



# County of Surry, Virginia

Fiscal Years 2012-2016

## Proposed Capital Improvement Plan

### FY2012-2016 Project Expenditures by Category

General Administration	\$	1,485,000
Maintenance of Public Facilities	\$	2,155,000
Public Safety	\$	6,245,000
Parks, Recreation & Culture	\$	9,590,000
Road Improvements	\$	<u>250,000</u>
<b>Grand Total: Project Expenditures</b>	<b>\$</b>	<b><u>19,725,000</u></b>

### FY2012-2016 Revenue Sources

#### **General Fund Operating Revenue**

Transfer from General Fund: CIP Reserves	\$	<u>1,405,000</u>
Total General Fund Revenues	\$	1,405,000

#### **Other Revenues**

Long-Term Financing/G. O. Bonds	\$	14,995,000
Short -Term Borrowing/Lease Financing	\$	825,000
Intergovernmental-State/Federal Funds	\$	2,500,000
	\$	18,320,000
<b>Grand Total: Project Revenues</b>	<b>\$</b>	<b><u>19,725,000</u></b>

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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 Supervisor as the 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, the County of Surry, 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 six categories: General Government Administration, Public Works, Public Safety, Road Maintenance, 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 have some assurances as to 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, Assistant County Administrator, 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. This is the County’s first year in which the proposed list will be forwarded to the Surry County Planning Commission for review, approval and recommendation to the Board of Supervisors.

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

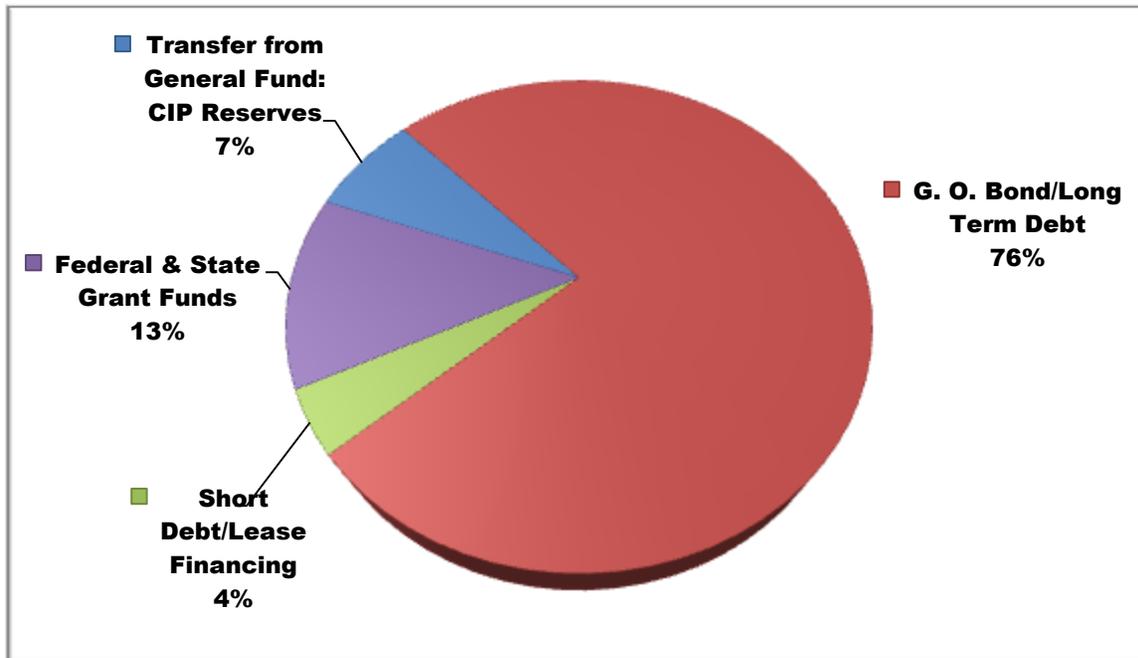
The Board of Supervisors holds budget planning work sessions for the specific purposes of identifying capital project needs in the County. This CIP is a document dedicated to a process designed to identify both the capital improvement needs and priorities of the County over a five-year period in conjunction 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 FY 05-06 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 2012-2016 Funding Sources

Each project in the FY 2012-2016 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.

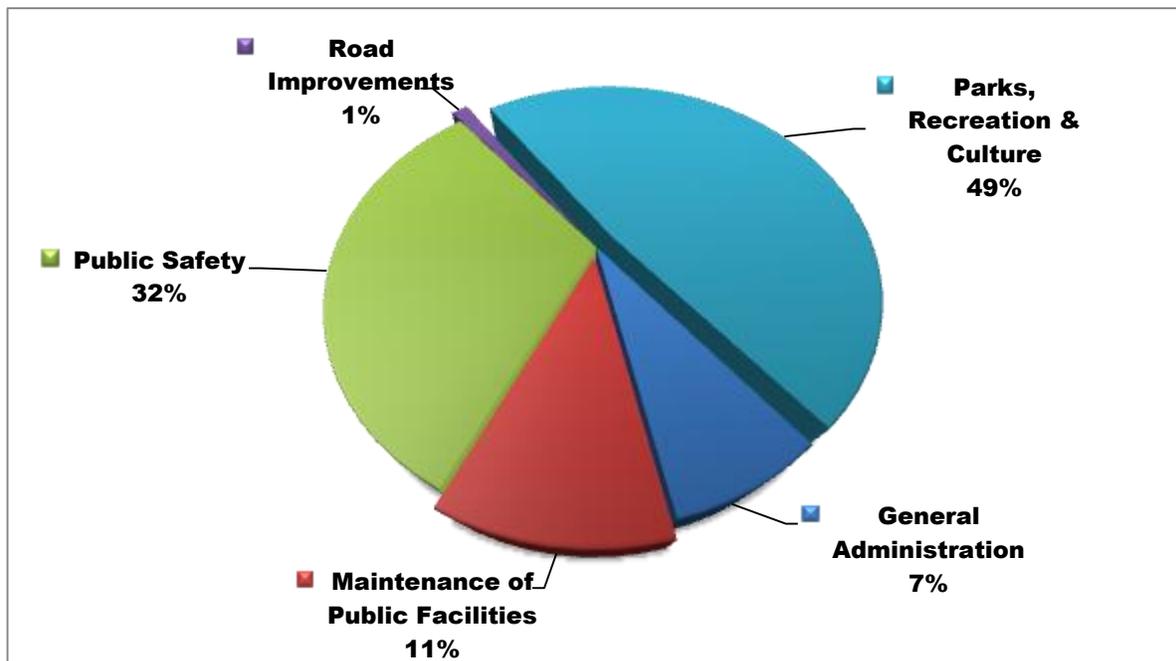
### Federal and State Government

The federal and state government 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.

### FY2012-2016 EXPENDITURE CATEGORIES



## Capital Budget for Fiscal Year 2012

### FY2012 Project Expenditures by Category

		Local Funding	State Funding	Financing Short/Long Term	Total Funding
Broadband Project	\$ 900,000	\$ 200,000	\$ 700,000	\$ -	\$ 900,000
Solid Waste Management Collection	\$ 255,000	\$ 255,000	\$ -	\$ -	\$ 255,000
Solid Waste Equipment Purchase	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 150,000
Facility Stabilization/Restoration	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ 300,000
Highway Improvements	\$ 50,000	\$ 50,000			\$ 50,000
Technology Improvements	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ 125,000
Property Acquisition	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 150,000
Parks & Recreation Grounds	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ 40,000
Public Safety-E911 Center Upgrades	\$ 575,000	\$ -	\$ 150,000	\$ 425,000	\$ 575,000
<b>Grand Total: Project Expenditures</b>	<b>\$ 2,545,000</b>	<b>\$ 1,145,000</b>	<b>\$ 850,000</b>	<b>\$ 550,000</b>	<b>\$ 2,545,000</b>

### FY2011 Revenue Sources

#### **General Fund Operating Revenue**

General Fund-CIP Reserves                   \$ 1,145,000

Total General Fund Revenues           \$ 1,145,000

#### **Other Revenues**

State Grant                                       \$ 850,000

Other Financing Source                   \$ 550,000

Total Other Revenue Sources           \$ 1,400,000

**Grand Total: Project Revenues**       **\$ 2,545,000**

## Capital Budget Descriptions for Fiscal Year 2012

### **Broadband Implementation Project..... \$900,000**

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.

**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..... \$255,000**

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

**Solid Waste Equipment..... \$150,000**

Due to the acquisition and development of a third manned solid waste convenience site, a roll off truck is needed to accommodate this project. The current truck is 12 years old and is becoming increasingly costly to repair and maintain. Acquisition of a second vehicle is needed due to the expansion of the County's service area for manned solid waste stations.

**Communication Center Equipment Upgrade..... \$575,000**

This project include three components necessary to equipment replacement and upgrades in the County's Emergency Communications Center: (1) the computer aided dispatch/CAD system - \$300,000, (2) the Emergency 911 telephone & computer equipment - \$185,000 and (3) the radio system - \$90,000. The current equipment is obsolete and is no longer supported via maintenance agreements with Verizon and Motorola. Funding for this project will be funded partly by a \$150,000 Public Safety Answering Point (PSAP) grant from the State's E-911 Wireless Board. Implementation of the project in the near future will ensure operational sustainability in the next generation of required E911 communications and operations.

**Road Improvements..... \$ 50,000**

Funding is allocated in the amount of \$50,000 to fund a portion of the Route 31 Ferry Project or other projects as recommended by the Board of Supervisors under the Virginia Department of Transportation's (VDOT) highway revenue sharing program. The program provides additional funding for use by the county to construct, reconstruct or improve the highway systems within the county. The county's funds are matched with state funds.

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

The County owns various buildings, some which are listed on Virginia's National History Registry. 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, for instance 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 Employment Resource Center.

**Facility Improvements (Health Department Parking Lot)..... \$200,000**

The 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.

**Financial Software System Upgrade ..... \$375,000**

The county's current software financial system which covers Payroll, General Accounting, Accounts Payable, Taxes, Real Estate, and Inspections has been in place since 1999. The County, School System and Social Services utilize the financial applications of the system. Since 1999, advances and modernization in software applications have occurred that would benefit the County in terms of efficiency and accountability. The current system operates using an AS 400 server and green screen technology. New software systems operate via a Microsoft Office window platform. In other words, desk top computers serve as the foundation for which the software operations. While the current operating system is functional, improvement to enhance efficiency, reduce costs and waste are warranted. In addition, when the AS 400 is inoperable due a loss of power or other mechanical failures, all users on the system can no longer operate their perspective modules. This can be problematic for both employees and customers.

**Parks & Recreation Grounds Improvements..... \$40,000**

The project includes restoration of the picnic areas, outdoor basketball courts and ball fields. Due to the high volume of usage, an additional shelter (shelter #4) is included in the proposed project. Upgrades to the courts and ball fields include resurfacing, replacing of field dirt, additional grading and seeding all of which will restore the areas to standard conditions and extend the life cycle of the facilities.

## FIVE YEAR CAPITAL IMPROVEMENT PROGRAM SUMMARY

COUNTY OF SURRY, VIRGINIA  
 CAPITAL IMPROVEMENT PROGRAM  
 FISCAL YEARS 2012 through 2015

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Grand Total	Total ST/LT Debt	Total Local	Grants & Other Sources
<b>GENERAL GOV'T ADMINISTRATION</b>									
Technology Improvements	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ 375,000	\$ 375,000	\$ -	
Broadband Project	\$ 900,000	\$ -				\$ 900,000		\$ 200,000	700,000
Property Acquisition	\$ 150,000					\$ 150,000		\$ 150,000	
Comprehensive Plan Update		\$ 60,000	\$ -	\$ -		\$ 60,000		\$ 60,000	
<b>Total General Administration</b>	<b>\$ 1,175,000</b>	<b>\$ 185,000</b>	<b>\$ 125,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,485,000</b>	<b>375,000</b>	<b>410,000</b>	<b>700,000</b>
<b>FACILITY MAINTENANCE</b>									
WasteManagement Collection	\$ 255,000		\$ -	\$ -	\$ -	\$ 255,000		\$ 255,000	
Solid Waste Equipment	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000		
Surry Sewer Expansion	\$ -	\$ 750,000		\$ -	\$ -	\$ 750,000		\$ 100,000	650,000
Facility Restoration/Stabilization	\$ 300,000	\$ 200,000				\$ 500,000	\$ 200,000	\$ 300,000	
Warehouse Garage			\$ 500,000		\$ -	\$ 500,000	\$ 500,000	\$ -	
<b>Total Public Works</b>	<b>\$ 705,000</b>	<b>\$ 950,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,155,000</b>	<b>\$ 850,000</b>	<b>\$ 655,000</b>	<b>\$ 650,000</b>
<b>ROAD IMPROVEMENTS</b>									
Highway Revenue Sharing	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000	-	\$ 250,000	-
<b>Total Road Improvements</b>	<b>\$ 50,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ -</b>				
<b>PUBLIC SAFETY</b>									
Communication Center Upgrade	\$ 575,000					\$ 575,000	\$ 425,000		\$ 150,000
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		
<b>Total Public Safety</b>	<b>\$ 575,000</b>	<b>\$ 625,000</b>	<b>\$ 1,195,000</b>	<b>\$ 1,250,000</b>	<b>\$ 2,600,000</b>	<b>\$ 6,245,000</b>	<b>\$ 6,095,000</b>	<b>\$ -</b>	<b>\$ 150,000</b>
<b>PARKS, RECREATION &amp; CULTURE</b>									
Visitor & Welcome Center	\$ -	\$ -	\$ -		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		
Surry Library Expansion	\$ -		\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000		
James River Waterfront Access					\$ 1,000,000	\$ 1,000,000			\$ 1,000,000
Recreation Feasibility Study		\$ 50,000				\$ 50,000		\$ 50,000	
Parks & Rec. Grounds Upkeep	\$ 40,000					\$ 40,000		\$ 40,000	
Recreation Center Improvements	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -	\$ 5,000,000	5,000,000	-	\$ -
<b>TOTAL PARKS &amp; RECREATION</b>	<b>\$ 40,000</b>	<b>\$ 50,000</b>	<b>\$ 5,000,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,000,000</b>	<b>\$ 9,590,000</b>	<b>8,500,000</b>	<b>90,000</b>	<b>1,000,000</b>
<b>EDUCATION</b>									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL ALL PROJECTS</b>	<b>\$ 2,545,000</b>	<b>\$ 1,860,000</b>	<b>\$ 6,870,000</b>	<b>\$ 3,800,000</b>	<b>\$ 4,650,000</b>	<b>\$ 19,725,000</b>	<b>\$ 15,820,000</b>	<b>\$ 1,405,000</b>	<b>\$ 2,500,000</b>

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