

Randolph County, North Carolina

Capital Improvement Plan



Objectives of a Capital Improvement Plan

A Capital Improvement Plan (CIP) is a document which organizes all known significant, non-routine capital needs in a manner to promote discussion regarding priority, feasibility, timing, potential costs, financing options, and future budgetary effect. A CIP matches potential capital costs with a financing schedule in order to provide long-range planning for projects with a significant financial impact. Recurring capital costs or one-time projects under \$100,000 are typically included in the annual General Fund budget and are not part of the CIP.

This section contains an overview of the capital project requests submitted by Randolph County departments and certain County-funded agencies. These requests represent the projected capital needs of these organizations over the next three years. It includes projects which have already received authorization by the Board of County Commissioners. As a result, the Board of County Commissioners receives one document that covers both short-range (three years) and long-range needs of the community.

The operating and capital budgets are closely linked. The operating budget must cover the cost of financing, maintaining and operating new facilities that are built under the capital budget. In addition, the operating budget must pay interest expense and principal payments (debt service) on all debt related to these projects.

A Summary of Future Capital Needs presents other projects which are not included in the Capital Improvement Plan. The status of these projects is yet to be determined and may or may not be completed; it is too early to determine the priority, timing, budgetary impact, and financing options for these issues. However, it is critical to list these needs in order to coordinate the various demands on County resources over the next few years.

Development of a CIP takes the following steps:

- ▶ Facilitate the exchange of information and coordination between the County, the school boards, and the community college on capital planning.
- ▶ Determine capital needs for County government, public schools, and community college.
- ▶ 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.

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Criteria used to determine a project's status as a high, medium, or low priority:

In evaluating a project, the County considers factors such as:

Policy Issues

- Is the project needed to bring the County into compliance with any laws or regulations?*
- Is the project required by legal mandate?*
- Does the project relate to a County-adopted plan or policy?*

Cost Analysis

- Does the recommendation to renovate, rehabilitate, or maintain an existing facility justify the cost?*
- Will this project reduce annual operating costs in some manner?*
- What would be the impact upon annual operating budget?*
- What is the possibility of cost escalation over time?*

Public Service Factors

- Will this project increase productivity or service quality, or respond to a demand for service?*
- What present or anticipated problem will this project alleviate, and to what extent?*
- How will this project improve services to citizens and other service clients?*
- How would delays in starting the project affect County services?*

Community Objectives

- Is public health or safety a critical factor with regard to this project?*
- Would the project enhance the educational opportunities for students in public schools or the community college?*
- Will there be an improvement in environmental quality?*

- Will this project promote economic development or otherwise raise the standard of living for our citizens?*
- Will this project provide a critical service or otherwise improve the quality of life for our citizens?*

Debt Management

- What type 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?*

General

- How does this project fit plans for the future and the objectives of the County?*
- What is the relationship to other projects (either ongoing or requested)?*
- What are the project alternatives?*
- What are the consequences, if not approved?*

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Summary of Current Projects

In June 2004, a Randolph County Capital Outlay Committee discussed the various needs of the County and the possible methods of financing available. The Committee consisted of representatives of the two school districts, the community college, and County officials. This Committee made recommendations to the Board of County Commissioners in September 2004. In January 2005, both Boards of Education met with the Board of Commissioners, presented their capital needs and stressed the urgency of the proposed projects. Subsequent discussion on county-wide priorities led to the Commissioners' ranking the highest priority on construction of two new high schools and renovation of an elementary school as the preferred approach to address school overcrowding.

The financing will be issued in two phases, with the Providence Grove High School and Teachey Elementary expansion projects financed with installment purchase debt issued in August 2006. Land acquisition for the second high school will also be financed at that time. The next financing is planned for July 2007, for construction of the second new high school and water distribution lines to two schools. Funds are being advanced to each project prior to the debt financing.

Randolph County also has a Technology Policy Team, consisting of County officials, which reviews requests for technology improvements. An annual Work Plan for the calendar year is developed and presented to the County Commissioners in January. Work plans are funded by transfers from the General Fund to a Technology Capital Project Fund. As part of implementing the Work Plan, the Policy Team also reviews vendor proposals to be recommended to the Board of County Commissioners for final approval.

Projects in the Capital Improvement Plan are classified under the following categories:

- Asheboro City Schools
- Randolph County Schools
- Randolph Community College
- Randolph County Government

A separate page has been prepared for each approved project. It includes a timeline for construction and operating costs, a project description, a brief analysis of need, the current status of the project, and other information.

Randolph County, North Carolina
Capital Improvement Plan - Approved Projects

Capital Needs by Category

<i>Project Totals</i>	Fiscal year 2005-06	Fiscal year 2006-07	Fiscal year 2007-08	Fiscal year 2008-09	Fiscal year 2009-10	
Projected Capital Expenditures						
Asheboro City Schools Teachey Elementary	\$ 5,425,000	\$ 941,574	\$ 4,404,475	\$ 78,951	\$ -	\$ -
Randolph County Schools Providence Grove High School	\$ 34,323,357	\$ 1,816,310	\$ 18,840,219	\$ 13,584,629	\$ 82,199	\$ -
Water Distribution Line to Schools	\$ 1,500,000			\$ 1,500,000		
Archdale - Trinity Area High School	\$ 34,400,663	\$ 51,244	\$ 1,578,618	\$ 20,060,694	\$ 12,648,868	\$ 61,239
Randolph Community College	\$ -					
Randolph County Government Technology	\$ 1,127,500	194,500	\$ 356,000	\$ 577,000	-	-
	\$ 76,776,520	\$ 3,003,628	\$ 25,179,312	\$ 35,801,274	\$ 12,731,067	\$ 61,239

Capital Funding Sources

Projected Financing						
Current Resources (Pay As You Go)	\$ 1,057,500	\$ 124,500	\$ 356,000	\$ 577,000		
Federal and State Grant Awards	\$ 70,000	\$ 70,000				
Service Revenues	\$ -					
General Obligation Bonds	\$ -					
Installment Purchase	\$ -					
Certificates of Participation	\$ 75,649,020		\$ 40,663,557	\$ 34,985,463		
Advance From General Fund	\$ -	\$ 2,809,128	\$ (2,809,128)	\$ -	\$ -	\$ -
	\$ 76,776,520	\$ 3,003,628	\$ 38,210,429	\$ 35,562,463	\$ -	\$ -

**Randolph County, North Carolina
Capital Improvement Plan**

Project Category: Randolph County Schools

Project Name: Providence Grove High School

Fund : Randolph County Schools Capital Project

Projected Capital Costs
Anticipated Operating Impact
Anticipated Debt Service

<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2011-2015</u>
\$ 1,816,310	\$ 18,840,219	\$ 13,584,629	\$ 82,199		
		\$ 1,431,500	\$ 749,500	\$ 749,500	\$ 3,747,500
	\$ 845,622	\$ 3,420,586	\$ 3,331,902	\$ 3,243,217	\$ 14,992,245

Project Description

The new high school for the northern section of the County will house 1,000 students and will alleviate overcrowding at two existing high schools, Eastern Randolph and Randleman. The project also includes a water distribution line to the new high school and an existing elementary school.

Purpose and Need

All county high schools are overcrowded, with Eastern Randolph at 446 and Randleman at 236 students over capacity, respectively. The new high school will take pressure off these two existing campuses.

Project Status

The Randolph County Board of Education has acquired land suitable for the new high school. Construction will begin in August 2006 and be completed by June 2008. Financing will be advanced from the County's General Fund until Certificates of Participation are issued, tentatively in August 2006.

Impact On Annual Operating Budget

One-time capital costs for equipment and two activity buses are expected to be \$682,000 in 2007-08. Annual operating costs for additional personnel, utilities and insurance are expected to be \$749,500 annually.

Project Costs

Architect / Design	\$ 1,261,575
Professional Fees	250,000
Land Acquisition	911,782
Construction	30,000,000
Furniture / Equipment	1,000,000
Other	900,000
Total	\$ 34,323,357

Method of Financing

General Fund Appropriations	\$ -
Grant Awards	
Service Revenues	
General Obligation Bonds	
Installment Purchase	
Certificates of Participation	34,323,357
Total	\$ 34,323,357

**Randolph County, North Carolina
Capital Improvement Plan**

Project Category: Randolph County Schools

Project Name: Water Distribution Line to northeast schools

Fund : Randolph County Schools Capital Project

Projected Capital Costs
Anticipated Operating Impact
Anticipated Debt Service

<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2011-2015</u>
\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 30,790	\$ 148,565	\$ 144,807	\$ 667,728

Project Description

The project consists of assistance to the Town of Franklinville to construct a water distribution line to the new Providence Grove High School and to Grays Chapel Elementary School. The line will be large enough to allow future growth along this corridor.

Purpose and Need

Grays Chapel Elementary School is currently operating on well water. Because the new high school will be within two miles of the elementary school, both schools can be served by the new water distribution line. Our goal is for all public schools to be served from a treated water system.

Project Status

The project is in the design phase. The Town of Franklinville is applying for grant assistance for a major part of the construction cost.

Impact On Annual Operating Budget

Because the line will be owned and operated by the Town of Franklinville, there will be no impact on the County's operating budget.

Project Costs

Architect / Design	\$ -
Professional Fees	-
Land Acquisition	-
Construction	1,500,000
Furniture / Equipment	-
Other	-
Total	\$ 1,500,000

Method of Financing

General Fund Appropriations	\$ -
Grant Awards	
Service Revenues	
General Obligation Bonds	
Installment Purchase	
Certificates of Participation	1,500,000
Total	\$ 1,500,000

**Randolph County, North Carolina
Capital Improvement Plan**

Project Category: Randolph County Schools

Project Name: Archdale - Trinity Area High School

Fund : Randolph County Schools Capital Project

Projected Capital Costs
Anticipated Operating Impact
Anticipated Debt Service

<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2011-2015</u>
\$ 51,244	\$ 1,578,618	\$ 20,060,694	\$ 12,648,868	\$ 61,239	
			\$ 1,431,500	\$ 749,500	\$ 3,747,500
		\$ 828,729	\$ 3,352,251	\$ 3,265,339	\$ 15,092,536

Project Description

The new high school for the Archdale-Trinity section of the County will house 1000 students and will alleviate overcrowding at Trinity High School.

Purpose and Need

All county high schools are overcrowded, with Trinity High School 531 students over capacity. The new high school will take pressure off this existing campus.

Project Status

The project was approved by the Board of Commissioners on January 3, 2005. The County Board of Education is currently evaluating potential sites for the new high school and hope to purchase land in mid-2006. Construction is expected to begin September 2006 and be completed in June 2008. Financing will be advanced from the County's General Fund until Certificates of Participation are issued in November 2006.

Impact On Annual Operating Budget

One-time capital costs for equipment and two activity buses are expected to be \$682,000 in 2008-09. Annual operating costs for additional personnel, utilities and insurance are expected to be \$749,500 annually.

Project Costs

Architect / Design	\$ 1,229,375
Professional Fees	250,000
Land Acquisition	915,200
Construction	30,100,000
Furniture / Equipment	1,000,000
Other	906,088
Total	\$ 34,400,663

Method of Financing

General Fund Appropriations	\$ -
Grant Awards	
Service Revenues	
General Obligation Bonds	
Installment Purchase	
Certificates of Participation	34,400,663
Total	\$ 34,400,663

**Randolph County, North Carolina
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Project Category: Asheboro City Schools

Project Name: Guy B. Teachey Elementary

Fund: Asheboro City Schools Capital Project

Projected Capital Costs
Anticipated Operating Impact
Anticipated Debt Service

<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2011-2015</u>
\$ 941,574	\$ 4,404,475	\$ 78,951			
		\$ 31,000	\$ 31,000	\$ 31,000	\$ 155,000
	\$ 129,353	\$ 523,239	\$ 509,674	\$ 496,108	\$ 2,293,330

Project Description

Original facility was constructed in 1962. The site has 21.12 acres and will allow for construction of additional classroom space. The project includes a new wing for art, music and a gym/multipurpose area. Another new building will provide additional classroom space. The cafeteria will be the required size for the student capacity. Some modification will be made to improve the traffic pattern for buses and the parent drop-off lane.

Purpose and Need

Current student enrollment is 471 with proposed student capacity of 650. Because this school has the land to expand, it will be able to absorb excess students from the other elementary schools.

Project Status

This project was approved by the Asheboro City Board of Education as a priority project in October 2004, recommended by the Randolph County Capital Outlay Committee, and authorized by the Board of Commissioners on March 1, 2005. Construction is expected to begin in the summer of 2006 and completed in the fall of 2007.

Impact On Annual Operating Budget

An increase of \$31,000 is expected in operating costs for additional custodial services (\$15,000), utilities (\$10,000), contracted services (\$3,000), insurance (\$1,500) and supplies (\$1,500).

Project Costs

Architect / Design	\$ 352,388
Professional Fees	
Land Acquisition	
Construction	4,907,228
Furniture / Equipment	165,384
Other	-
Total	\$ 5,425,000

Method of Financing

General Fund Appropriations	\$ -
Grant Awards	
Service Revenues	
General Obligation Bonds	
Installment Purchase	
Certificates of Participation	5,425,000
Total	\$ 5,425,000

