

CAPITAL PROJECTS FUND

**TOWN OF ROCKY MOUNT
PROPOSED 5-YEAR CAPITAL IMPROVEMENT PLAN
FISCAL YEARS 2010 – 2014**

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 10-14 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 2010 through 2014 include the following:

- Major equipment needs for fire, police, public works, and community development
- Street and bridge construction / replacement / improvements
- Parks, recreational, and public cemetery 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
- A rail transload facility in conjunction with the Cox property
- Utility line improvements / replacements and extensions
- Preventive maintenance to the Water Treatment Plant
- Renovations to the Powder Mill sewer pumping station
- Upgrades to the Wastewater Treatment Plant
- Uptown streetscape and utility line improvements

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		**CORRECTED COPY**					**There are NO new projects or deleted projects. This corrects math errors.				
5 YEAR CAPITAL IMPROVEMENT PLAN		FY 10	FY 10	FY 11	FY 12	FY 13	FY 14	5 YEAR			
FY 10 - 14		Proposed	by Depts.	Proposed	Proposed	Proposed	Proposed	TOTAL	FY 10 NOTES		
Project / Purchase:											
GENERAL FUND PROJECTS:											
GENERAL ADMINISTRATION:											
Comm Dev - replace 01 Lumina				24,000				24,000			
Planning - minivan				17,000				17,000			
Finance - AS400 operating system replacement				30,000				30,000			
TOTAL GENERAL ADMINISTRATION		-	-	71,000	-	-	-	71,000			
PUBLIC SAFETY:											
Police - patrol cars, marked			79,848	80,000	80,000	80,000		240,000			
Police - patrol car, unmarked			24,864		37,000			37,000	narcotics officer		
Police - mobile CAD/GPS (for patrol cars)			5,400					-			
Fire - 5 SCBA (air packs)			10,000					-			
Fire - portable radios & monitors (seeking grant)			5,000					-			
Fire - one-ton Dually truck				20,000				-			
Fire - paint & repair Floyd Ave. station				20,000				20,000	transport safety house		
Police - upgrade firearms range			8,000					8,000	repair roof/paint interior&doors		
Fire - replace 1995 Suburban				25,000				25,000			
Fire - replace thermal image camera-Wagon 1A						10,000		10,000			
TOTAL PUBLIC SAFETY		-	125,112	128,000	142,000	90,000	-	360,000			
PUBLIC WORKS:											
Scuffling Hill Rd. curb & gutter (town match) (grant)				-				-			
Circle Dr. curb & gutter (town match) (grant)				-				-			
Replace 87 Chev dump truck			65,000					65,000			
Replace 94 4 x 4 pickup			20,000					20,000			
Replace leaf machine					19,500			19,500			
Replace street sweeper					162,000			162,000			
Replace street mower					6,500			6,500			
Replace 87 Chev garbage truck						166,375		166,375			
Replace 97 dump truck & spreader						90,000		90,000			
Replace 89 J.D. loader							176,000	176,000			
TOTAL PUBLIC WORKS		-	-	85,000	188,000	256,375	176,000	705,375			

TOWN OF ROCKY MOUNT		**CORRECTED COPY**									
5 YEAR CAPITAL IMPROVEMENT PLAN		**There are NO new projects or deleted projects. This corrects math errors.									
		FY 10 - 14	FY 10 Proposed	FY 10 by Depts.	FY 11 Proposed	FY 12 Proposed	FY 13 Proposed	FY 14 Proposed	5 YEAR TOTAL	FY 10 NOTES	
BUILDINGS AND GROUNDS:											
Music / Arts venue planning grant (no town match)						only if grant awarded; \$40,000			-		
Parks Master Plan			20,000						20,000		
Community Center Feasibility Study			14,000						14,000		
East Court St Retaining Walls			250,000						250,000		
Northeast park / playground development					25,000				25,000		
Emerg Serv Bldg debt baloon payment					1,583,448				1,583,448		
TOTAL BUILDINGS AND GROUNDS			-	-	284,000	1,608,448	-	-	1,892,448		
TOTAL GENERAL FUND PROJECTS			-	125,112	568,000	1,938,448	346,375	176,000	3,028,823		
UTILITY FUND PROJECTS:											
WATER:											
Uptown water line replacement					19,200				19,200		
Meter Reading - replace pickup					17,000				17,000		
N. Main water line replacement						290,000			290,000		
PW - tandem dump truck replacement								110,000	110,000		
Weaver Dr water line extension					25,000				25,000		
Grassy Hill water tank renovation					60,000				60,000		
Install circulators in water tanks					350,000				350,000		
Water Plant pave & seal parking lot					23,100				23,100		
Water Plant sludge lagoon cleaning					50,000				50,000		
Water Plant replace electric panel			180,200								
Water Plant install generator			292,000								
Water Plant replace floc illuminator			2,900								
Water Plant repair perimeter fence					6,200				6,200		
Water Plant install remote gate					23,719				23,719		
Water Plant install security system					9,565				9,565		
Water Plant replace 12 frozen valves					100,000				100,000		
Water Plant convert from chlorine to bleach					30,000				30,000		
12" water line connector to Plateau Plaza								2,000,000	2,000,000		
TOTAL WATER			-	475,100	713,784	290,000	2,000,000	110,000	3,113,784		

TOWN OF ROCKY MOUNT										
5 YEAR CAPITAL IMPROVEMENT PLAN										
CORRECTED COPY										
**There are NO new projects or deleted projects. This corrects math errors.										
	FY 10 - 14									
Project / Purchase:	FY 10 Proposed	FY 10 by Depts.	FY 11 Proposed	FY 12 Proposed	FY 13 Proposed	FY 14 Proposed	5 YEAR TOTAL	FY 10 NOTES		
SEWER:										
Scuffling Hill sewer line replacement (Knollwood)			100,000				100,000	no service; development plans		
40 W sewer extension			75,000				75,000	no service; development plans		
Green Meadow Lane sewer repair / replace	5,000	34,000	trying repair vs. replacement				5,000	roots in line		
Powder Creek Lane sewer line repair	8,000	8,000					8,000	problem in line		
Uptown sewer line replacement			53,350				53,350			
Sewer Plant replace 03 pickup			19,000				19,000			
Powder Mill climbing screen					105,000		105,000			
Powder Mill pump station well / water					15,000		15,000			
Powder Mill access road					50,000		50,000			
Sewer Plant UV upgrade study				7,000			7,000			
Sewer Plant UV upgrade						205,000	205,000			
TOTAL SEWER	13,000	42,000	247,350	7,000	170,000	205,000	642,350			
TOTAL UTILITY FUND PROJECTS	13,000	517,100	961,134	297,000	2,170,000	315,000	3,756,134			
TOTAL GENERAL & UTILITY FUNDS	13,000	642,212	1,529,134	2,235,448	2,516,375	491,000	6,784,957			
							6,784,957			