

CAPITAL IMPROVEMENT PLAN

Summary of major capital projects in progress, future capital needs, and current debt service obligations.

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 between the County, the school boards, and the community college on capital planning.
- ▶ Coordinate various capital planning processes.
- ▶ Identify critical capital needs for County government, public schools, and community college.
- ▶ Evaluate proposed projects in relationship to County priorities.
- ▶ Understand future budget impacts and manage debt load.
- ▶ Make decisions on a project's inclusion in the CIP, timing, and possible financing sources.

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

Asheboro City Schools

Randolph Community College

Randolph County Schools

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



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?*

Randolph County, North Carolina



Capital Improvement Plan

Summary of Current Projects

Over the past few years, the Board of County Commissioners has considered only a few large projects, unless specific funding was available. This has resulted in a backlog of projects, and priorities are being established carefully. County facility needs are usually presented to the Board at their annual retreat. Every March, the community college and the two public school systems present their capital needs. These potential projects are provided in the Summary of Future Capital Needs.

At the April 2013 Board retreat, the Commissioners heard reports from departments regarding the backlog of equipment replacement, technology upgrades, building maintenance, and facility needs. Management encouraged the Board to consider designating a recurring source of funds to address these needs. Any extra funds could be set aside for pay-as-you-go CIP projects.

At the February 2011 Board retreat, the Emergency Services Director reported that the existing 911 Center would need a major renovation that would not improve the capacity of the facility. The alternative is a new building to replace both the 911 Center and the Asheboro ambulance base that could be constructed on county land. In May 2012, the Board of Commissioners heard a proposal to modernize Emergency Services, including the 911 Center, replacement of existing ambulance bases, additional bases in the southern half of the County. In the 2014-15 Budget, the Board initiated the modernization plan, financed with a 1.5-cent increase in property taxes. The second phase was added in the 2015-16 Budget. The implementation continues in 2016-17. The ambulance base and emergency services headquarters projects are included in the Capital Improvement Plan.

The County's current animal control facility is aged and needs renovation and expansion. The Board of Commissioners identified this project as a priority in June 2013. It is included in the Capital Improvement Plan.

Randolph County also has a Technology Policy Team, consisting of County officials, which reviews requests for major technology improvements. An annual Work Plan for the calendar year is developed and presented to the County Commissioners in January of each year. 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.

In the fall of 2015, Randolph County conducted a space utilization study for the courthouse, coordinated by the original architect. The courthouse opened in 2002 and has needed a series of modifications to meet the changing demand of the judges, district attorney, clerk's office, and probation and parole. The space study gives the County a plan for future renovations. No timetable or dedicated funding has been established.

In March 2010, voters in Randolph County approved an additional one-quarter percent sales tax to finance the capital needs of the Community College, which took effect July 1, 2010. This funding stream will finance pay-as-you-go costs of approximately \$2.5 million per year. The College's current projects are renovation of the former necktie facility into the Cosmetology Center and upgrades to the Photography Department.

Both school systems have requested recurring additional funds for deferred maintenance of existing facilities. This is an annual budget issue separate from the capital improvement plan.

**Randolph County, North Carolina
Capital Improvement Plan - Approved Projects**

<i>Project Totals</i>	Prior years	2016-17	2017-18	2018-19	2019-20
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Capital Needs by Category

Randolph County Government

Technology
Emergency Services Headquarters
Ambulance Bases
Animal Shelter

Projected Capital Expenditures					
\$ 1,919,725	\$ 1,709,339	\$ 210,386	\$ -	\$ -	\$ -
\$ 11,000,000	5,000,000	6,000,000	-	-	-
\$ 1,230,000	970,000	260,000	-	-	-
\$ 1,125,000	-	925,000	200,000	-	-
\$ -					
\$ -					
\$ 1,850,000	\$ 1,650,000	\$ 200,000	\$ -	\$ -	\$ -
\$ 1,810,000	\$ -	\$ 1,000,000	\$ 810,000	\$ -	\$ -
\$ 18,934,725	\$ 9,329,339	\$ 8,595,386	\$ 1,010,000	\$ -	\$ -

Asheboro City Schools

Randolph County Schools

Randolph Community College

Cosmetology Center
Photography Center Renovation

Capital Funding Sources

Current Resources:

Federal and State Grant Awards
Other Revenues

Transfer from General Fund

Debt Financing:

General Obligation Bonds
Installment Purchase
Limited Obligation Bonds

Projected Financing					
\$ -					
\$ 2,355,000	\$ 970,000	\$ 1,185,000	\$ 200,000		
\$ 5,579,725	\$ 2,224,725	\$ 2,545,000	\$ 810,000	\$ -	\$ -
\$ -				\$ -	
\$ 11,000,000	\$ 11,000,000				
\$ -					
\$ 18,934,725	\$ 14,194,725	\$ 3,730,000	\$ 1,010,000	\$ -	\$ -

Note: Since most project financing occurs before a project is initiated, the timing of the funding sources may differ by year from disbursement of funds for the projects.

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

Randolph County Government

Project Name: Emergency Services Headquarters

Fund County Facilities Capital Project Fund						Next 5 years
	<u>Prior Years</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2021-2025</u>
Projected Capital Costs	\$ 5,000,000	\$ 6,000,000		\$ -	\$ -	\$ -
Anticipated Operating Impact		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
Anticipated Debt Service		\$ 1,215,891	\$ 1,140,197	\$ 1,119,014	\$ 1,097,740	\$ 5,168,594

Project Description

In May 2012, the Commissioners heard a plan to modernize Emergency Services. The existing 911 Center is a 10,800 square foot building built in 1957. The building contains the 911 call center, a emergency operations center, fire marshal's offices, and administrative offices. Space is very limited for current operations and a more modern facility is needed.

Purpose and Need

The County desires to replace the existing facility with another building, on property currently owned. A replacement for the existing Asheboro ambulance base is also part of this project.

Project Status

Financing for the Emergency Services Headquarters project was obtained in January 2016, with the construction beginning soon thereafter. The anticipated completion date is January 2017.

Impact On Annual Operating Budget

An increase in utilities is expected, along with additional insurance.

Project Costs	
Architect / Design	\$ 923,570
Professional Fees	25,000
Land Acquisition	-
Construction	8,756,080
Furniture / Equipment	209,350
Technology	736,000
Communication tower	350,000
Total	\$ 11,000,000

Method of Financing	
General Fund Appropriations	\$ -
Grant Awards	
Other Revenues	1,100,000
General Obligation Bonds	
Installment Purchase	9,900,000
	-
Total	\$ 11,000,000

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

Randolph County Government

Project Name: Ambulance Bases Project

Fund General Fund	Prior Years	2016-17	2017-18	2018-19	2019-20	Next 5 years 2021-2025
Projected Capital Costs	\$ 970,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -
Anticipated Operating Impact		\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 3,600,000
Anticipated Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -

Project Description

In May 2012, the Commissioners heard a plan to modernize Emergency Services. There are three old ambulance bases that need to be replaced (Randleman, Trinity, and Liberty) and another two new bases that are needed in the southern part of the County. In March 2014, the Board agreed to move forward with the funding on these projects.

Purpose and Need

In August 2013, the County completed the sale of the Randleman Base property for \$535,000. Using a portion of the sale proceeds, the County replaced the existing Randleman Base facility with another building nearby. A permanent base for the Trinity area crew will be funded with the remainder of the sale proceeds. The County levied additional property taxes to pay for the other new bases and paramedic crews.

Project Status

The only remaining base to be constructed is for the Trinity area. A suitable location has not yet been determined.

Impact On Annual Operating Budget

A modest increase in utilities is expected, along with additional insurance. When the two new bases were opened in the southern part of the County, new paramedic crews were hired to staff them. The additional personnel costs are expected to be approximately \$350,000 per year for each additional base.

Project Costs	
Architect / Design	\$ -
Professional Fees	-
Land Acquisition	-
Construction	1,230,000
Furniture / Equipment	-
Other	-
Total	\$ 1,230,000

Method of Financing	
General Fund Appropriations	\$ 780,000
Grant Awards	
Other Revenues	450,000
General Obligation Bonds	
Installment Purchase	
Total	\$ 1,230,000

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

Randolph County Government

Project Name: Animal Shelter

Fund County Facilities Capital Project Fund	Next 5 years					
	<u>Prior Years</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2021-2025</u>
Projected Capital Costs		\$ 925,000	\$ 200,000			\$ -
Anticipated Operating Impact		\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
Anticipated Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -

Project Description

Renovation and expansion of the existing animal shelter on county-owned land.

Purpose and Need

Existing animal shelter is an inadequate block building that does not meet current demand. A major expansion is needed that will meet current standards and improve customer service for citizens adopting animals.

Project Status

Design began in 2015. A final budget is to be determined. Construction is expected to begin in late 2016. The County has received a corporate pledge of \$750,000 toward the project, plus another \$25,000 donation to date.

Impact On Annual Operating Budget

A modest increase in utilities is expected, along with additional insurance.

Project Costs	
Architect / Design	\$ 95,000
Professional Fees	7,800
Land Acquisition	-
Construction	904,250
Furniture / Equipment	55,000
Contingency	62,950
Total	\$ 1,125,000

Method of Financing	
General Fund Appropriations	\$ -
Grant Awards	
Other Revenues	25,000
General Obligation Bonds	
Installment Purchase	1,100,000
	-
Total	\$ 1,125,000

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

Project Category: Randolph Community College

Project Name: Cosmetology Center

Fund : Randolph Community College Capital Project

Projected Capital Costs
Anticipated Operating Impact
Anticipated Debt Service

<u>Prior Years</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2021-2025</u>
\$ 1,650,000	\$ 200,000				\$ -
		\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
	\$ -	\$ -	\$ -	\$ -	\$ -

Project Description

This project will greatly expand and renovate the Asheboro campus of the Community College. A vacant industrial building will be renovated to house the Cosmetology Program and other services. After these programs are relocated to the new facility, the College will no longer have to lease space away from the main Asheboro campus. The project costs will be financed through the quarter-cent sales tax dedicated for RCC capital needs.

Purpose and Need

Randolph Community College must increase its space and capacity in order to maintain the ability to continue serving the rapidly growing number of college transfer students, students seeking higher paying jobs, and unemployed students who turn to the College for education, training, and hope. The former warehouse building was privately owned, surrounded by RCC facilities; the acquisition consolidates the campus. Randolph Community College's use of the former warehouse property, rather than financing new construction, will save taxpayers' money.

Project Status

Construction began in 2015 and is expected to be completed by mid-2016.

Impact On Annual Operating Budget

Operating costs are expected to be around \$50,000.

Project Costs

Architect / Design	\$ -
Professional Fees	170,000
Land improvements	125,000
Construction	1,555,000
Furniture / Equipment	
Other	
Total	\$ 1,850,000

Method of Financing

Transfer from General Fund (Quarter-cent sales tax proceeds)	\$ 1,850,000
Grant Awards	
General Obligation Bonds	-
Installment Purchase	-
Certificates of Participation	-
Total	\$ 1,850,000

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

Project Category: Randolph Community College

Project Name: Photography Center Renovation

Fund : Randolph Community College Capital Project

Projected Capital Costs
Anticipated Operating Impact
Anticipated Debt Service

<u>Prior Years</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2021-2025</u>
\$ -	\$ 1,000,000	\$ 810,000			\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -

Project Description

This project will greatly expand and renovate the space utilized by the Photography program at the Community College. The project costs will be financed through the quarter-cent sales tax dedicated for RCC capital needs.

Purpose and Need

The photography program at RCC is recognized by most journals as one of the top three photography programs in the country. Students come from all over the country to attend RCC for this curriculum and the College will need to provide them with the latest technology in order to stay one of the highest rated photography programs. The existing area was constructed decades ago; there is not currently an entrance from the exterior of the building. The department is accessed only after passing through many hallways. It is important to update the curriculum with state-of-the-art equipment, as well as the way the facility is laid out and used for the program to support multimedia.

Project Status

Construction will begin in early 2016 and is expected to be completed in less than a year.

Impact On Annual Operating Budget

Since this is renovation of existing space, there is no significant increase in operating costs. There is no debt service associated with this project.

Project Costs

Architect / Design	\$ -
Professional Fees	222,000
Land improvements	80,000
Construction	1,308,000
Furniture / Equipment	200,000
Other	-
Total	\$ 1,810,000

Method of Financing

Transfer from General Fund	\$ 1,810,000
(Quarter-cent sales tax proceeds)	
Grant Awards	
General Obligation Bonds	-
Installment Purchase	-
Certificates of Participation	-
Total	\$ 1,810,000

Randolph County, North Carolina Summary of Future Capital Needs

The following projects have been proposed for future consideration in the Capital Improvement Plan. These proposed projects are listed for capital planning purposes only. No decision has been made on the merits of the projects and their inclusion here does not guarantee they will ever be completed. Other capital needs will develop over time and may replace or delay these projects. However, it is critical to list these needs in order to coordinate the various demands on County resources over the next few years.

Asheboro City Schools

<u>Project</u>	<u>Estimated cost</u>
Asheboro High School Addition and Renovation	\$ 15,431,717
McCrary Elementary School Kitchen Renovation	357,633
Lindley Park Elementary School Kitchen Renovation	438,041
N. Asheboro Middle School Renovation Project	389,000
S. Asheboro Middle School Renovation Project	410,000
Asheboro High School Gymnasium HVAC	292,000
	<u>\$ 17,318,391</u>

Randolph County Schools

<u>Project</u>	<u>Estimated cost</u>
New Trinity area middle school	19,400,000
New Randleman area elementary school	15,600,000
New Randleman area middle school	19,400,000
New Southwest area middle school	19,400,000
Renovation to Ramseur Elementary school	1,700,000
Renovation to Eastern Randolph High School	5,000,000
Renovation to Randleman High School	10,200,000
Renovation to Southwest High School	5,700,000
Renovation to Trinity High School	5,000,000
	<u>\$ 101,400,000</u>

Randolph Community College

<u>Project</u>	<u>Estimated cost</u>
Allied Health Center	\$ 14,000,000
Renovation Projects	10,500,000
Real Property Acquisitions	6,000,000
	<u>\$ 30,500,000</u>

Randolph County Government

<u>Project</u>	<u>Estimated cost</u>
Jail Expansion Addition of 80 Beds	6,743,415
Sheriff's Office Building Expansions	2,920,000
Social Services Building Expansion	2,000,000
Agricultural Center	*
Courthouse upgrades	1,887,000
Probation and Parole Facility	*
	<u>\$ 13,550,415</u>

* Unknown at this time

Randolph County
 Annual Debt Service Requirements
 Current Obligations



Fiscal Year	ALL DEBT SERVICE		ALL DEBT
	Total Principal	Total Interest	GRAND TOTALS
2016-17	\$ 9,475,787	\$ 2,847,637	\$ 12,323,424
2017-18	8,937,146	2,500,848	11,437,994
2018-19	8,535,982	2,240,737	10,776,719
2019-20	8,415,982	1,962,185	10,378,167
2020-21	8,305,982	1,658,744	9,964,726
2021-22	8,157,960	1,355,356	9,513,316
2022-23	4,997,960	1,056,581	6,054,541
2023-24	4,997,960	845,830	5,843,790
2024-25	4,970,646	627,716	5,598,362
2025-26	4,939,333	408,988	5,348,321
2026-27	4,939,333	190,010	5,129,344
2027-28	2,877,666	39,858	2,917,524
Totals	\$ 79,551,738	\$ 15,734,490	\$ 95,286,228

Randolph County

Annual Debt Service Requirements

General Obligation Bonds, Installment Purchase Agreements and Other Debt

Fiscal Year	PNC Bank Balfour Renovation October 9, 2012		PNC Bank Cardiac Monitors October 9, 2012		BB&T Govt Finance Water Rights / Library / Bldgs January 4, 2005	
	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 133,334	\$ 36,300	\$ 82,327	\$ 1,740	\$ 407,477	\$ 8,837
2017-18	133,333	33,073	41,164	348		
2018-19	133,333	29,847				
2019-20	133,333	26,620				
2020-21	133,333	23,393				
2021-22	133,333	20,167				
2022-23	133,333	16,940				
2023-24	133,333	13,713				
2024-25	133,333	10,487				
2025-26	133,333	7,260				
2026-27	133,333	4,033				
2027-28	66,666	807				
Totals	\$ 1,533,333	\$ 222,640	\$ 123,491	\$ 2,088	\$ 407,477	\$ 8,837

Randolph County

Annual Debt Service Requirements

General Obligation Bonds, Installment Purchase Agreements and Other Debt

Fiscal Year	State Clean Drinking Water Loan May 6, 1999		Seller Financed Note Payable Bost Property February 13, 2015		PNC Bank ES Headquarters January 12, 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 43,022	\$ 5,486	\$ 82,627		\$ 917,000	\$ 298,891
2017-18	43,022	4,388	82,627		917,000	223,197
2018-19	43,022	3,292	82,627		917,000	202,014
2019-20	43,022	2,194	82,627		917,000	180,740
2020-21	43,022	1,096	82,627		917,000	159,465
2021-22			82,627		917,000	138,191
2022-23			82,627		917,000	116,916
2023-24			82,627		917,000	95,642
2024-25			41,313		916,000	74,379
2025-26					916,000	53,128
2026-27					916,000	31,877
2027-28					916,000	10,626
Totals	\$ 215,110	\$ 16,456	\$ 702,327	\$ -	\$ 11,000,000	\$ 1,585,066

Randolph County

Annual Debt Service Requirements

General Obligation Bonds, Installment Purchase Agreements and Other Debt

Fiscal Year	Certificates of Participation 2003 Refunding December 16, 2003		Certificates of Participation School Construction August 30, 2006		Certificates of Participation School Construction September 26, 2007	
	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 220,000	\$ 17,800			\$ 1,915,000	\$ 81,388
2017-18	225,000	9,000				
2018-19						
2019-20						
2020-21						
2021-22						
2022-23						
2023-24						
2024-25						
2025-26						
2026-27						
2027-28						
Totals	\$ 445,000	\$ 26,800	\$ -	\$ -	\$ 1,915,000	\$ 81,388

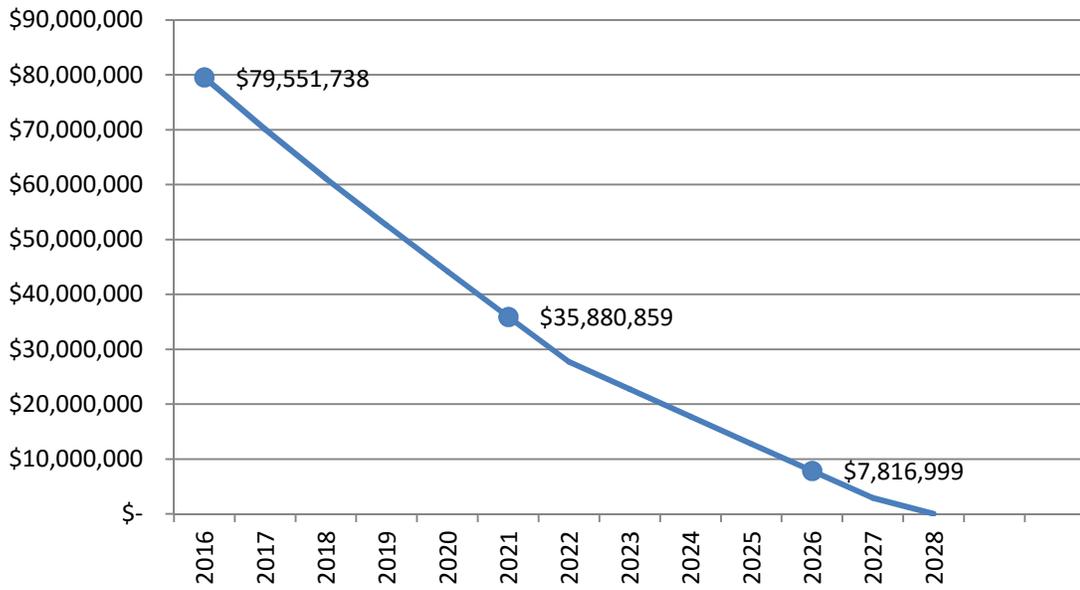
Randolph County

Annual Debt Service Requirements

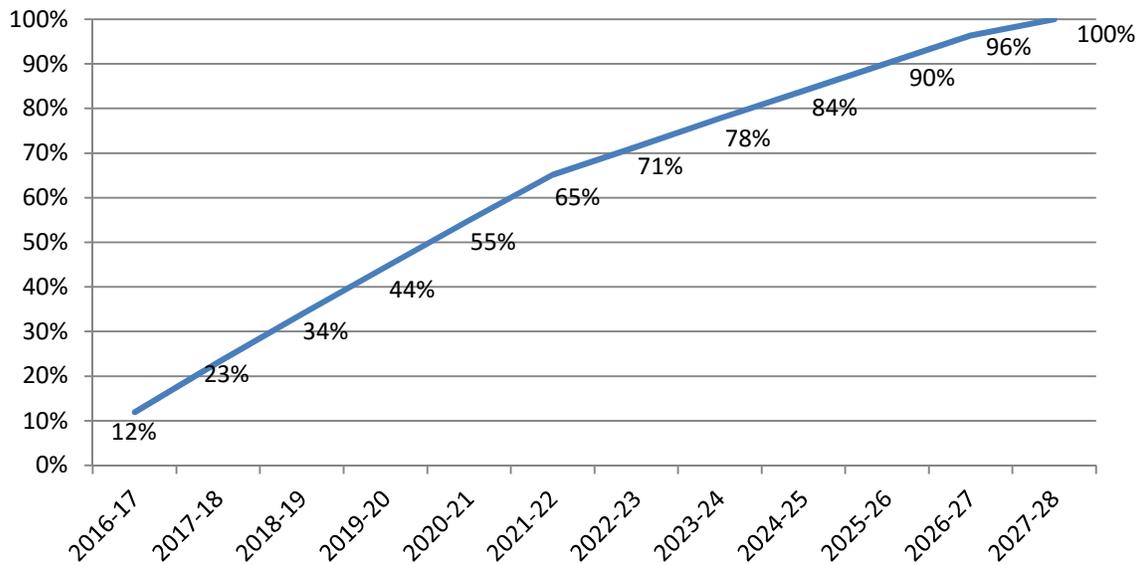
General Obligation Bonds, Installment Purchase Agreements and Other Debt

Fiscal Year	Limited Obligation Bonds 2013A Refunding April 10, 2013		Limited Obligation Bonds 2013B Refunding May 8, 2013		Limited Obligation Bonds 2013C Refunding June 6, 2013	
	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 3,705,000	\$ 470,395	\$ 1,970,000	\$ 960,900		\$ 965,900
2017-18	3,580,000	411,892	1,960,000	892,150	1,955,000	926,800
2018-19	3,465,000	342,834	1,955,000	813,850	1,940,000	848,900
2019-20	3,355,000	264,906	1,955,000	725,875	1,930,000	761,850
2020-21	3,255,000	181,065	1,950,000	628,250	1,925,000	665,475
2021-22	3,160,000	92,398	1,940,000	535,375	1,925,000	569,225
2022-23			1,945,000	442,625	1,920,000	480,100
2023-24			1,955,000	345,125	1,910,000	391,350
2024-25			1,965,000	247,125	1,915,000	295,725
2025-26			1,980,000	148,500	1,910,000	200,100
2026-27			1,980,000	49,500	1,910,000	104,600
2027-28					1,895,000	28,425
Totals	\$ 20,520,000	\$ 1,763,490	\$ 21,555,000	\$ 5,789,275	\$ 21,135,000	\$ 6,238,450

Outstanding June 30 Debt Balances



Cumulative Percentage of Current Debt to be Retired during Remaining Years



These charts present different ways to express how quickly existing debt will be retired.

Note: Assumes no change in outstanding debt during the years listed.