

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Budget Work Session
April 14, 2020
Meeting – 7:00 p.m.
Southern Human Services Center
2501 Homestead Road
Chapel Hill, NC 27514

- (7:00 – 10:00) 1. Discussion of Manager’s Recommended FY 2020-25 Capital Investment Plan (CIP)

Orange County Board of Commissioners’ regular meetings and work sessions are available via live streaming video at http://www.orangecountync.gov/departments/board_of_county_commissioners/videos.php 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: April 14, 2020

**Action Agenda
Item No. 1**

SUBJECT: Discussion of Manager's Recommended FY 2020-25 Capital Investment Plan (CIP)

DEPARTMENT: County Manager and Finance and Administrative Services

ATTACHMENT(S):

Attachment A. Overall CIP Summary, County CIP Projects Summary, and Proprietary CIP Projects Summary

Previously Provided Under Separate Cover – Also Available Online:

*Manager Recommended FY2020-25
County Capital Investment Plan*

<http://www.orangecountync.gov/714/County-Budgets>

INFORMATION CONTACT:

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PURPOSE: To discuss the Manager's Recommended FY 2020-25 Capital Investment Plan.

BACKGROUND: Each year, the County produces 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 2020-25 CIP includes County Projects, School Projects, and Proprietary Projects. The School Projects include Chapel Hill-Carrboro City Schools, Orange County Schools, and Durham Technical Community College – Orange County Campus projects. The Proprietary Projects include Water and Sewer, Solid Waste Enterprise Fund, and Sportsplex projects.

The CIP has been prepared anticipating moderate economic growth of approximately 2% in property tax growth over the next five years, and 4% sales tax growth in Years 2-5. Sales Tax proceeds for Year 1 (FY 2020-21) are estimated to decline by 4.5% due to the current coronavirus pandemic. Many of the projects in the CIP will rely on debt financing to fund the projects.

Tonight's discussion will focus on County and Proprietary CIP projects. Note: Page numbers are referenced below as they appear in the CIP document. See Attachment A for the Overall CIP Summary (page 19), County CIP Projects Summary (page 20), and the Proprietary CIP Summaries (page 23). Discussion of the Schools CIP projects is scheduled for the April 23, 2020 Work Session. Durham Technical Community College – Orange County Campus new academic building project will also be discussed at the April 23, 2020 meeting.

Discussion will also be directed tonight to recommended Future Capital Projects in Years 2-5 of the CIP (FY 2021-22 through FY 2024-25); discussion and review of the Debt Service and Debt Capacity – General Fund (page 190), the Water and Sewer Debt Service requirements paid with Article 46 Quarter Cent Sales Tax proceeds (page 191), and Debt Service requirements for Solid Waste (page 192) and Sportsplex (page 193).

FINANCIAL IMPACT: There is no immediate financial impact associated with discussion of the FY 2020-25 Capital Investment Plan. It is a long-range financial planning tool with a financial impact in FY 2020-25, if the first year of the CIP is approved by the Board of County Commissioners with the adoption of the Annual Budget.

SOCIAL JUSTICE IMPACT:

There are no Orange County Social Justice Goal Impacts associated with discussion of this item.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts associated with discussion of this item.

RECOMMENDATION(S): The Manager recommends the Board review and discuss the Manager's Recommended FY 2020-25 Capital Investment Plan and provide direction to staff.

Attachment A

Orange County Capital Investment Plan - Plan Summary - RECOMMENDED
Fiscal Years 2020-25

Appropriations	Current Fiscal Year 2019-20	Year 1 Fiscal Year 2020-21	Year 2 Fiscal Year 2021-22	Year 3 Fiscal Year 2022-23	Year 4 Fiscal Year 2023-24	Year 5 Fiscal Year 2024-25	Five Year Total	Year 6 to Year 10
County	11,518,264	13,082,582	24,189,587	21,181,857	12,356,294	8,684,412	79,494,732	115,019,483
Proprietary								
Solid Waste	1,545,536	1,946,752	1,820,331	2,812,933	1,750,398	1,138,264	9,468,678	8,662,796
Sportsplex	372,000	922,000	245,000	1,525,000	430,000	2,021,000	5,143,000	1,425,000
Water & Sewer Utilities	1,060,000	130,000	1,350,000	945,000			2,425,000	
Proprietary Total	2,977,536	2,998,752	3,415,331	5,282,933	2,180,398	3,159,264	17,036,678	10,087,796
School								
Chapel Hill-Carrboro City Schools								
Bond Referendum			1,922,000				1,922,000	
Chapel Hill-Carrboro City Schools	5,080,991	5,074,200	4,568,754	4,667,561	4,769,317	4,874,119	23,953,951	26,602,887
Deferred Maintenance Projects	1,804,200	1,804,200					1,804,200	49,207,493
Recurring Capital Items	1,804,200	1,804,200	1,804,200	1,804,200	1,804,200	1,804,200	9,021,000	9,021,000
Supplemental Deferred Maintenance Program		1,800,000	10,000,000	6,242,000			18,042,000	
Chapel Hill-Carrboro City Schools Total	8,689,391	10,482,600	18,294,954	12,713,761	6,573,517	6,678,319	54,743,151	84,831,380
Orange County Schools								
Bond Referendum	20,064,000		11,386,000				11,386,000	
Orange County Schools	3,367,615	3,363,113	3,028,110	3,093,598	3,161,040	3,230,501	15,876,362	17,269,922
Deferred Maintenance Projects	1,195,800	1,195,800					1,195,800	44,303,065
Recurring Capital Items	1,195,800	1,195,800	1,195,800	1,195,800	1,195,800	1,195,800	5,979,000	5,979,000
Supplemental Deferred Maintenance Program		4,150,000	3,600,000	4,208,000			11,958,000	
Orange County Schools Total	25,823,215	9,904,713	19,209,910	8,497,398	4,356,840	4,426,301	46,395,162	67,551,987
Durham Tech Community College								26,547,911
School Total	34,512,606	20,387,313	37,504,864	21,211,159	10,930,357	11,104,620	101,138,313	178,931,278
Grand Total	49,008,406	36,468,647	65,109,782	47,675,949	25,467,049	22,948,296	197,669,723	304,038,557
Revenues/Funding Sources								
9-1-1 Funds								
Article 43 Sales Tax Proceeds								
Article 46 Sales Tax Proceeds	2,219,120	2,057,584	2,160,288	2,101,099	2,185,143	2,272,549	10,776,663	12,801,210
Available Project Balances								
Bonds								
Contributions from Other Infrastructure Partners	100,000	55,000	450,000	3,200,000			3,705,000	92,500
Debt Financing	9,689,220	10,001,234	22,090,857	13,021,362	11,430,339	7,031,298	63,575,090	75,745,637
Debt Financing - 2/3 Net Debt Bonds								
Debt Financing - Affordable Housing Bond Proceeds								
Debt Financing - Article 46 Sales Tax	1,060,000	130,000	1,350,000	945,000			2,425,000	
Debt Financing - Bond Proceeds	20,064,000		13,308,000				13,308,000	
Debt Financing - Durham Tech								26,547,911
Debt Financing - E911								
Debt Financing - Older Facilities	1,000,000	1,000,000					1,000,000	
Debt Financing - School Improvements	7,012,132	13,042,375	20,774,222	17,707,706	7,342,860	7,429,717	66,296,880	132,529,017
Debt Financing - Solid Waste	833,356	1,025,952	1,820,331	2,405,285	1,750,398	1,138,264	8,140,230	8,662,796
Debt Financing - Sportsplex	372,000	895,000		1,275,000	320,000	1,891,000	4,381,000	
From 9-1-1 Funds								
From Capital Reserve Funds	3,000,000	3,000,000					3,000,000	
From Other Projects								
General Government Revenue								
Grant Funding	432,572	1,422,691	445,500	832,500	250,000	750,000	3,700,691	3,010,000
Grant Funds State - E911 Board								
Insurance Proceeds								
Lottery Proceeds	1,402,354	1,402,354	1,402,354	1,402,354	1,402,354	1,402,354	7,011,770	7,053,140
Medicaid Maximization Funds	68,200							3,629,500
NCDEQ Reimbursement Fund	67,000	500,000		3,000,000			3,500,000	
Partner Funding								
Partner Funding - County Capital				400,000			400,000	28,989,133
Qualified School Construction Bonds								
Register of Deeds Fees	80,000	80,000	80,000	80,000	80,000	80,000	400,000	400,000
Solid Waste Funds	712,180	920,800		407,648			1,328,448	
Sportsplex Funds		27,000	245,000	250,000	110,000	130,000	762,000	1,425,000
Transfer from General Fund	746,272	908,657	983,230	647,995	595,955	823,114	3,958,951	3,152,713
Transfer from Other Capital Funds	150,000							
Transfer from Other Funds								
Transfer from Other Projects								
Transfer from Payment-in-Lieu								
Grand Total	49,008,406	36,468,647	65,109,782	47,675,949	25,467,049	22,948,296	197,669,723	304,038,557

County Capital Projects Summary - RECOMMENDED

Fiscal Years 2020-25

Appropriations	Current Fiscal Year 2019-20	Year 1 Fiscal Year 2020-21	Year 2 Fiscal Year 2021-22	Year 3 Fiscal Year 2022-23	Year 4 Fiscal Year 2023-24	Year 5 Fiscal Year 2024-25	Five Year Total	Year 6 to Year 10
Bingham Park								7,000,000
Blackwood Farm Park	150,000	350,000	15,000	910,000	775,000	155,000	2,205,000	
Cedar Grove Community Center			110,745				110,745	
Cedar Grove Park, Phase II						100,000	100,000	1,200,000
Climate Change Mitigation Project	469,272	478,657	488,230	497,995	507,955	518,114	2,490,951	2,750,213
Communication System Improvements	273,250	150,000	157,000	163,850	173,000	182,000	825,850	1,055,948
Community Centers Vans Purchase	140,000							
Community Loan Fund Projects	224,340							
Conservation Easements		1,000,000		1,000,000		1,000,000	3,000,000	2,000,000
County Recreation Center								3,300,000
Court Street Annex	188,600			100,000			100,000	
Criminal Justice Resource Department	216,300							
Efland-Cheeks Community Center				100,000			100,000	1,000,000
Emergency Services Substations	450,000	3,500,000	2,000,000	320,000	4,000,000		9,820,000	6,000,000
Facility Accessibility, Safety and Security Improvements	525,000	164,100	533,169	800,015	437,904	1,095,980	3,031,168	3,072,452
Facility Master Plan - Hillsborough		300,000					300,000	
Fairview Park Improvements	617,000	500,000		3,000,000			3,500,000	1,500,000
Generator Projects	158,000	450,000					450,000	
Government Services Annex	375,000							
Hollow Rock Nature Park (New Hope Preserve)		110,000					110,000	165,000
HVAC Projects	1,232,500	416,000	535,000	455,000	357,000	900,000	2,663,000	2,065,000
Information Technologies Broadband Connectivity	150,000							
Information Technologies Fiber Connectivity			1,160,000				1,160,000	
Information Technologies Governance Council Initiatives	390,000		500,000		500,000		1,000,000	1,500,000
Information Technologies Infrastructure	560,000	934,500	1,169,500	748,385	767,836	787,871	4,408,092	4,701,560
Justice Facility Improvements	43,221							
Lake Orange - Dam Rehabilitation	95,000	150,000	395,000	45,000	270,000	1,900,000	2,760,000	
Lands Legacy Program			500,000	500,000	500,000	500,000	2,000,000	2,500,000
Little River Park, Phase II	50,000		500,000				500,000	
Main Branch Library Remodel								1,200,000
Major Plumbing Repairs	250,778	45,000		200,000	1,840,000		2,085,000	
Millhouse Road Park		300,000	400,000	6,400,000			7,100,000	
Mountains to Sea Trail	289,000		181,000				181,000	693,000
Neuse River (Falls Lake) Rules - Stormwater Control Measures			175,000	175,000	175,000	175,000	700,000	725,000
Northeast District Park								8,000,000
Old Courthouse Square - Building and Grounds Improvements		20,000	220,000	390,000			630,000	
Orange County Radio/Paging Systems Upgrade								45,100,000
Orange County Southern Branch Library		400,000	8,405,843				8,805,843	
Parking Lot Improvements	145,500	215,000	30,000	15,000	30,000	15,000	305,000	1,848,600
Parks and Recreation Facility Renovations, Repairs, and Safety Improvements	180,000	180,000	180,000	180,000	180,000	180,000	900,000	900,000
Phillip Nick Waters Building Remediation	957,500							
Piedmont Food & Agriculture Processing Building Improvements	60,000	115,000	140,000				255,000	
Register of Deeds Automation	80,000	80,000	80,000	80,000	80,000	80,000	400,000	400,000
Roofing and Building Façade Projects	1,142,800	790,000	348,700	338,020	313,000	55,000	1,844,720	1,491,540
Sheriff's Office - Body Camera	158,381							
Soccer.com Soccer Center, Phase II			4,589,000				4,589,000	
Southern Orange Campus Expansion								5,185,000
Sustainability Projects	50,000		50,000	50,000	50,000	50,000	200,000	250,000
Twin Creeks Park and Educational Campus, Phase II			220,000	3,780,000			4,000,000	4,000,000
Upper Eno Nature Preserve - Seven Mile and McGowan Creek Nature Parks					438,000		438,000	
Vehicle Replacements	1,253,622	2,434,325	1,106,400	933,592	961,599	990,447	6,426,363	5,416,170
Whitted Building Campus	575,000							
Whitted Medical Waiting Room Renovations	68,200							
Grand Total	11,518,264	13,082,582	24,189,587	21,181,857	12,356,294	8,684,412	79,494,732	115,019,483
Revenues/Funding Sources								
Article 46 Sales Tax Proceeds	185,000	115,000	140,000				255,000	
Contributions from Other Infrastructure Partners	100,000	55,000	450,000	3,200,000			3,705,000	92,500
Debt Financing	9,689,220	10,001,234	22,090,857	13,021,362	11,430,339	7,031,298	63,575,090	75,745,637
Grant Funding	432,572	1,422,691	445,500	832,500	250,000	750,000	3,700,691	3,010,000
Medicaid Maximization Funds	68,200							3,629,500
NCDEQ Reimbursement Fund	67,000	500,000		3,000,000			3,500,000	
Partner Funding - County Capital				400,000			400,000	28,989,133
Register of Deeds Fees	80,000	80,000	80,000	80,000	80,000	80,000	400,000	400,000
Transfer from General Fund	746,272	908,657	983,230	647,995	595,955	823,114	3,958,951	3,152,713
Transfer from Other Capital Funds	150,000							
Grand Total	11,518,264	13,082,582	24,189,587	21,181,857	12,356,294	8,684,412	79,494,732	115,019,483

Proprietary Projects Summary - RECOMMENDED

Fiscal Years 2020-25

Appropriations	Current Fiscal Year 2019-20	Year 1 Fiscal Year 2020-21	Year 2 Fiscal Year 2021-22	Year 3 Fiscal Year 2022-23	Year 4 Fiscal Year 2023-24	Year 5 Fiscal Year 2024-25	Five Year Total	Year 6 to Year 10
Solid Waste								
C&D Landfill & Ordinance Area – Vehicle and Equipment Replacement	37,842	100,000	220,845	1,819,485	213,390	335,593	2,689,313	1,210,145
Comprehensive Solid Waste Management Plan	175,000	125,000					125,000	
Consolidated Neighborhood Waste & Recycling Center				407,648	1,076,484		1,484,132	
Construction & Demolition Landfill Expansion - Phase 2		125,000	886,000				1,011,000	
Environmental Support - Vehicle and Equipment Replacement	46,166			76,187			76,187	384,466
High Rock Road Waste & Recycling Center		765,000					765,000	
Recycling Operations – Vehicle and Equipment Replacement	926,696	570,800	263,546	70,605	403,068	416,208	1,724,227	4,537,802
Sanitation – Vehicle and Equipment Replacement	359,832	260,952	449,940	439,008	57,456	386,463	1,593,819	2,530,383
Solid Waste Total	1,545,536	1,946,752	1,820,331	2,812,933	1,750,398	1,138,264	9,468,678	8,662,796
Sportsplex								
Sportsplex - Facilities Maintenance/Replacement	245,000	560,000	100,000	125,000	110,000		895,000	545,000
Sportsplex - Fitness		100,000		100,000		100,000	300,000	250,000
Sportsplex - Ice Rink		160,000		1,275,000			1,435,000	125,000
Sportsplex - Kidsplex	75,000		105,000			105,000	210,000	205,000
Sportsplex - New Facilities		75,000				1,416,000	1,491,000	
Sportsplex - Pool	52,000	27,000	40,000	25,000	320,000	400,000	812,000	300,000
Sportsplex Total	372,000	922,000	245,000	1,525,000	430,000	2,021,000	5,143,000	1,425,000
Water & Sewer Utilities								
Buckhorn-Mebane EDD Phase 3 Sewer		130,000	1,235,000				1,365,000	
Buckhorn-Mebane EDD Potential Investment Area			115,000	945,000			1,060,000	
Hillsborough EDD	1,060,000							
Water & Sewer Utilities Total	1,060,000	130,000	1,350,000	945,000			2,425,000	
Grand Total	2,977,536	2,998,752	3,415,331	5,282,933	2,180,398	3,159,264	17,036,678	10,087,796
Revenues/Funding Sources								
Solid Waste								
Debt Financing - Solid Waste	833,356	1,025,952	1,820,331	2,405,285	1,750,398	1,138,264	8,140,230	8,662,796
Solid Waste Funds	712,180	920,800		407,648			1,328,448	
Solid Waste Total	1,545,536	1,946,752	1,820,331	2,812,933	1,750,398	1,138,264	9,468,678	8,662,796
Sportsplex								
Debt Financing - Sportsplex	372,000	895,000		1,275,000	320,000	1,891,000	4,381,000	
Sportsplex Funds		27,000	245,000	250,000	110,000	130,000	762,000	1,425,000
Sportsplex Total	372,000	922,000	245,000	1,525,000	430,000	2,021,000	5,143,000	1,425,000
Water & Sewer Utilities								
Debt Financing - Article 46 Sales Tax	1,060,000	130,000	1,350,000	945,000			2,425,000	
Water & Sewer Utilities Total	1,060,000	130,000	1,350,000	945,000			2,425,000	
Grand Total	2,977,536	2,998,752	3,415,331	5,282,933	2,180,398	3,159,264	17,036,678	10,087,796