



County of Surry, Virginia
 Fiscal Years 2013-2017
Capital Improvement Plan

FY2013-2017 Project Expenditures by Category

General Administration	\$	1,110,000
Maintenance of Public Facilities	\$	2,050,000
Public Safety	\$	6,005,000
Parks, Recreation & Cultural	\$	9,750,000
Grand Total: Project Expenditures	\$	<u>18,915,000</u>

FY2013-2017 Revenue Sources

General Fund Operating Revenue

CIP Reserves	\$	<u>1,445,000</u>
Other Local Sources	\$	<u>200,000</u>
Total General Fund Revenues	\$	1,645,000

Other Revenues

Long-Term Debt	\$	14,970,000
State or Federal Funds	\$	2,300,000
	\$	17,270,000
Grand Total: Project Revenues	\$	<u>18,915,000</u>

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Table of Contents

FY2013-2017 Project Expenditures by Categories & Project Funding Sources	1
General Overview	2
Objectives of CIP Program	2
CIP Process & Discussions	3
CIP Timeline	3
FY 2013-2017 Funding Sources	4
FY 2013-2017 Category Expenditures	5
Capital Budget & Descriptions	6
FY2013-2017 CIP Summary	9

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STATUS OF AN EXISTING PROJECT?
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Introduction

Capital Improvement Programming is a method of planning for the effective and efficient provision of public facilities, infrastructure improvements, major maintenance requirements, and acquisition of property and equipment. The first year of the *Capital Improvement Program (CIP)* represents the County Administrator's proposal to the Board of Supervisors as the FY13 Capital Improvement Budget.

A five-year CIP allows the Board of Supervisors and citizens an opportunity to view both the five-year capital construction and infrastructure maintenance needs of the County and Surry County Public Schools. Viewing these needs enables the County to better plan a financing strategy for capital improvements and annual operating requirements. A five-year CIP also allows for programming of multi-year projects.

What is a CIP?

Each locality establishes its own criteria for capital improvement projects. For Surry County, a capital improvement project has a cost in excess of \$30,000 and a life expectancy of at least five years. Although the CIP is a means of implementing the recommendations of the County's Comprehensive Plan, proposed projects are not limited to those listed in the plan. Projects pertaining to the renovation, maintenance and/or construction of public facilities, equipment purchases and land acquisition for public use are included in the capital improvement program. All projects included in the CIP are classified in five categories: General Government Administration, Facility Maintenance, Public Safety, Parks & Recreation Improvements and Education.

Guiding Principles

Basic principles are used to help shape the Capital Improvement Program. These principles include, but are not limited to, developing a balanced capital plan that funds projects in a variety of program areas which meet the highest priority needs, ensuring the CIP will be the platform for development in the County and business community and preserving the existing tax base. To further guide the CIP decision-making process, projects to be included in the CIP are evaluated on the degree to which they meet the following objectives:

- ✓ Meet a legal obligation or federal or state mandate
- ✓ Outside funding is available through a match of federal or state funding
- ✓ Address health concerns, safety or emergency needs
- ✓ Produce positive community impact and garners broad community support
- ✓ Meet prior commitments
- ✓ Can be funded within the parameters of established debt financial policies

Benefits of Capital Improvement Programming

The principal benefit of Capital Improvement Programming is that it requires the County to plan its capital needs in concert with available financing over a five-year period. This process contributes to a responsible fiscal policy. Other benefits of Capital Improvement Programming include:

- ✓ Fostering a sound and stable financial program over a five-year period given a set of revenue and expenditure assumptions based on current economic trends;
- ✓ Coordinating various County improvements so that informed decisions can be made and joint programs initiated among County departments in an effort to avoid duplication;
- ✓ Enabling private businesses and citizens to know when certain public improvements will be undertaken so they can plan more efficiently and effectively;
- ✓ Focusing on the goals and needs of the community through the provision of new facilities and infrastructure improvements;
- ✓ Evaluating annually the infrastructure needs of the County to provide for the public health and safety of the citizens of the County; and
- ✓ Providing a logical process for assigning priorities to the various projects based on their overall importance to the County.

CIP Process & Discussions

The annual CIP process commences during the normal budget proceedings. Suggested projects normally come from county departments, administrative staff and the Board of Supervisors. A CIP committee is composed of the County Administrator and Director of Finance & Information Technology, Parks & Recreation and Planning & Community Development. These positions are inclusive to the areas of economic development, public works, public safety and information technology which are integral departments to the CIP process. A preliminary planning session is conducted to review the current year's Capital Budget and Five Year CIP; subsequent meetings follow. Adjustments may be necessary based on priority, funding, legal requirements and other factors. Newly requested projects are reviewed and placed in the proposed CIP in accordance with established criteria.

Once a consensus has been reached on a recommended list of projects, an annual schedule for the current and next four fiscal years is developed for each project along with the proposed funding sources. The Board of Supervisors conducts a public hearing at which time the recommended CIP is presented. After all public comments have been received and discussion satisfied, the CIP is then adopted. This is normally done in conjunction with the hearing and adoption of the annual operating budget. The first year of the CIP is incorporated into the County Administrator's Recommended Budget as the Capital Improvement Budget for the upcoming fiscal year.

Capital Improvement Program Timeline

Month	Subject
January ~ February	CIP Process Begins; CIP Committee Meeting
April	CIP Planning Session with Board of Supervisors (BOS)
May	Planning Commission Reviews and Approves CIP; Recommendation sent to BOS
May	Public Hearing is Held on the Proposed CIP
June	Adoption by the BOS

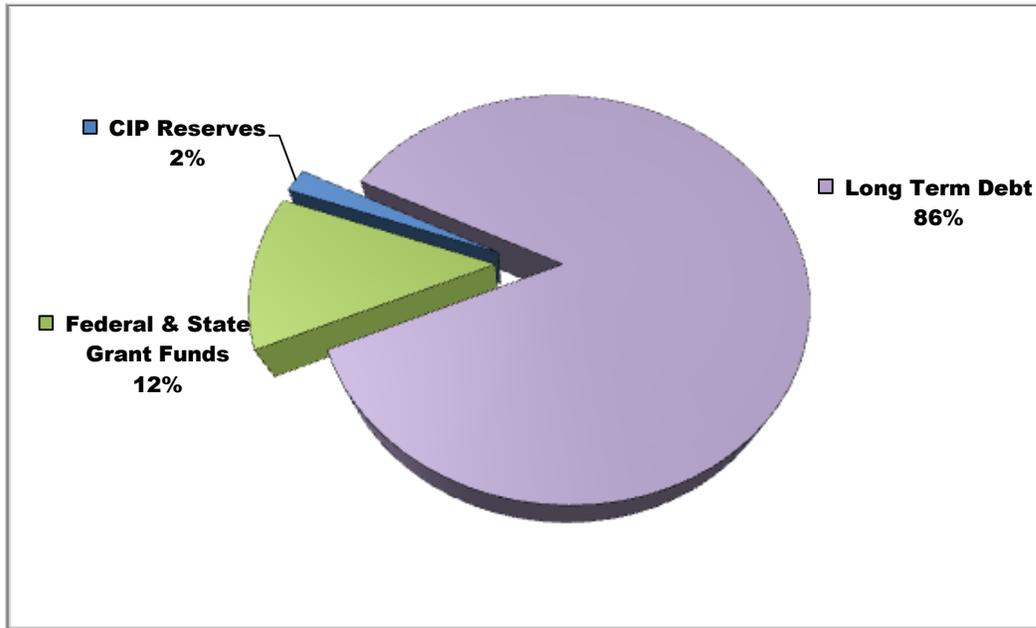
The Board of Supervisors holds budget planning work sessions for the specific purposes of identifying capital project needs in the County. This CIP is a document dedicated to a process designed to identify both the capital improvement needs and priorities of the County over a five-year period in conjunction with projected funding levels and the Board of Supervisor's vision and principles. Actual programming of projects is dependent upon the financial resources available. Funding constraints may preempt the actual inclusion of projects in the current CIP but may be listed as priorities for funding should resources become available. While every need is not addressed, the CIP intends to serve as a critical planning tool and a good foundation for future decision making.

Financial Advisor

The Board of Supervisors retained a financial advisor in FY06 to work with County staff to 1) review, make recommendations for changes and/or develop fiscal policies for the County, 2) develop a long range funding plan that addresses the County's capital needs and 3) prepare the County for anticipated debt levels and ratios over the life of the CIP and beyond.

FY 2013-2017 Funding Sources

Each project in the FY2013-2017 Capital Improvement Plan is coupled with one or more funding sources. Revenues that the County utilizes come from the following sources: proceeds from general obligation bonds, general fund reserves, federal and state government grants and lease financing agreements.



General Obligation Bonds

The issuance of bonds is a method used by many localities to fund capital projects. Bond issuances are governed by state laws and regulations. A loan is issued to the County on the basis of credit worthiness by demonstrating the current level of debt, revenue and savings or county reserves in exchange for the promise to repay the loan with interest. The repayment of the bond is usually long-term, 15 or 20 years. Typically, government regulations require that the proceeds from bonds issues be expended on one-time capital projects within a certain time frame after the issuance. Bond proceeds have been used to finance school projects such as the renovation to the high school. The level of debt that the County incurs is governed by Board approved financial policies.

Contributions from the General Fund (Assigned Fund Balance)

The General Fund receives taxes and fees including real estate and personal property taxes which are collected to support the general operation of the County. Where current financial policies do not dictate a certain percentage of use of estimated General Fund revenues each year for the Capital Budget, a certain amount of funds are allotted based on the availability of prior year reserves. In other words, funds that remain unspent from the operating budget from year to year may be used to finance certain capital projects on a pay as you go basis. This has enabled the County to pay for certain projects as solid

waste management facilities, landfill closure activities, technology improvements, governmental studies and planning related updates.

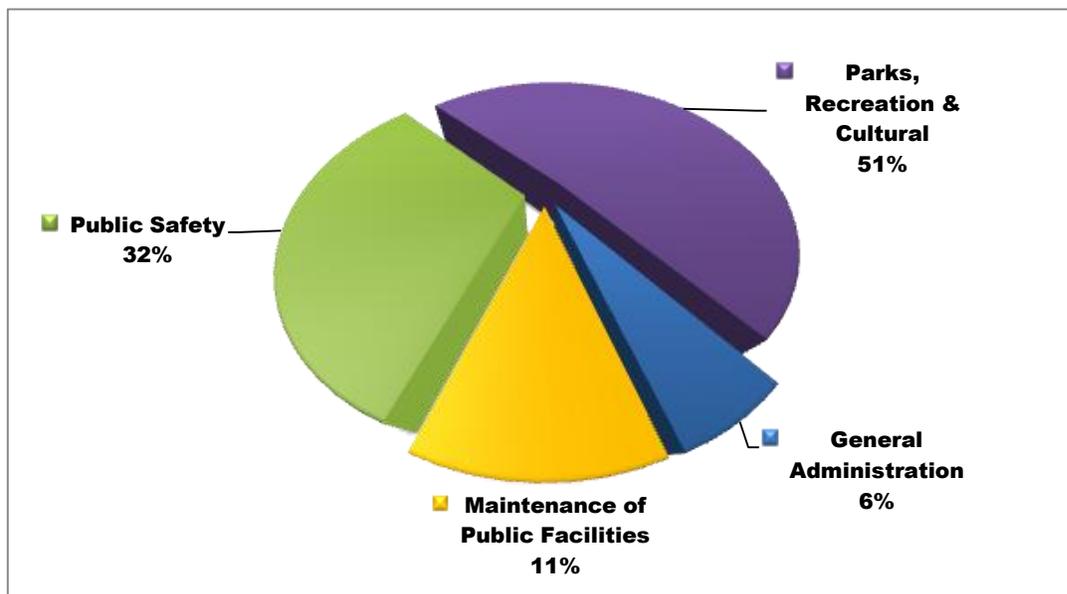
Federal and State Government

The federal and state governments provide funding primarily in the arena of state and federal supported grants. In Surry's case, for example, state funds will be used to support the broadband initiative. In the past, state and/or federal funds have been used to support community improvement programs and enterprise activities (i.e. water and sewer improvements). It is important to note that funding received from these sources *may* require a local match from the County.

Lease Financing Agreements

Leasing Financing is a solution that is used when cost effective financing is sought for equipment and other fixed assets. This alternative allows the lessee, in this case, Surry County, to preserve capital and reduce borrowing capacity because it offers (1) 100% financing, (2) favorable tax treatment, (3) low to no closing costs and (4) lower monthly payments than traditional borrowing. This financing alternative is subject to all the local and state laws and regulations. The County has recently utilized lease financing agreements to acquire funding for public safety equipment and for the renovation of the government center and circuit courthouse.

FY2013-2017 EXPENDITURE CATEGORIES



Capital Budget for Fiscal Year 2013

		Local Funding	Other Local Funding	State Funding	Long-Term Debt	Total Funding
Broadband Project	\$ 850,000	\$ 200,000		\$ 650,000	\$ -	\$ 850,000
Solid Waste Management Collection	\$ 225,000	\$ 225,000		\$ -	\$ -	\$ 225,000
Facility Stabilization/Restoration	\$ 150,000	\$ 150,000		\$ -	\$ -	\$ 150,000
Technology Improvements	\$ 50,000	\$ 50,000		\$ -	\$ -	\$ 50,000
Property Acquisition	\$ 150,000	\$ 150,000		\$ -	\$ -	\$ 150,000
Health Department Parking Lot	\$ 150,000	\$ 150,000		\$ -	\$ -	\$ 150,000
Public Safety-E911 Center Upgrades	\$ 335,000	\$ -		\$ -	\$ 335,000	\$ 335,000
Visitors Center	\$ 75,000	\$ -		\$ -	\$ 75,000	\$ 75,000
Surry Library Expansion	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Grand Total: Project Expenditures	\$ 2,185,000	\$ 925,000		\$ 650,000	\$ 410,000	\$ 2,185,000

FY2013 Revenue Sources

General Fund Operating Revenue

General Fund-CIP Reserves \$ 925,000

Total General Fund Revenues \$ 925,000

Other Revenues

Other Local Sources \$ 200,000

State Grant \$ 650,000

Long-Term Debt \$ 410,000

Grand Total: Project Revenues \$ 2,185,000

Capital Budget Descriptions for Fiscal Year 2013

Broadband Implementation Project..... \$850,000

Project provides for the deployment of broadband infrastructure via a combination of fiber and wireless technology. The fiber optic network, consisting of ±23,200 linear feet of fiber will traverse a route beginning at Commerce Drive/ Surry West Industrial park, extending along Rolfe Highway/State Route 31 through the Town of Surry to Colonial Trail East and terminating at the Town of Surry Municipal limits, three towers will be constructed to expand the network's reach and future wireless services; one in the Town of Surry by the Government Center, one in Dendron at the school complex, and one in Claremont at the fire station. These towers will utilize high speed point-to point wireless for redundancy and backhaul between the towers, and connecting to the fiber and the network operating center at the Surry Government Center. The proposed infrastructure will be capable of transporting data at a maximum rate of 1Gbps and supporting last mile delivery via fiber of 10 Mbps per user with typical bandwidth offered to subscribers of 10-100Mb/sec. Additional opportunities for subscriber services will include internet access, remote billing interfaces, and high speed connections. Both Mid-Atlantic Broadband Cooperative and Buggs Island Telephone were awarded American Recovery and Reinvestment Act/NTIA funds to deploy fiber and wireless broadband

infrastructure in Surry County and surrounding communities. At the time of publication Buggs Island Telephone, advised that subscriber services for wireless internet and phone access will be available county-wide by September 2012, Mid-Atlantic Broadband Cooperative anticipates commencing construction in April 2012.

Property Acquisition (Warehouse/Garage) \$150,000

The concept of a warehouse garage has been discussed on numerous occasions. The proposed project includes the acquisition of property located at the corner of Hollybush and New Design roads, adjacent to L. P. Jackson Middle School and thereby, located within the vicinity of all three schools. The property is approximately 20.9 acres and would serve as an ideal location for a warehouse/garage service facility to benefit the School System and the County.

Solid Waste Management Collection..... \$225,000

The initial scope of this projection included the construction of three solid waste convenience collection centers to be located strategically throughout the County. The Pineview Site off of Route 40 was completed in FY09 to service primarily the western end of the County. The Goodson Path station is centrally located in the middle part of the county. The proposed funding of \$255,000 is for a third site to service the eastern end of the County. The sites are used by the general public for disposal of household waste, bulky waste, tires and recyclable materials. As a result many of the unmanned, green box sites have been removed resulting in site area improvements and a reduction in waste disposal cost.

Communication Center Equipment Upgrade..... \$335,000

This project upgrades the computer aided dispatch/CAD system. The current equipment is obsolete and is no longer supported by maintenance agreements with Verizon and Motorola. Implementation of this third and final project in the near future will ensure operational sustainability in the next generation of required E911 communications and operations. The upgrade to the 911 system telephone and computer equipment and the radio system are scheduled to be completed in the current fiscal year.

Facility Stabilization..... \$150,000

The County owns various buildings, some which are listed on the National Register of Historic Places. The goal is to maintain or stabilize the exterior structures so that the buildings could have permanent uses in the future. The building uses include but are limited to, tourism/visitor center activities, office space or meeting facilities. The old Academy Building was stabilized and later renovated for use as a Business Assistance Center. Renovations (carpeting, sheetrock, painting, ADA accessibility, HVAC, telephone/internet communications, computers and furnishings), were completed in 2011 and the facility currently houses the Surry County Resource and Employment Center.

Facility Improvements (Health Department Parking Lot)..... \$150,000

Maintenance of the County's health department falls under the responsibility of the County. The parking lot has not been adequately improved since the facility was constructed in 1982. The County assumed ownership of the facility in 1994. The condition of the parking area is substandard. In addition to severe cracking, drainage problems occur during moderate to heavy rainfall. The parking area is unmarked. Since the lot is now shared with the Surry Medical Center, this presents problems for patrons visiting the two facilities.

Facility Improvement (Parks & Recreation Driveway Improvements)..... \$50,000

The Parks & Recreation Facility currently has one entrance and exit driveway. To improve access to and from the Park, this project includes design, engineering and other cost associated with construction of a second driveway to serve the Park.

Technology Upgrades \$50,000

The county's current municipal software system includes modules used by most departments, including finance, treasurer, commissioner of the revenue and building inspections. In addition to the county, the school system's central office and social services utilize the system's financial applications. Adding electronic modules (or e-modules) allows employees to work more efficiently and provides additional options for citizens and other customers. These modules provide 24 hours per day access to customers by providing access to account balances and payment options and real estate information, freeing up staff time to work on other projects.

Visitors Center..... \$75,000

The original circuit court clerk's office on Church Street was constructed around 1826 and housed the county's records until 1895. After that time it has housed many local organizations and county offices, including the Surry Calvary, the Surry Chapter of the United Daughters of the Confederacy, the formerly named welfare office and the planning department. Most recently it housed the Surry County Tourism Bureau and the Surry County Chamber of Commerce. The completion of several maintenance items, including foundation stabilization and brick and mortar repair are planned to be completed prior to the opening of a Visitors Center.

Surry Branch Library Expansion..... \$200,000

The Surry branch of the Blackwater Regional Library has long been located in a renovated single-family dwelling. In addition to space needs, the construction of a new library facility would include public meeting rooms, children's reading programs and extended collections requiring more square footage than in typical branches. Also, new construction would meet all federal, state and local laws, including but not limited to, handicapped accessibility, fire and safety codes and energy conservation. This amount includes the initial architectural drawings for a new building.

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM SUMMARY

COUNTY OF SURRY, VIRGINIA
 CAPITAL IMPROVEMENT PROGRAM
 FISCAL YEARS 2013 through 2017

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Grand Total	Total ST/LT Debt	Total Local/Other Local	Grants & Other Sources
GENERAL GOV'T ADMINISTRATION									
Technology Improvements	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -
Broadband Project	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ 200,000	\$ 650,000
Property Acquisition	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -
Comprehensive Plan Update	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ -
Total General Administration	\$ 1,050,000	\$ 60,000	\$ -	\$ -	\$ -	\$ 1,110,000	\$ -	\$ 460,000	\$ 650,000
FACILITY MAINTENANCE									
Visitors Center	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
WasteManagement Collection	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ -	\$ 225,000	\$ -
Surry Sewer Expansion	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000	\$ 100,000	\$ -	\$ 650,000
Health Department Parking Lot	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -
Facility Restoration/Stabilization	\$ 150,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 350,000	\$ 200,000	\$ 150,000	\$ -
Warehouse Garage	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -
Total Public Works	\$ 600,000	\$ 950,000	\$ 500,000	\$ -	\$ -	\$ 2,050,000	\$ 800,000	\$ 600,000	\$ 650,000
PUBLIC SAFETY									
Communication Center Upgrade	\$ 335,000	\$ -	\$ -	\$ -	\$ -	\$ 335,000	\$ -	\$ 335,000	\$ -
Building Improvement	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -
Equipment	\$ -	\$ 525,000	\$ 1,195,000	\$ 1,250,000	\$ 2,600,000	\$ 5,570,000	\$ 5,570,000	\$ -	\$ -
Total Public Safety	\$ 335,000	\$ 625,000	\$ 1,195,000	\$ 1,250,000	\$ 2,600,000	\$ 6,005,000	\$ 5,670,000	\$ 335,000	\$ -
PARKS, RECREATION & CULTURAL									
Visitor & Welcome Center	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
Surry Library Expansion	\$ 200,000	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 2,700,000	\$ 2,500,000	200,000	\$ -
James River Waterfront Access	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Parks & Rec Driveway Improvements	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -
Recreation Center Improvements	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -	\$ 5,000,000	5,000,000	-	\$ -
TOTAL PARKS, REC. & CULTURAL	\$ 200,000	\$ 50,000	\$ 5,000,000	\$ 2,500,000	\$ 2,000,000	\$ 9,750,000	\$ 8,500,000	\$ 250,000	\$ 1,000,000
EDUCATION									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ALL PROJECTS	\$ 2,185,000	\$ 1,685,000	\$ 6,695,000	\$ 3,750,000	\$ 4,600,000	\$ 18,915,000	\$ 14,970,000	\$ 1,645,000	\$ 2,300,000

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