



County of Surry, Virginia
 Fiscal Years 2014-2018
Capital Improvements Plan

FY2014-2018 Project Expenditures by Category

General Administration	\$ 610,000
Maintenance of Public Facilities	\$ 1,880,000
Public Safety	\$ 5,670,000
Parks, Recreation & Cultural	\$ 8,750,000
Grand Total: Project Expenditures	<u>\$ 16,910,000</u>

FY2014-2018 Revenue Sources

General Fund Operating Revenue

CIP Reserves	\$ 660,000
Total General Fund Revenues	\$ 660,000

Other Revenues

Long-Term Debt	\$ 14,150,000
State or Federal Funds	\$ 2,100,000
	\$ 16,250,000
Grand Total: Project Revenues	<u>\$ 16,910,000</u>

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STATUS OF AN EXISTING PROJECT?
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Introduction

Capital Improvements Programming is a method of planning for the effective and efficient provision of public facilities, infrastructure improvements, major maintenance requirements, and acquisition of property & equipment. The first year of the *Capital Improvements Plan (CIP)* represents the County Administrator's proposal to the Board of Supervisors as the FY14 Capital Improvements 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. With the CIP the County is better able to plan a financing strategy for capital Improvements, annual operating requirements and multi-year projects.

What is a CIP?

Each locality establishes its own criteria for capital improvements projects. For Surry County, a capital improvements 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 improvements plan. All projects included in the CIP are classified in five categories: General Government Administration, Facility Maintenance, Public Safety, Parks, Recreation & Cultural and Education.

Guiding Principles

Basic principles are used to help shape the Capital Improvements Plan. These principles include, but are not limited to, developing a balanced capital strategy to fund projects in a variety of program areas while meeting those needs with the highest priority. This ensures the CIP will be the platform for development in the County and business community while preserving the existing tax base. To further guide the CIP decision-making process, potential projects in the CIP are evaluated based on 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 Improvements Programming

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

- ✓ The fostering of a sound and stable financial program over a five-year period based on current economic trends;
- ✓ The coordination of projects that promote informed decisions and joint programs among County departments;
- ✓ The enabling of private businesses and citizens to know when certain public improvements will be undertaken, allowing more efficient and effective planning;
- ✓ The focused goals and needs of the community are met through the provision of new facilities and infrastructure Improvements;
- ✓ The annual evaluation of the infrastructure needs for the provision of services for the public health and safety of the citizens of the County; and
- ✓ The provision of a logical process for assigning priorities to projects based on their impact on the County.

CIP Process & Discussions

The annual CIP process occurs during the normal budget process. Suggested projects normally come from county departments, administrative staff and the Board of Supervisors. A CIP committee is composed of the County Administrator and Directors 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 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 usually done in conjunction with the public 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 Improvements Budget for the upcoming fiscal year.

Capital Improvements Plan Timeline

Month	Task
January	Annual Budget Process Begins
March	Draft CIP Presented to Planning Commission
April	Planning Commission Reviews and Approves CIP; Recommendation sent to BOS
April	Public Hearing is Held on the Proposed CIP
May	Adoption by the BOS

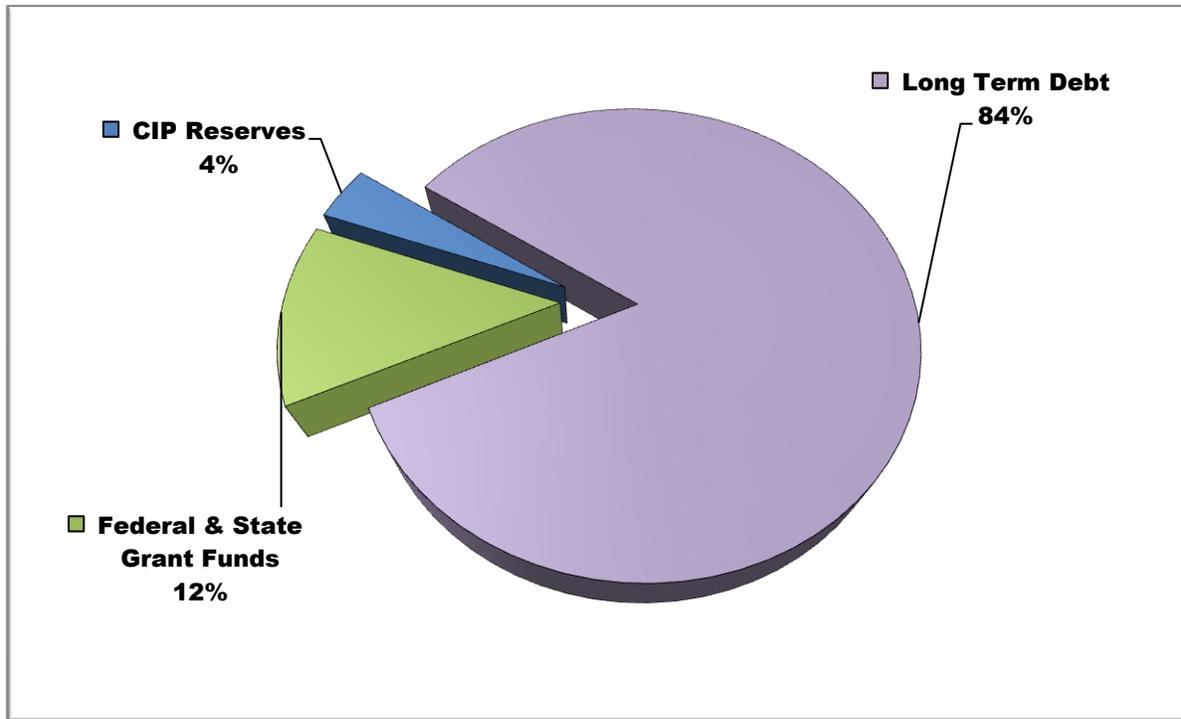
The Board of Supervisors holds budget planning work sessions, which includes identifying capital needs in the County. This CIP document identifies the capital improvement needs and priorities over a five-year period in conjunction with projected funding levels and the Board of Supervisor's vision & principles. 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 foundation for future decision making.

Financial Advisor

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

FY 2014-2018 Funding Sources

Each project in the FY2014-2018 Capital Improvements Plan utilizes one or more of the following sources: long-term debt proceeds, 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 based on appropriate levels of debt, revenue and reserves in exchange for the promise to repay the loan with interest. The term of the bond is usually 15 to 30 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 as well as general government projects. 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 projects such as solid waste management facilities, landfill closure activities, technology improvements, governmental studies and planning-related updates.

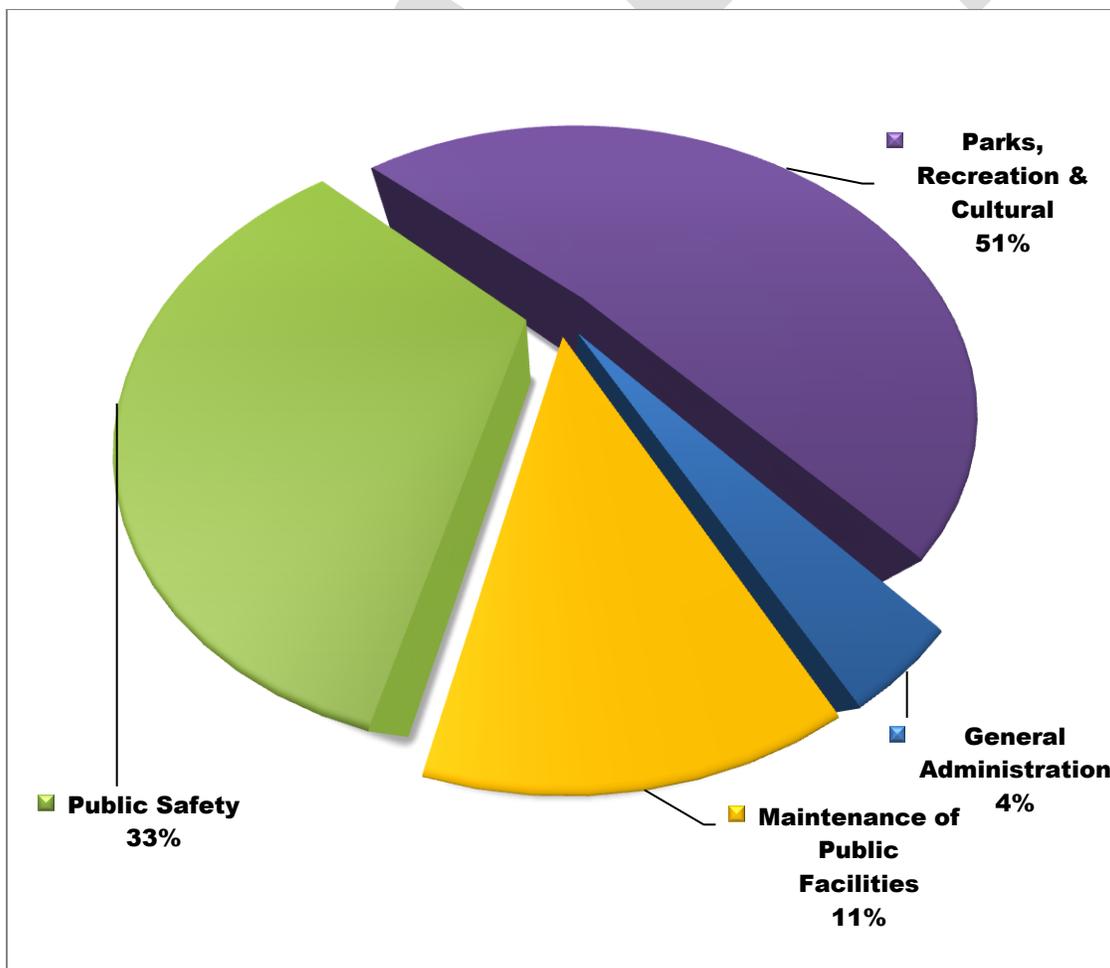
Federal and State Government

The federal and state governments provide funding in the form of grants. In Surry, state funds have been used to support the broadband initiative. In the past, state and/or federal funds have been used to support community improvements 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

Lease financing allows the lessee to preserve capital and reduce borrowing capacity because it offers 100% financing, low closing costs and lower monthly payments than traditional borrowing. This financing alternative is subject to all 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.

FY2014-2018 EXPENDITURE CATEGORIES



Capital Budget for Fiscal Year 2014

FY2014 Project Expenditures by Category						
		Local	Grant	State	Long-Term	Total
		Funding	Funding	Funding	Debt	Funding
Broadband Project	\$ 500,000	\$ 100,000	\$ -	\$ 400,000	\$ -	\$ 500,000
Solid Waste Management Collection	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000
Facility Stabilization/Restoration	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Technology Improvements	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Fleet Vehicles	\$ 130,000	\$ -	\$ -	\$ -	\$ 130,000	\$ 130,000
Comprehensive Plan Update	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Surry Sewer Expansion	\$ 750,000	\$ 50,000	\$ 700,000	\$ -	\$ -	\$ 750,000
Visitors Center	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Surry Library Expansion	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Rescue Squad Building Improvements	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Park Multi-Modal Study/Improvements	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Fire Equipment/Apparatus	\$ 525,000	\$ -	\$ -	\$ -	\$ 525,000	\$ 525,000
Grand Total: Project Expenditures	\$ 2,665,000	\$ 460,000	\$ 700,000	\$ 400,000	\$ 1,105,000	\$ 2,665,000
FY2014 Revenue Sources						
General Fund-CIP Reserves	\$ 460,000					
Long-Term Debt	\$ 1,105,000					
State Grants	\$ 1,100,000					
Grand Total: Project Revenues	\$ 2,665,000					

Capital Budget Descriptions for Fiscal Year 2014

Broadband Implementation Project..... \$500,000

To date, 23,000 linear feet of fiber have been deployed that will connect local community service facilities and two industry partners, and the County will soon issue a proposal soliciting service providers. The Virginia Department of Housing and Community Development has been requested to amend the existing grant contract to permit the construction of one tower at 350' rather than three towers at varied locations County-wide. The change would permit co-location of public safety telecommunications equipment and broadband wireless equipment on the same structure, which will significantly reduce future public safety telecommunications expenses. The Virginia Department of Historic Resources will have to approve the construction of the taller structure. This delay has initiated a request for a grant extension agreement for twelve months from August 2013 to August 2014.

Solid Waste Management Collection..... \$150,000

The proposed funding of \$150,000 will continue construction and other improvements at the Mantura Road convenience site, which serves the eastern end of the County. The sites are used by the general public for disposal of household waste, bulky waste and tires & recyclable materials. This project includes site preparation, construction of an attendant building and installation of several containers & a compactor.

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

The County owns various buildings, some which are listed on the National Register of Historic Places. This project continues to maintain and stabilize the exterior structures so that the buildings could have permanent uses in the future. The building uses include but are not limited to, tourism/visitor center activities and office space or meeting facilities. The old Academy Building was stabilized and later renovated for use as a Business Assistance Center and currently houses the Surry County Resource and Employment Center.

Parks Multi-Modal Study/Improvements..... \$50,000

The County park currently has only one entrance and exit driveway. To improve access to and from the Park, this project includes design, engineering and other costs associated with construction of a second driveway. Also included in this project is the initial design for a walking trail at 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 & 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 & safety codes and energy conservation. This amount includes the initial architectural drawings for a new building.

Comprehensive Plan Update..... \$60,000

The *Code of Virginia, 1950, as amended*, requires that localities review and update their comprehensive plans at least every 5 years. A comprehensive plan is a tool created to define community goals for community development. The plan determines public policy in terms of land use, transportation, utilities and recreation. It usually includes a broad range of topics and is long term in nature.

Surry Sewer Expansion..... \$750,000

Utilities owned by the County and its incorporated towns are aging. Through contract, the Sussex Service Authority is currently maintaining and operating the County-owned facilities. The waste water system is at or near capacity. Because of this, the County is planning for an update in capacity and certain associated infrastructure.

Rescue Squad Building Improvements..... \$100,000

This project involves the initial design for the improvements to the current rescue squad building.

Fire Equipment/Apparatus..... \$525,000

This project includes the purchase of utility vehicles for the Claremont & Dendron Volunteer Fire Departments and a pumper truck for the Dendron department. Additional equipment for the departments is included in subsequent years of the CIP.

Fleet Vehicles..... \$130,000

This project includes the purchase of 4 vehicles for County departments. Planned purchases include a heavy duty 4-wheel drive truck and utility van for maintenance; a small 4-wheel drive sport utility vehicle for planning; and a small 4-wheel drive truck for the animal control department, including an installed dog box and the additional purchase of a 2 or 3 compartment horse trailer. Vehicles will be purchased pre-owned where practicable.

FIVE YEAR CAPITAL IMPROVEMENTS PLAN SUMMARY

**COUNTY OF SURRY, VIRGINIA
CAPITAL IMPROVEMENTS PLAN
FISCAL YEARS 2014 through 2018**

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	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	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 100,000	\$ 400,000
Comprehensive Plan Update	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ -
Total General Administration	\$ 610,000	\$ -	\$ -	\$ -	\$ -	\$ 610,000	\$ -	\$ 210,000	\$ 400,000
FACILITY MAINTENANCE									
Visitors Center	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
WasteManagement Collection	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ -	\$ -
Surry Sewer Expansion	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ 50,000	\$ 700,000
Facility Restoration/Stabilization	\$ 75,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 275,000	\$ -	\$ 275,000	\$ -
Fleet Vehicles	\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ 130,000	\$ 130,000	\$ -	\$ -
Warehouse Garage	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -
Total Public Works	\$ 1,180,000	\$ 700,000	\$ -	\$ -	\$ -	\$ 1,880,000	\$ 780,000	\$ 400,000	\$ 700,000
PUBLIC SAFETY									
Rescue Squad Building Improvements	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -
Fire Equipment/Apparatus	\$ 525,000	\$ 1,195,000	\$ 1,250,000	\$ 1,300,000	\$ 1,300,000	\$ 5,570,000	\$ 5,570,000	\$ -	\$ -
Total Public Safety	\$ 625,000	\$ 1,195,000	\$ 1,250,000	\$ 1,300,000	\$ 1,300,000	\$ 5,670,000	\$ 5,670,000	\$ -	\$ -
PARKS, RECREATION & CULTURAL									
Surry Library Expansion	\$ 200,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,700,000	\$ 2,700,000	\$ -	\$ -
James River Waterfront Access	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Park Multi-Modal Study/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	\$ 250,000	\$ 5,000,000	\$ 2,500,000	\$ 1,000,000	\$ -	\$ 8,750,000	\$ 7,700,000	\$ 50,000	\$ 1,000,000
EDUCATION									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ALL PROJECTS	\$ 2,665,000	\$ 6,895,000	\$ 3,750,000	\$ 2,300,000	\$ 1,300,000	\$ 16,910,000	\$ 14,150,000	\$ 660,000	\$ 2,100,000

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