CAPITAL PROJECTS FUND

TOWN OF ROCKY MOUNT
PROPOSED 5-YEAR CAPITAL IMPROVEMENT PLAN
FISCAL YEARS 2011 – 2015

OVERVIEW

The Capital Improvement Plan (CIP) is a planning document to provide guidance for the long-range funding of future large capital projects and major equipment purchases. No funds are appropriated for any project or equipment purchase until Town Council includes their funding in the adopted budget for the upcoming fiscal year. The FY 11-15 CIP was compiled using the capital improvement plan adopted last year and updated using information and requests from department heads and the Town Manager. Generally, items in the CIP are at least $5,000 and have a useful life of at least two years.

Capital projects can be one-time needs such as a new building, a vehicle replacement, or major updates or expansion of existing utility lines or streets. Some expenditures are for major upgrades or repairs / replacement in order for the original item to continue its useful life. These include buildings, roads, bridges, water and sewer lines, and vehicles and machinery. Many items in the CIP will have some sort of annual operating costs that need to be considered.

The CIP is divided into three sections – those items funded through the General Fund, those items funded through the Utilities Fund, and those items funded through outside sources such as grants, bonds, loans, or possibly fund balance. Fund balance should never be used to fund routine operating expenses and long-term continued use of fund balance can lead to financial difficulties. Sustained revenue sources such as property taxes or water and sewer user fees should be used to fund operating expenses and even one-time capital projects where feasible. The fund balance should be maintained to provide a sufficient level for use in economic downturns and for emergencies. Over the long-term, the fund balance should remain stable or increase due to the community's general economic conditions

We should try to supplement as many capital projects through the use of grant funding from state and federal agencies because grant awards represent a return of local tax dollars collected by the federal and / or state governments. These agencies include the Virginia Department of Housing and Community Development, Virginia Tobacco Indemnification Commission, USDA Rural Development, and the Virginia Department of Transportation. Grants are available for a number of types of projects including community and economic development, housing, utility improvements, and street / transportation needs. Due to the competitive nature of grant awards, the Town generally must first spend money on preliminary engineering reports, consultants, and grant writers before even submitting a funding request. The funding agencies also favorably recognize the commitment to a potential funding project by the initial expenditures of localities on the project itself. All grant funds come with strings attached and must be administered in such a way that complies to the requirements of the funding agency and the objectives of the funded project.

If grants and user fees are not available, debt financing is an option. Borrowing funds at reasonable rates for future capital projects spreads the debt service over the useful life of the project and passes the cost to future users of the improvement. Debt is appropriate to finance assets with high costs and long useful lives. However, annual debt service must be covered through annual operating funds and existing tax rates and user fees may not be sufficient to cover the annual principal and interest payments.

There are state agencies that issue tax-free and below-market rates for applicable projects. The Town has issued debt through the Virginia Department of Environmental Quality Revolving Loan Fund for sewer utility projects and through the Virginia Resources Authority for the wastewater treatment plant, water lines in the annexed area, and the Grassy Hill water storage tank. These two agencies typically only issue debt for utility projects although recent legislation allows the VRA to also issue debt for public safety and transportation. The Town has also issued debt through the Virginia Municipal League for a mix of public parking, public works building, and infrastructure (roads, water, and sewer lines). The VML program allows for a wide variety of utility and general government projects.

Key projects proposed during fiscal years 2011 through 2015 include the following:

- Major equipment needs for fire, police, public works, and community development
- Street and bridge construction / replacement / improvements
- Parks and recreational improvements
- Creation of a music & arts venue to capitalize on The Crooked Road and / or 'Round the Mountain Artisans Network
- Development of land for industrial use / job creation
- Utility line improvements / replacements and extensions
- Preventive maintenance to the Water Treatment Plant
- Upgrades to the Wastewater Treatment Plant

Not all capital improvements can be funded. The public, in large part, dictates which new initiatives and capital improvements they are willing to support with their tax revenue and utility user fees. The Town must provide for basic maintenance on existing infrastructure and equipment first. A failure to address maintenance needs will only delay the inevitable and usually have higher costs in the future. Ultimately Town Council must decide how to prioritize the Town's operating and capital needs with the available assets.

TOWN OF ROCKY MOUNT
5 YEAR CAPITAL IMPROVEMENT PLAN
FY 11 - 15

Project / Purchase:	FY 11 By Depts.	FY 11 Proposed	FY 12 Proposed	FY 13 Proposed	FY 14 Proposed	FY 15 Proposed	5 YEAR TOTAL	NOTES
GENERAL FUND PROJECTS:								
GENERAL ADMINISTRATION:								
Finance - AS 400 Upgrade and cash register printers			40,000				40,000	
TOTAL GENERAL ADMINISTRATION	-	-	40,000	-	-	-	40,000	
PUBLIC SAFETY:								
Fire - one-ton dually truck	20,000						-	
Fire - paint & repair Floyd Ave. station	20,000	20,000					20,000	
Fire - replace 1995 Suburban			25,000				25,000	
Fire - replace thermal image camera - Wagon 1A				10,000			10,000	
Police - patrol cars, marked	25,000	25,000					25,000	
TOTAL PUBLIC SAFETY	65,000	45,000	25,000	10,000	-	-	80,000	
PUBLIC WORKS:								
Replace 97 4 x 4 pickup	19,500	19,500					19,500	
Replace 94 4 x 4 pickup			20,000				20,000	
Replace 20-year-old leaf machine			20,000				20,000	
Replace street sweeper			162,000				162,000	
Replace 87 Chev dump truck	68,000						-	
Replace street mowers				6,500			6,500	
Replace 87 garbage truck				166,375			166,375	
Replace 97 dump truck & spreader					90,000		90,000	
Replace 95 tandem dump truck					110,000		110,000	
Replace 89 John Deere Loader						176,000	176,000	
Scuffling Hill curb, gutter, sidewalk - local match	238,000						-	
Circle Drive curb & gutter - local match	110,000						-	
TOTAL PUBLIC WORKS	435,500	19,500	202,000	172,875	200,000	176,000	770,375	
BUILDINGS AND GROUNDS:								
Emergency Services Bldg debt baloon payment (5/1/11)	1,583,448	1,583,448	-				1,583,448	
Park Interconnector Trail - local match	30,000	30,000					30,000	
Pigg River Dam Safety Project	30,000	30,000					30,000	
Music / Arts venue planning grant - local match	-	-					-	
TOTAL BUILDINGS AND GROUNDS	1,643,448	1,643,448	-	-	-	-	1,643,448	
TOTAL GENERAL FUND PROJECTS	2,143,948	1,707,948	267,000	182,875	200,000	176,000	2,533,823	

TOWN OF ROCKY MOUNT
5 YEAR CAPITAL IMPROVEMENT PLAN
FY 11 - 15

Project / Purchase:	FY 11 By Depts.	FY 11 Proposed	FY 12 Proposed	FY 13 Proposed	FY 14 Proposed	FY 15 Proposed	5 YEAR TOTAL	NOTES
UTILITY FUND PROJECTS:								
WATER:								
Replace 01 pick-up for meter readers (78,000 miles)			18,000				18,000	
Replace North Main St water line (C-mart to Ferguson L&L)			290,000				290,000	in house; constantly breaking
Replace 2" plastic liner under Blackwater for Bonbrook Mill				32,000			32,000	in house
Replace N.H. skid loader						-	-	
WTP - security system	20,000						-	video surveilance & 3rd party monitoring
WTP - remote entry gate	10,000						-	
WTP - pump room floor repair & reseal	20,000						-	
WTP - perimeter fence repair	6,000						-	
WTP - pave and seal driveway			18,000				18,000	
WTP - convert from chlorine gas to bleach			40,000				40,000	
WTP - emergency generator			300,000				300,000	
WTP - electrical panel replacement			100,000				100,000	
WTP - lagoon clean out and repair			50,000				50,000	prevent discharg line into river
WTP - Scuffling Hill altitude valve replacement			15,000				15,000	
WTP - refurbish old Grassy Hill water tank			60,000				60,000	piping & valve changes to allow use of tank
WTP - Grassy Hill water tank storage				500,000			500,000	
12" water line connector to Plateau Plaza				2,000,000			2,000,000	
TOTAL WATER	56,000	-	891,000	2,532,000	-	-	3,423,000	
SEWER:								
Extend sewer line in Franklin Heights for new development	24,000	24,000					24,000	in house
Extend sewer line on 40 West for new development			75,000				75,000	
Extend sewer line from Old Fort Rd. to Grayson St.	50,000						-	in house
Extend sewer line on Scuffling Hill for new development	15,000	15,000		-			15,000	in house
WWTP - replace obsolete DO & PH sensors for oxidation	12,000	12,000					12,000	
WWTP - replace obsolete PH sensors for Inf. & Eff.	3,000	3,000					3,000	
WWTP - TSS sensors for oxidation ditch	3,000						-	
WWTP - replace sutorbilt blower	6,000	6,000					6,000	
WWTP - replace 94 GMC pick-up	19,000						-	
WWTP - U.V. upgrade study			7,000				7,000	
WWTP - climbing screen (40 East)				105,000			105,000	
WWTP - access road to Powder Mill pump station				50,000			50,000	
WWTP - water line to Powder Mill pump station				15,000			15,000	
WWTP - U.V. upgrade					205,000		205,000	
TOTAL SEWER	132,000	60,000	82,000	170,000	205,000	-	517,000	
TOTAL UTILITY FUND PROJECTS	188,000	60,000	973,000	2,702,000	205,000	-	3,940,000	
TOTAL GENERAL AND UTILITY FUND PROJECTS	2,331,948	1,767,948	1,240,000	2,884,875	405,000	176,000	6,473,823	