

Person County Capital Improvement Plan FY 2015-2019

Approved



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April 21, 2014



Person County, North Carolina

Capital Improvement Plan

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PERSON COUNTY

OFFICE OF THE COUNTY MANAGER

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April 21, 2014

Dear Person County Residents:

I am pleased to present Person County's Fiscal Year 2015-2019 Capital Improvement Plan (CIP). The CIP is an important planning tool for our County; reflecting the priorities of the Board of County Commissioners in terms of capital needs and spending over the next five years. In addition to the needs of Person County Government, this Plan also incorporates the needs of our partner agencies- both Person County Schools and Piedmont Community College (PCC) - as well, given that counties are statutorily responsible for the provision of educational facilities.

The most critical capital needs are determined while taking into account the fiscal and logistical constraints facing Person County. This Plan identifies the anticipated funding sources needed to meet these priorities. Although the projects in this Plan span the next five years, the fiscal impacts extend far beyond. Therefore, the full array of funding sources needed to support the project as well as potential impacts to future operating budgets are also presented.

The development of this Plan is based on the economic and fiscal climate in which we find ourselves. While revenues remain in a very slow recovery, the Board of Commissioners understands the need to reduce the drain on the County's Fund Balance; a primary funding source for capital projects. There has been a continued reliance on Fund Balance as we tackled deferred maintenance needs that were long overdue. This use of Fund Balance caused a planned and targeted decline of our Unassigned Fund Balance. The upcoming Fiscal Year 2014-2015 significantly reduces the appropriation of Fund Balance in an effort to begin the restoration of funds for future years. Projects have been scaled back as well as the spending, while still reflecting the Board's vision for completion of several large-scale capital needs.

This proactive approach to tackling major deferred maintenance needs for the facilities of all three entities has allowed us to manage the scope and timing of these costly projects. Person County is in its fourth year of implementing a comprehensive roofing needs assessment and our second year of implementing a windows replacement assessment. In addition to roofing and windows improvements, some highlights of our progress during the current Fiscal Year 2013-2014 include: the renovation and construction of a Public Safety Satellite Facility; security equipment at all Person County Schools; a new roof at North End Elementary; window replacements at Oak Lane Elementary; a campus-wide fire alarm system at PCC; boiler replacement for the Person County Office Building; and the purchase of a new paperless document management system for Person County Government.

This updated FY 2015-2019 CIP is no longer concentrated on deferred maintenance needs, such as roofing and windows, but also includes two large-scale community projects. This is indicative of the progress that has been made over the last five years and the Board's commitment to proactively tackling those critical infrastructure needs ahead of expansion and new projects. There are two large roofing and

one windows project slated for FY14-15. For the Person County Schools: Earl Bradsher Preschool will receive a new roof at a cost of \$541,533 and window replacements will continue at Oak Lane Elementary in the amount of \$85,000. The other roofing project is a new roof for the Kirby Civic Auditorium at a cost of \$335,562. PCC will see campus-wide sidewalks upgraded for \$80,000.

Several large scale and fairly new projects are proposed to be funded next fiscal year based on the direction given by the Board of Commissioners. These include the purchase and building code improvements to the Person County Recycling Center for nearly \$1.5M; an upgrade to the controls system at the Law Enforcement Center for \$200,000; replacement of a failing and outdated county-wide telephone system to be implemented over the next three years- \$90,000 is needed in FY14-15 (total project cost is \$217,000); and new voting equipment as required by the State, which will be bought over the next two years (\$56,795 in FY15 and \$231,010 in FY16). The purchase and renovation of the Recycling Center along with both the Earl Bradsher and Kirby Civic Auditorium roofs are proposed to be financed. We are anticipating adding a public safety and broadband communications tower construction project in future years.

An important element of this CIP is a debt analysis summary, as well as a table and graph showing the future debt service levels for Person County Government. Comparing Person County's debt service levels with counties benchmarked with our population size indicate that our debt is well below those averages. The spreadsheets and graph illustrate Person County's ability to take on additional debt payments in the future. This information reveals that debt service payments take a precipitous drop in Fiscal Year 2016 even with the proposed financings planned. This sharp drop in debt service is not viewed favorably by financial analysts and bond rating agencies who recommend a steady level of debt with little deviation in either direction. Sharp changes can signal poor planning on a county's behalf and suggest inefficient use of financing tools. This is something that needs to be considered as projects are evaluated within this CIP.

Please keep in mind that this Capital Improvement Plan is just that- a plan, and while a great deal of effort and analysis have gone into this, it offers a starting point for annual comparisons, fiscal changes, unforeseen needs, and a place where public discussion can begin. The CIP will continue to be reviewed throughout the year, presenting any recommended changes to the Board for consideration. This review is critical as new information about our capital needs, our fiscal health, financing tools, and existing project scheduling arises.

Person County Government takes great care and pride in being fiscally responsible in providing services. This Capital Improvement Plan is indicative of our commitment to provide residents with not only sustainable infrastructure, but improvements and enhancements to our community and quality of life. County staff looks forward to working with the Board of County Commissioners and our community as we implement the Fiscal Year 2015-2019 Capital Improvement Plan.

Sincerely,

A handwritten signature in cursive script, appearing to read "Heidi York".

Heidi N. York
County Manager

Person County, North Carolina Capital Improvement Plan



Objectives of a CIP:

- Create a plan to organize long term capital needs in a manner to promote discussion regarding priority, feasibility, timing, potential costs, financing options and future budgetary effect.
- Limit projects to those costing \$50,000 and over in the plan.
- Present an overview of requests submitted by Person County departments, Piedmont Community College and Public Schools.
- Facilitate the exchange of information and coordination between the County, the community college and the schools on capital planning.

Steps in developing a CIP:

- Determine capital needs for all departments and certain County-funded agencies.
- Review priorities and assess proposed capital projects in relationship to these priorities.
- Make recommendations to the Board of County Commissioners on a project's timing, priority and possible financing options.

Categories of projects:

Person County Government
Piedmont Community College
Public Schools

- Each project includes a description, a timeline for construction and operating costs, and the current status.
- Also included are graphs that summarize revenue sources, projects by function, projects by type, and outstanding debt.

Person County, North Carolina Capital Improvement Plan



Criteria in determining project status:

Safety

- Is public health or safety a critical factor with regard to this project?
- What are the consequences if not approved?

Mandate

- Is the project required by legal mandates?
- Is the project needed to bring the County into compliance with any laws or regulations?

Timing and Linkages

- What is the relationship to other projects, either ongoing or requested?
- Does the project relate to a County-adopted plan or policy?

Economic Impact

- Will this project promote economic development or otherwise raise the standard of living for our citizens?

Efficiencies

- Will this project increase productivity or service quality, or respond to a demand for service?
- Are there any project alternatives?

Service Impact

- Will this project provide a critical service or improve the quality of life for our citizens?
- How will this project improve services to citizens and other service clients?
- How would delays in starting the project affect County services?

Operating Budget Impact

- What is the possibility of cost escalation over time?
- Will this project reduce annual operating costs in some manner?
- What would be the impact upon the annual operating budget and future operating budgets?

Strategic Plan

- How does this project fit into the Person County Futures plan?

Debt Management

- What types of funding sources are available?
- How reliable is the funding source recommended for the project?
- How would any proposed debt impact the County's debt capacity?
- Does the timing of the proposed construction correspond to the availability of funding?



Person County, North Carolina Capital Improvement Plan

Summary of Completed Projects for FY 2014

Piedmont Community College:

Campus-wide fire alarm system - \$60,000

Public Schools:

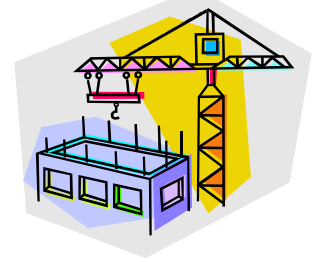
North End new roof - \$577,646

Oak Lane Elementary window replacement (75% of windows) - \$178,600

Security Equipment installed at all schools - \$99,122

Person County, North Carolina Capital Improvement Plan

Status of Ongoing Projects for FY 2014



Person County Government:

Recreation and Senior Center Project (\$3,877,000) – Due to the City of Roxboro's Board of Adjustment's decision to deny a conditional use permit for the renovation of existing facilities (Huck Sansbury location) of the Recreation and Senior Center, this project has been delayed until further direction is provided by the Board.

Recreation and Senior Center Project contingency (\$387,700) – This project has been delayed for the reasons mentioned above.

Huck Sansbury new roof (\$293,068) – This project was originally proposed to be part of the Recreation and Senior Center financing. It is now proposed to be included in the financing for the Senior Center Project in FY 2016.

Kirby new roof (\$342,273) – This project was originally proposed to be part of the overall financing for the Recreation and Senior Center Project. It is now proposed to be included in the financing for the Person County Recycling Center Project in FY 2015.

Boiler Replacement (\$108,700) – Scheduled for Spring 2014. Replacement of the boiler must take place after winter.

Public Safety Southern Satellite Facility (\$181,725) – This project is estimated to be complete in April of 2014. The project began in January 2014 and is 5% complete.

Paperless Document Management System (\$177,471) – The server software and virtual servers are installed and running. Repositories have been set up for City, County and Health Department which are independent of the DSS Laserfiche Server. Workflows have been generated and tested for the IT Department, Human Resources and GIS. The HR project is 85% complete and GIS is 100% complete. The next departments to implement the system will be the Manager's Office and City HR/Clerk.

Public Schools:

PHS new roof (\$537,000) – Project was originally approved to be part of Recreation and Senior Center Financing, but it was eventually determined that there were available funds in the School Roofing Project (QSCB) to fund this roof. Construction began in January 2014 and is anticipated to be complete in early to mid-2015.

Early Intervention new roof (\$180,999) – The condition of this roof was not in as poor condition as North End Elementary, and therefore, these two roofing projects were traded. Although this roof still needs replacing, other roofs in greater need of replacement were recommended on the five year grid, causing this roof to be delayed beyond the 5 year plan.

Person County
Capital Improvement Plan
FY 2015-2019
Approved Projects

YEAR	DEPT	PROJECT TITLE	TOTAL COST	PROJECT DESCRIPTION
2015	IT	Telephone System	90,000	Our phone system is outdated and the vendor no longer provides maintenance or repair for this type of system.
	General Services	New roof - Kirby Civic Auditorium	335,562	As recommended in the Roofing Study. This cost will serve as a matching grant for the Kirby Re-birth project.
	General Services	Upgrade controls system at LEC	200,000	The original graphic interface panels were installed in 1993 and will be replaced by new 'touch screen panels'. The old controls have reached their 'end of life' and replacement parts are no longer available.
	Elections	Voting equipment	56,795	Includes purchasing E-pollbooks. E-pollbooks are needed for the 2016 election.
	Person Industries and PCRC	Purchase and Renovation of PCRC	1,370,000	Purchase existing Recycling Center and implement life safety upfits.
	Person Industries and PCRC	Renovation of PCRC - issuance costs	60,000	Financing costs associated with the purchase and renovation of PCRC.
	Person Industries and PCRC	Renovation of PCRC contingency	30,000	2% contingency for life safety upfits at the Recycling Center.
	PCC	Campus Sidewalk Upgrades	80,000	Sidewalks are 40+ years old and are in need of repair.
	Public Schools	New roof - Earl Bradsher Preschool	541,533	As recommended in the Roofing Study.
	Public Schools	Window replacement - Oak Lane Elementary	85,000	As recommended in the Window Study.
2016	IT	Telephone System	70,000	Our phone system is outdated and the vendor no longer provides maintenance or repair for this type of system.
	General Services	New roof - Board of Elections/IT	102,489	As recommended in the Roofing Study.
	General Services	New roof - Emergency Medical Services	150,368	As recommended in the Roofing Study.
	General Services	New roof- Huck Sansbury	283,000	As recommended in the Roofing Study.
	General Services	Replace carpet and tile - PCOB	57,000	The third floor costs have been moved to the operating budget, since it did not meet the \$50,000 threshold. The remaining two floors will be completed over two years. A solution has been developed that will not require removal of carpet, tile, and glue.
	Elections	Voting equipment	231,010	Includes purchasing tabulators and AutoMark machines. The tabulators and the AutoMark machines are needed for 2017.
	Parks and Recreation	Senior Center	1,000,000	Construct a new Senior Center.
	Parks and Recreation	Senior Center issuance costs	60,000	Financing costs associated with the construction of the Senior Center.
	Library	Southern Satellite at Helena	335,000	Renovate FFA building on Old Helena School campus to create a new library branch.
	Person Industries and PCRC	PCRC/PI Merger	480,000	Construction of roof for outside storage and 5,000 sq ft of conditioned space for PI employees.
	PCC	New roof - D Building & Walkways	226,156	As recommended in the Roofing Study.
	Public Schools	New roof - South Elementary	268,991	As recommended in the Roofing Study.
	Public Schools	New roof - Oak Lane Elementary	207,532	As recommended in the Roofing Study.

Person County
Capital Improvement Plan
FY 2015-2019
Approved Projects

YEAR	DEPT	PROJECT TITLE	TOTAL COST	PROJECT DESCRIPTION
2017	IT	Telephone System	57,000	Our phone system is outdated and the vendor no longer provides maintenance or repair for this type of system.
	General Services	New roofs-Concession stands, Mayo Park, Museum and Airport	202,414	As recommended in the Roofing Study.
	General Services	Replace carpet and tile - PCOB (Phase 2)	58,500	The third floor costs have been moved to the operating budget, since it did not meet the \$50,000 threshold. The remaining two floors will be completed over two years. A solution has been developed that will not require removal of carpet, tile, and glue.
	Rec, Arts & Parks	Kirby Auditorium seating	75,000	Currently seating at the Kirby is very outdated and in some cases pose a hazard for the patrons visiting to watch shows. The current theater seating was last replaced in the late 70's.
	PCC	New roof - L Building	110,642	As recommended in the Roofing Study.
	Public Schools	New roof -North Elementary	219,535	As recommended in the Roofing Study.
	Public Schools	SMS Chiller	300,000	Chiller is 20 years old and in need of major repairs.
	Public Schools	PHS - Artificial Turf	165,000	Replace turf on PHS football field with artificial turf. Frequent usage makes existing turf unable to sustain itself.
2018	Airport	Aiport Hangar Construction	800,000	The Airport Commission has recommended construction of a new hangar.
	PCC	Upgrade campus-wide HVAC	200,000	Controls are outdated and difficult to maintain/replace parts.
	Public Schools	New roof - Woodland Elementary	152,140	As recommended in the Roofing Study.
	Public Schools	South Elementary Valve Replacement	105,000	Valves are failing, causing heating and cooling issues in the school.
	Public Schools	PHS- Replace upper tennis courts	200,000	The upper tennis courts are in poor condition and need to be removed completely, so a new base needs to be built.
2019	General Services	New roof- Courthouse	125,619	As recommended in the Roofing Study.
	PCC	Construct covered walkways	205,000	Construct a covered walkway from Building A to Building S.
	Public Schools	New roof- VFW	69,781	As recommended in the Roofing Study.
	Public Schools	PHS - Chiller	325,000	Chiller is 23+ years old and needs to be replaced.

Person County
Capital Improvement Plan
FY 2015-2019
Projects Not Approved

DEPT	PROJECT TITLE	TOTAL COST	PROJECT DESCRIPTION/REASON FOR NOT RECOMMENDING
General Services	Window Replacements - Woodland Elementary	306,850	As recommended in the window replacement study. Not recommended at this time due to more critical needs.
General Services	Window Replacements - North End Elementary	299,676	As recommended in the window replacement study. Not recommended at this time due to more critical needs.
General Services	Window Replacements - PCOB	368,016	As recommended in the window replacement study. Not recommended at this time due to more critical needs.
General Services	Window Replacements - Earl Bradsher Pre-school	396,848	As recommended in the window replacement study. Not recommended at this time due to more critical needs.
General Services	Window Replacements - South Elementary	275,196	As recommended in the window replacement study. Not recommended at this time due to more critical needs.
General Services	Window Replacements - North Elementary	287,028	As recommended in the window replacement study. Not recommended at this time due to more critical needs.
General Services	Window Replacements - Person High	545,360	As recommended in the window replacement study. Not recommended at this time due to more critical needs.
General Services	New Roof - Emergency Communications	67,402	As recommended in the roofing study. Not recommended at this time due to more critical needs.
General Services	New Roof - Helena School Complex	1,034,313	As recommended in the roofing study. Not recommended at this time due to more critical needs.
General Services	New Roof - Library	72,986	As recommended in the roofing study. Not recommended at this time due to more critical needs.
General Services	New Roof - Bushy Fork	51,494	As recommended in the roofing study. Not recommended at this time due to more critical needs.
Rec, Arts & Parks	Playground and Park Improvements	190,000	Includes upgrades and ADA compliance for Longhurst, Allensville, Hurdle Mills, Mt. Tirzah, Bushy Fork, Bethel Hill, Helena and older playgrounds at Mayo Park. The cost for this project has been moved to the operating budget, as these are recurring costs that should be maintained regularly.
Rec, Arts & Parks	Olive Hill Restroom Project	50,000	Includes construction of outdoor restrooms at Olive Hill. Not recommended at this time.
Rec, Arts & Parks	Outdoor Multi-Purpose Courts	60,000	Includes additional multi-use courts at Olive Hill, Allensville, Hurdle Mills, Bushy Fork and Bethel Hill. The Senior/Rec Center may provide additional recreational opportunities, so this project is not needed at this time.
Rec, Arts & Parks	New Park Location (Cricher-Wilkerson)	150,000	Includes construction of multi-purpose fields at Cricher-Wilkerson. The Senior/Rec Center may provide additional recreational opportunities, so this project is not needed at this time.
Rec, Arts & Parks	Renovate Old Landfill into Park/Green space	73,000	Renovate the old landfill for hiking, biking and open space. The Senior/Rec Center may provide additional recreational opportunities, so this project is not needed at this time.
Rec, Arts & Parks	Kirby Auditorium carpet	25,000	Includes replacement of carpet in the theater area. The cost for this project has been moved to the operating budget, as it is below the threshold for the CIP.
Rec, Arts & Parks	Gym restorations	65,000	Includes painting, floor restoration, new fixtures, and bathroom upgrades to meet ADA standards. These are ongoing maintenance costs and have been moved to the operating budget.

Person County
Capital Improvement Plan
FY 2015-2019
Projects Not Approved

DEPT	PROJECT TITLE	TOTAL COST	PROJECT DESCRIPTION/REASON FOR NOT RECOMMENDING
Rec, Arts & Parks	Score Board Replacements and Repairs	65,000	Includes replacing and upgrading scoreboards at all recreational locations. These are ongoing maintenance costs and have been moved to the operating budget.
PCC	Infrastructure for Future Campus Development	1,050,000	Includes construction of roads, water and sewer to expand campus. More information is needed to determine the feasibility of this project.
PCC	Equipment for upgraded dining facility	60,000	Includes purchasing equipment that would expand food offerings to students and staff. Not recommended at this time.
PCC	Master Facility plan	100,000	The most recent Master Facility Plan was created in 2008. The Master Facility Plan includes information about future facility planning. Not recommended at this time.
PCC	Architectural Plans for Building A Upgrade	75,000	This study would include renovation and expansion of Building A that would allow for additional office and meeting space. Not recommended at this time.
PCC	Architectural Plans for Building D Upgrade (Barnette Auditorium)	75,000	Includes updated lighting, HVAC, seating, desks and new finishes. Not recommended at this time.
PCC	Architectural Plans for Upgrade of BDEC	75,000	Includes renovation of the upstairs of the BDEC building to incorporate the Work Force Development Training Center, in the event that it is displaced by the new Senior/Rec Center. A space needs study may be a more economical approach to relocating the WFDTC. Due to uncertainty of Recreation and Senior Center Project, WFDTC may not need to relocate.
PCC	Building A Upgrades	500,000	Includes improvements to offices and meeting spaces. Not recommended at this time.
PCC	Building D Upgrades	500,000	Includes improvements to the auditorium, classrooms, bathrooms and office areas. Not recommended at this time.
PCC	BDEC Upgrades	500,000	Includes installing an elevator, staircase and improvements to upstairs. Not recommended at this time.

**Person County
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2015-19
Approved - Funding Schedule**

Sources of Revenue for Project Costs:	Current Year 2013-14	Budget Year 2014-15	Planning Year 2015-16	Planning Year 2016-17	Planning Year 2017-18	Planning Year 2018-19	TOTAL REVENUE SOURCES
GF Fund Balance	1,145,685	202,975	1,116,010	980,091	657,140	725,400	4,827,301
CIP Project Fund Balance	243,774	438,820	57,000	208,000	-	-	947,594
Airport Capital Projects Fund Balance	-	-	-	-	800,000	-	800,000
Debt Proceeds - Purchase and Renovation of Person County Recycling Center (PCRC) and Various Roofing Improvements	-	2,307,095	-	-	-	-	2,307,095
Debt Proceeds - Senior Center Project and Various Roofing Improvements	-	-	2,298,536	-	-	-	2,298,536
Total Sources of Revenue:	1,389,459	2,948,890	3,471,546	1,188,091	1,457,140	725,400	11,180,526
Project Costs for County:	Current Year 2013-14	Budget Year 2014-15	Planning Year 2015-16	Planning Year 2016-17	Planning Year 2017-18	Planning Year 2018-19	TOTAL PROJECT COSTS
Information Technology:							
Paperless Document Management System	177,471	-	-	-	-	-	177,471
Telephone System	-	90,000	70,000	57,000	-	-	217,000
General Services:							
Boiler Replacement-PCOB	108,700	-	-	-	-	-	108,700
New roof-Kirby Civic Auditorium	-	335,562	-	-	-	-	335,562
New roof-Board of Elections/IT	-	-	102,489	-	-	-	102,489
New roof-Emergency Medical Services	-	-	150,368	-	-	-	150,368
New roof-Huck Sansbury Complex	-	-	283,000	-	-	-	283,000
New roof-General Services Maintenance, Concession Stands, Mayo Park, Museum, Airport	-	-	-	202,414	-	-	202,414
New roof-Courthouse	-	-	-	-	-	125,619	125,619
Upgrade controls system at LEC	-	200,000	-	-	-	-	200,000
Replace carpet & tile-PCOB	-	-	57,000	58,500	-	-	115,500
Elections							
Voting Equipment	-	56,795	231,010	-	-	-	287,805
Public Safety:							
Public Safety Southern Satellite Facility	181,725	-	-	-	-	-	181,725
Recreation, Arts & Parks:							
Senior Center Project	-	-	1,000,000	-	-	-	1,000,000
Issuance Costs	-	-	60,000	-	-	-	60,000
Kirby new seating	-	-	-	75,000	-	-	75,000
Library							
Library Southern Satellite at Helena	-	-	335,000	-	-	-	335,000
Person Industries and PCRC							
Purchase and Renovation of PCRC	-	1,370,000	-	-	-	-	1,370,000
Issuance Costs	-	60,000	-	-	-	-	60,000
Contingency-PCRC Renovation	-	30,000	-	-	-	-	30,000
PCRC/PI Merger	-	-	480,000	-	-	-	480,000
Airport Construction Projects:							
Airport Hanger Construction	-	-	-	-	800,000	-	800,000
Set -asides for future projects	100,000	-	-	-	-	-	100,000
Total County Projects	567,896	2,142,357	2,768,867	392,914	800,000	125,619	6,797,653

**Person County
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Project Costs for PCC:	Current Year 2013-14	Budget Year 2014-15	Planning Year 2015-16	Planning Year 2016-17	Planning Year 2017-18	Planning Year 2018-19	TOTAL PROJECT COSTS
Piedmont Community College (PCC):							
Campus-wide fire alarm system	60,000	-	-	-	-	-	60,000
Campus Sidewalks Upgrade	-	80,000	-	-	-	-	80,000
New roof-D Building & Walkways	-	-	226,156	-	-	-	226,156
New roof-L Building	-	-	-	110,642	-	-	110,642
Upgrade campus-wide HVAC	-	-	-	-	200,000	-	200,000
Construct covered walkways	-	-	-	-	-	205,000	205,000
Set -asides for future projects	100,000	-	-	-	-	-	100,000
Total PCC	160,000	80,000	226,156	110,642	200,000	205,000	981,798

Project Costs for Public Schools:	Current Year 2013-14	Budget Year 2014-15	Planning Year 2015-16	Planning Year 2016-17	Planning Year 2017-18	Planning Year 2018-19	TOTAL PROJECT COSTS
Public Schools:							
Security equipment at all schools	99,122	-	-	-	-	-	99,122
New roof-North End Elementary	183,841	-	-	-	-	-	183,841
New roof-Earl Bradsher Preschool	-	541,533	-	-	-	-	541,533
New roof-South Elementary	-	-	268,991	-	-	-	268,991
New roof-Oak Lane Elementary	-	-	207,532	-	-	-	207,532
New roof-North Elementary	-	-	-	219,535	-	-	219,535
New roof-Woodland Elementary	-	-	-	-	152,140	-	152,140
New roof-VFW	-	-	-	-	-	69,781	69,781
Window replacements-Oak Lane Elementary	178,600	85,000	-	-	-	-	263,600
SMS-Chiller	-	-	-	300,000	-	-	300,000
PHS- artificial turf	-	-	-	165,000	-	-	165,000
South Elementary Valve Replacement	-	-	-	-	105,000	-	105,000
PHS- Replace upper tennis courts	-	-	-	-	200,000	-	200,000
PHS- Chiller	-	-	-	-	-	325,000	325,000
Set -asides for future projects	200,000	100,000	-	-	-	-	300,000
Total Public Schools Projects:	661,563	726,533	476,523	684,535	457,140	394,781	3,401,075

Total Project Costs:	1,389,459	2,948,890	3,471,546	1,188,091	1,457,140	725,400	11,180,526
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**Person County
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Sources of Revenue for Operating Impact Costs:	Current Year 2013-14	Budget Year 2014-15	Planning Year 2015-16	Planning Year 2016-17	Planning Year 2017-18	Planning Year 2018-19	TOTAL REVENUE SOURCES
General Fund Revenues	59,940	(281,326)	(1,443,668)	(488,710)	(336,081)	(227,361)	(2,717,206)
Durham County's Cost Share-Multi Juris Park	17,500	-	-	-	-	-	17,500
Total Sources of Revenue for Operating Impact Costs	77,440	(281,326)	(1,443,668)	(488,710)	(336,081)	(227,361)	(2,699,706)

Operating Impact Costs:	Current Year 2013-14	Budget Year 2014-15	Planning Year 2015-16	Planning Year 2016-17	Planning Year 2017-18	Planning Year 2018-19	TOTAL OPERATING IMPACTS
Purchase and Renovation of Person County Recycling Center (PCRC) and Various Roofing Improvements							
Rent of PCRC building	(26,751)	(107,000)	-	-	-	-	(133,751)
Utilities	-	-	(10,000)	(10,000)	-	-	(20,000)
Library Southern Satellite at Helena							
Staffing	-	-	41,600	-	-	-	41,600
Operating	-	-	58,700	-	-	-	58,700
Voting Equipment (training)	-	2,550	-	-	-	-	2,550
Debt service impacts with proposed debt	104,191	(176,876)	(1,533,968)	(478,710)	(336,081)	(227,361)	(2,648,805)
Total Operating Impact Costs	77,440	(281,326)	(1,443,668)	(488,710)	(336,081)	(227,361)	(2,699,706)

Note: Items highlighted in blue are projects associated with a debt financing.

2014-15 Purchase of Renovation of Person County Recycling Center (PCRC) and Various Roofing Improvements

The Board of Commissioners approved in the meeting on February 24, 2014 to purchase the current Person County Recycling Center building and assigned property (\$850K), perform necessary improvements to meet code specifications (\$250K), and replace the roof (\$250K) with the intent to finance and reimburse themselves with loan proceeds. It is in the proposal above to include some re-roofing projects for the Kirby Theater and Earl Bradsher Preschool (\$877K), A&E fees (\$20K) and issuance costs (\$60K) to be a part of this financing. The total proposed borrowing for these projects would be approximately \$2.3M.

2015-16 Senior Center Project and Various Roofing Improvements

A debt borrowing is proposed to cover the renovation of existing facilities to provide recreational space for the County's senior citizens that have been previously displaced from the current Senior Center location. The latest estimated cost of renovating the Huck Sansbury Complex to provide for their space needs is \$1M. Other costs include issuance costs (\$60K), and roofing improvements (\$1.24M) to the Board of Elections/IT Building, EMS, Huck Sansbury Complex, PCC's Building D, South Elementary School, and Oak Lane Elementary School. The total proposed borrowing for these projects is estimated to be approximately \$2.3M.

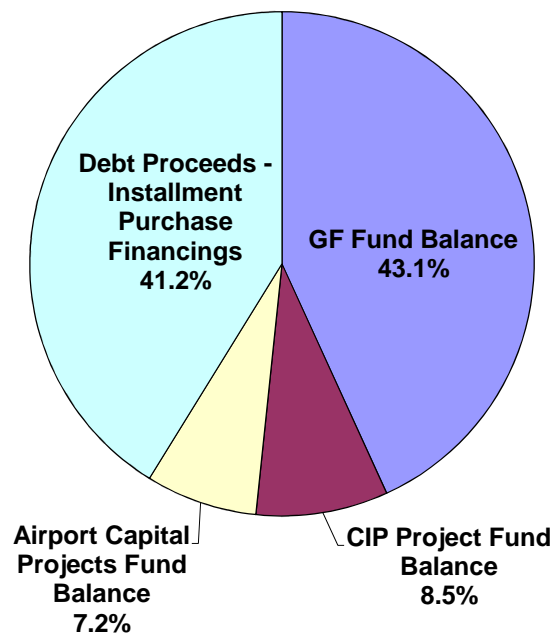
Set-Aside Funds for Future Years

Note: The County implements a best practice approach for distributing the costs of capital projects to minimize the impact in any one fiscal year. This is accomplished by incrementally funding expensive projects over multiple fiscal years. The projects listed below are funded through set-aside funds leading up to the year in which the project will be completed, thus reducing the burden in that year. This is a proactive approach to planning and funding future capital needs as well as maximizing cash flow capacity.

	Set-Aside Amount	Fiscal Year that project is recommended to take place	Remaining Cost
Current & Prior Years			
Replace carpet & tile (PCOB)	\$ 65,000	2016 & 2017	\$ 50,500
New roof-L Building (PCC)	100,000	2016	10,642
Total	\$ 165,000		
Planning Year 2014-2015			
SMS Chiller	\$ 100,000	2017	\$ 200,000
	\$ 100,000		
Planning Year 2015-2016			
(No set asides proposed in this year)	\$ -		
Planning Year 2016-2017			
(No set asides proposed in this year)	\$ -		
Planning Year 2017-2018			
(No set asides proposed in this year)	\$ -		
Planning Year 2018-2019			
(No set asides proposed in this year)	\$ -		

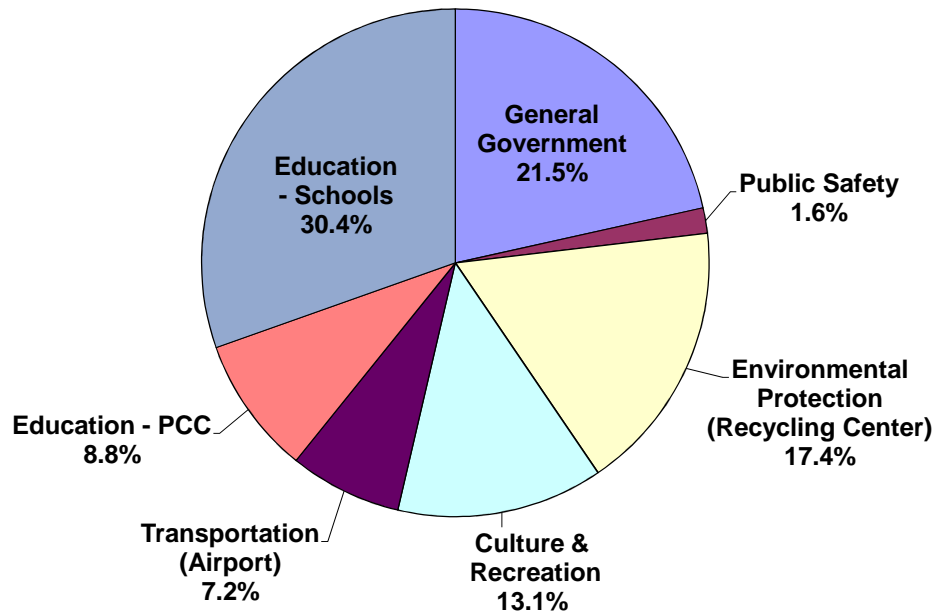
Person County Capital Improvement Plan
Approved - Revenue Sources
FY 2015 - 2019

Total % Revenue Sources								
Description	Current Year	2015	2016	2017	2018	2019	Totals	% of Total
GF Fund Balance	1,145,685	202,975	1,116,010	980,091	657,140	725,400	4,827,301	43.1%
CIP Project Fund Balance	243,774	438,820	57,000	208,000	-	-	947,594	8.5%
Airport Capital Projects Fund Balance	-	-	-	-	800,000	-	800,000	7.2%
Debt Proceeds - Installment Purchase Financings	-	2,307,095	2,298,536	-	-	-	4,605,631	41.2%
Totals	1,389,459	2,948,890	3,471,546	1,188,091	1,457,140	725,400	11,180,526	100.0%



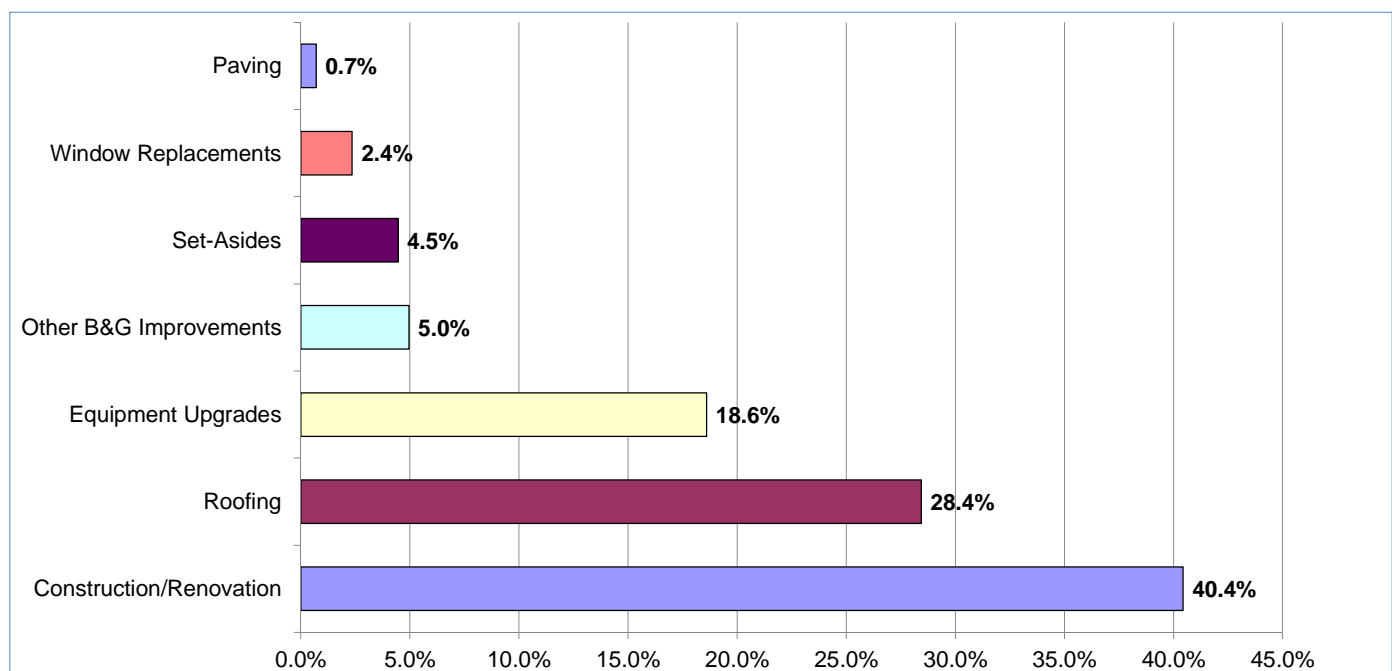
Person County Capital Improvement Plan
Approved - by Function
FY 2015 - 2019

Total % CIP Projects by Function								
Description	Current Year	2015	2016	2017	2018	2019	Totals	% of Total
General Government	386,171	682,357	893,867	317,914	-	125,619	2,405,928	21.5%
Public Safety	181,725	-	-	-	-	-	181,725	1.6%
Environmental Protection (Recycling Center)	-	1,460,000	480,000	-	-	-	1,940,000	17.4%
Culture & Recreation	-	-	1,395,000	75,000	-	-	1,470,000	13.1%
Transportation (Airport)	-	-	-	-	800,000	-	800,000	7.2%
Education - PCC	160,000	80,000	226,156	110,642	200,000	205,000	981,798	8.8%
Education - Schools	661,563	726,533	476,523	684,535	457,140	394,781	3,401,075	30.4%
Totals	1,389,459	2,948,890	3,471,546	1,188,091	1,457,140	725,400	11,180,526	100.0%



Person County Capital Improvement Plan
Approved - by Type
FY 2015 - 2019

Total % CIP Projects by Type								
Description	Current Year	2015	2016	2017	2018	2019	Totals	% of Total
Construction/Renovation	181,725	1,460,000	1,875,000	-	800,000	205,000	4,521,725	40.4%
Roofing	183,841	877,095	1,238,536	532,591	152,140	195,400	3,179,603	28.4%
Equipment Upgrades	445,293	346,795	301,010	357,000	305,000	325,000	2,080,098	18.6%
Other B&G Improvements	-	-	57,000	298,500	200,000	-	555,500	5.0%
Set-Asides	400,000	100,000	-	-	-	-	500,000	4.5%
Window Replacements	178,600	85,000	-	-	-	-	263,600	2.4%
Paving	-	80,000	-	-	-	-	80,000	0.7%
Totals	1,389,459	2,948,890	3,471,546	1,188,091	1,457,140	725,400	11,180,526	100.0%



Person County's Debt Service

Current Debt Service

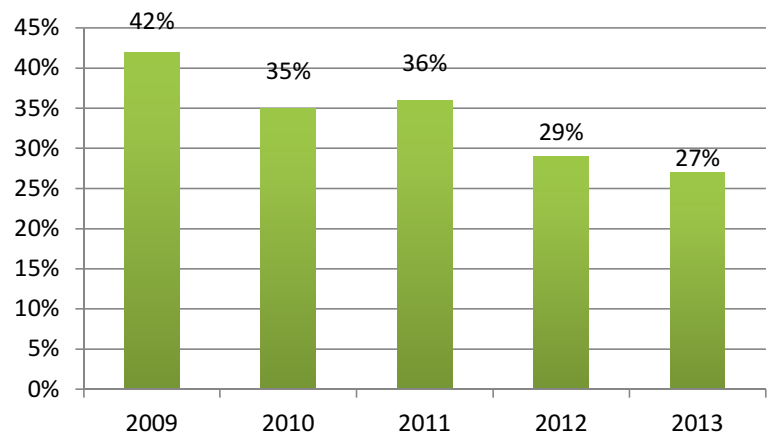
Project	Description	Term	Int Rate %	Outstanding Balance	Last Pyt Fiscal Year
2006 Various Roofing/Paving	Re-roofing, paving and repaving certain school, community college and other public facilities; re-floor the gymnasium; construct new tennis courts at Person High School	15 years	3.86%	2,728,134	2021
2008 Refinancing of 1999 & 2000 Elem School Construction & LEC Building	Combine and refinance the previous debt held on the cost of construction to the elementary schools in 1999 and 2000, and the acquisition and construction on the law enforcement center	7 years	3.55%	2,286,356	2015
2010 Courthouse Renovation & Various Roofing (BAB's)	Engineering and construction costs associated with the renovation of the Courthouse and some various re-roofing for certain school, community college and other public facilities; financed through Build America Bonds (BAB's) yielding a 35% refund of the interest payments	10 years	4.08%	3,835,560	2021
2012 SMS & portion of PHS Re-roofing (QSCB)	Re-roofing construction for Southern Middle School and a portion of Person High School; financed through a Qualified School Construction Bond (QSCB) yielding a 100% refund of the interest payments	15 years	3.93%	3,594,869	2028

Current Debt Analysis

There are two standard ratios that measure debt service levels and the capacity for taking on additional debt. These ratios and their meaning for Person County are described below:

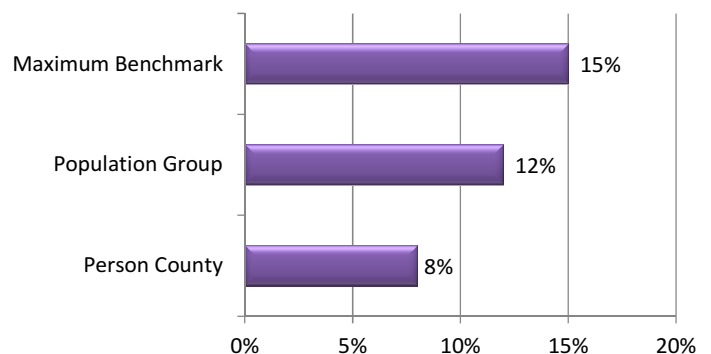
- Debt to Assets Ratio:** Measures leverage, the extent to which total assets are financed with long-term debt. The debt-to-assets ratio is calculated as long-term debt divided by total assets. A high debt to assets ratio may indicate an over-reliance on debt for financing assets, and a low ratio may indicate a weak management of reserves. At FY 2012, the debt to assets ratio for Person County was 29%, while counties with similar populations were at 53%. Although Person County was at the mid-range for the amount of total assets reported in comparison to these other counties, Person County had the 4th lowest Debt to Assets Ratio, as well as the 5th lowest long term debt amount. A more applicable comparison may be to view the debt to assets ratio for Person County since FY 2009. As displayed in the following chart, Person County's debt to assets ratio has declined from 42% in FY 2009 to 27% in FY 2013. This reduction can likely be attributed to conservative spending in uncertain economic conditions and the build-up of reserves during this five year period. This increase in the County's cash reserves (assets) causes a decrease in this ratio. Another variable causing this downward trend is the large \$2M yearly pay down of the 2008 Refinanced Debt for the 1999 & 2000 Elementary School Construction and Law Enforcement Center debt. Even though the County has issued new debt since 2008, the historically low interest rates have generated significantly lower debt payments than the previous years' debt financings. This decreasing trend is likely to continue until the 2008 debt ceases with the last payment in 2015. After this debt is defeased and new debt is issued, it is likely that this percentage will begin moving slowly upwards again, indicating to credit agencies a more strategic approach to the management of the County's assets.

FY	Person County's Debt to Assets Ratio
2009	42%
2010	35%
2011	36%
2012	29%
2013	27%



- Debt Service Ratio:** Measures financing obligations, provides feedback on service flexibility with the amount of expenditures committed to annual debt service. The debt service ratio is calculated as annual debt service divided by total expenses. General accounting guidance discourages this ratio from being higher than 15% for a maximum benchmark. Any percentage higher than this can severely hamper the County's service flexibility. Person County's debt service ratio of 8% is well below the population group of 12% for FY 2012 (Person County's ratio decreases to 7.4% for FY 2013). Due to the expected debt reductions in fiscal years 2015 and 2016, it is anticipated that Person County's debt service ratio will substantially decrease unless additional debt is acquired to support the leveling out of this ratio. A consistent debt ratio level would indicate a stronger management of financing resources in relation to the amount that is available for other services.

FY 2012	Debt Service Ratio
Person County	8%
Population Group	12%
Maximum Benchmark	15%



New Debt Service

The four proposed financings in Person County's 2015-2019 plan are recommended below:

➤ **FY 2015 Purchase of Renovation of Person County Recycling Center (PCRC) and Various Roofing Improvements**

It is the current recommendation in this CIP to issue Installment Purchase Debt in FY 2015 for the purchase of the current Person County Recycling Center building and assigned property, renovation of the facility to make necessary improvements, and replacement of roofs for PCRC, the Kirby Theater and Earl Bradsher Preschool. The engineering contract for the Kirby theater and Earl Bradsher Preschool have been completed and estimates are available as part of the latest Roofing Study. The total proposed debt amount for these projects is \$2,307,095 and is comprised of the following:

Purchase of PCRC building/property	\$ 850,000
Necessary improvements to PCRC	250,000
Re-roofing: PCRC	250,000
Re-roofing: The Kirby Theater	335,562
Re-roofing: Earl Bradsher Preschool	541,533
A&E fees: PCRC improvements & roof	20,000
Issuance costs	<u>60,000</u>
Total	<u>\$ 2,307,095</u>

➤ **FY 2016 Senior Center Project and Various Roofing Improvements**

A debt borrowing is proposed to cover the renovation of existing facilities (Huck Sansbury Complex) to provide recreational space for the County's senior citizens that have been previously displaced from the current Senior Center location. Other projects in the proposal to finance the Senior Center include roofing improvements for the Huck Sansbury Complex, Board of Elections/IT Building, EMS, PCC's Building D, South Elementary School, and Oak Lane Elementary School. The total proposed debt amount for these projects is \$2,298,536 and is comprised of the following:

Renovation of Huck Sansbury Complex	\$ 1,000,000
Re-roofing: Huck Sansbury Complex	283,000
Re-roofing: Board of Elections/IT	102,489
Re-roofing: EMS	150,368
Re-roofing: PCC's Building D	226,156
Re-roofing: South Elementary School	268,991
Re-roofing: Oak Lane Elementary	207,532
Issuance costs	<u>60,000</u>
Total	<u>\$ 2,298,536</u>

Future Debt Service Payments for Person County

Fiscal Year Ending June 30	2006 Various roofing/paving projects	2007 School Bus Gar/Health Bldg Renov/PCC Roofing	2008 Refinancing of 1999 & 2000 Schools/LEC Bldg	2009 Material Recovery Facility Equipment	2010 Courthouse Renovation & Various Roofing Projects	2012 School Roofing Projects for SMS & PHS (QSCB)	Total Current Debt Service	Year to Year Change in Current Debt Service
2014	322,230	616,921	2,394,160	98,668	449,940	325,789	4,207,708	104,191
2015	313,545	-	2,286,356	-	932,600	317,582	3,850,083	(357,625)
2016	329,831	-	-	-	899,960	309,375	1,539,166	(2,310,917)
2017	319,969	-	-	-	867,320	301,167	1,488,456	(50,710)
2018	483,635	-	-	-	339,780	292,960	1,116,375	(372,081)
2019	442,471	-	-	-	327,540	284,753	1,054,764	(61,611)
2020	427,094	-	-	-	315,300	276,546	1,018,940	(35,824)
2021	411,591	-	-	-	153,060	268,338	832,989	(185,951)
2022	-	-	-	-	-	260,131	260,131	(572,858)
2023	-	-	-	-	-	251,924	251,924	(8,207)
2024	-	-	-	-	-	243,717	243,717	(8,207)
2025	-	-	-	-	-	235,509	235,509	(8,208)
2026	-	-	-	-	-	227,302	227,302	(8,207)
2027	-	-	-	-	-	219,095	219,095	(8,207)
2028	-	-	-	-	-	106,470	106,470	(112,625)
2029	-	-	-	-	-	-	-	(106,470)
2030	-	-	-	-	-	-	-	-
Totals	\$ 3,050,364	\$ 616,921	\$ 4,680,516	\$ 98,668	\$ 4,285,500	\$ 3,920,658	\$ 16,652,628	\$ (4,103,517)

The above chart displays Person County's current debt service schedule. A large amount of debt drops off in fiscal year 2016 for \$2.3M.

The sharp decline in debt obligations and the availability of low interest rates creates an environment that is suitable for taking on additional debt as proposed in the chart to the right.

The blue line in the graph below includes the new proposed debt and indicates a more gradual dropoff of debt compared to the red line showing our current debt service schedule.

Fiscal Year Ending June 30	Total Current Debt Service	2015 Proposed - PCRC & Various Roofing Project (assumptions: 3.5%, 15yr)	2016 Proposed - Senior Center & Various Roofing Project (assumptions: 3.5%, 15yr)	Total Debt Service with 2015 and 2016 Proposed Financings	Adjusted Year to Year Change with Proposed Debt Service
2014	4,207,708	-	-	4,207,708	104,191
2015	3,850,083	180,749	-	4,030,832	(176,876)
2016	1,539,166	477,249	480,449	2,496,864	(1,533,968)
2017	1,488,456	163,249	366,449	2,018,154	(478,710)
2018	1,116,375	259,749	305,949	1,682,073	(336,081)
2019	1,054,764	152,749	247,199	1,454,712	(227,361)
2020	1,018,940	149,249	140,199	1,308,388	(146,324)
2021	832,989	145,749	136,699	1,115,437	(192,951)
2022	260,131	442,249	133,199	835,579	(279,858)
2023	251,924	228,249	129,699	609,872	(225,707)
2024	243,717	121,249	126,199	491,165	(118,707)
2025	235,509	117,749	122,699	475,957	(15,208)
2026	227,302	114,249	119,199	460,750	(15,207)
2027	219,095	110,749	115,699	445,543	(15,207)
2028	106,470	107,249	112,199	325,918	(119,625)
2029	-	110,844	108,699	219,543	(106,375)
2030	-	-	153,735	153,735	(65,808)
2031	-	-	-	-	(153,735)
2032	-	-	-	-	-
Totals	\$ 16,652,628	\$ 2,881,330	\$ 2,798,271	\$ 22,332,229	\$ (4,103,517)

