,100	2,549,260	2,509,960	2,426,120
Related Operating Expense	0	118,017	120,967	123,991	127,091	130,268
Net Impact on Gen. Fd	\$2,797,112	2,832,337	2,754,067	2,673,251	2,637,051	2,556,388

Public Safety – New Jail Space. A consultant advised the County that we would likely need additional jail space in the planning period, and suggested that a 77,200 square foot facility with 272 beds would meet our needs. Inflation @ 3% per year was added to his 2004 estimated costs of \$16,700,000, yielding a FY 2013 estimated cost of \$21,800,000.

	<u>FY 2008-13</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Impact	\$ -	2,327,368	2,257,480	9,944,687	10,068,771	10,234,762

Details for affected years:

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Debt Service	\$2,327,368	2,258,480	2,190,900	2,121,140	2,088,440
Related Operating Expense	-	-	\$7,753,787	7,947,631	8,146,322
Net Impact on General Fund	\$2,327,368	2,258,480	9,944,687	10,068,771	10,234,762

Information Systems. This category includes a number of projects, and all are funded with short term financing (5 years). Specific projects have been identified through FY 2014. Needs of \$500,000 per year are estimated FY 2015 through FY 2018. Items include replacement servers, countywide telephone system replacement, and other information technology needs.

Major Capital Improvements Program (Contd.)

	<u>FY 2008</u>	<u>FY 2009</u>	<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>	<u>FY 2017</u>	<u>FY 2018</u>
Impact \$	-	86,616	237,904	249,453	665,207	1,127,157	1,098,285	1,062,484	1,166,423	866,155	519,693

Jail Needs. This category includes projects totaling \$3,112,153 and provides for a new door control system, guard tour system, and CCTV system. These are to be funded with short term financing. Annual requirements in the general fund would total \$718,829 for 5 years.

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014-18</u>
Impact \$	-	718,829	718,829	718,829	718,829	718,829	-

Forsyth County Capital Maintenance. The County has identified capital maintenance needs totaling \$9.9 million over this planning period. Specific projects are identified thru FY 2012. These projects are to be funded on a pay as you go basis.

	<u>FY 2008</u>	<u>FY 2009</u>	<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>	<u>FY 2017</u>	<u>FY 2018</u>
Impact	\$1,228,810	1,129,700	870,000	767,000	790,000	809,750	829,994	850,744	872,012	893,812	916,158

Forsyth Technical Community College (FTCC) Capital Maintenance. One of the County's core responsibilities is to maintain the buildings of the community college. \$10.8 million for this purpose is included for the planning period. Specific projects are identified thru FY 2013 period (fiscal years 2014 thru 2018 represent projects which have yet to be determined, and the amounts are based on averages from previous years). All are funded on a pay as you go basis.

	<u>FY 2008</u>	<u>FY 2009</u>	<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>	<u>FY 2017</u>	<u>FY 2018</u>
Impact	\$825,000	1,175,000	955,000	975,000	1,315,000	300,000	1,000,000	1,025,000	1,050,625	1,076,891	1,103,813

Tanglewood Park. Tanglewood Park officials have requested funding for a number of large projects totaling \$24.7 million. These include projects for related to Golf, Tennis, Shelter replacements, develop Idol's Road parcel, and Walking/equestrian trails. Funding is only included in this Plan for several smaller projects on a pay as you go basis.

	<u>FY 2008</u>	<u>FY 2009</u>	<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>	<u>FY 2017</u>	<u>FY 2018</u>
Impact	\$350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000

Campground. Included as a separate project is \$2 million for renovating the campground at Tanglewood. This is proposed to be funded in FY 2008 on a pay as you go basis with available Fund Balance. Operating costs and related revenues are under study but not yet available.

	<u>FY 2008</u>	<u>FY 2009-2013</u>
Impact \$	2,000,000	-

Major Capital Improvements Program (Contd.)

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 phases of development, but delays the next phase until FY 2009. To accomplish this, \$800,000 per year is included for the project thru FY 2014. The annual requirements from the Forsyth County General Fund are ½ of this amount, or \$400,000. This plan assumes it will be funded on a pay as you go basis.

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014-18</u>
Impact	-	\$400,000	400,000	400,000	400,000	400,000	-

Details on affected years:

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
PayGo	\$800,000	800,000	800,000	800,000	800,000	800,000
Revenue from Guilford County	\$400,000	400,000	400,000	400,000	400,000	400,000
Net Impact on General Fund	\$400,000	400,000	400,000	400,000	400,000	400,000