

**ORANGE COUNTY  
BOARD OF EDUCATION**

**AGENDA ITEM ABSTRACT**

**Meeting Date:** March 10, 2014

**AGENDA ITEM No.** 14-03-14

**ACTION ITEM: (Y/N)** Y

**SUBJECT:** 2014-2024 Capital Investment Plan Presentation

**INFO. CONTACT:** Dr. Gerri P. Martín, Superintendent **PHONE:** (919) 732-8126

**ATTACHMENTS:** None.

(Please refer to the February 24, 2014 Board meeting packet to view the following documents related to this item)

1. CIP projects recommended for funding from Pay-as you go proceeds
2. CIP projects recommended for funding from Lottery proceeds
3. CIP projects recommended for funding from Article 46 Sales Tax proceeds
4. Unfunded Major Projects
5. Facilities Assessment projects not included in capital plan
6. Schedule of Potential Operating Budget Projects
7. Schedule of Potential Recurring Capital Projects
8. Technology CIP Funding Schedule

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**PURPOSE:** To approve the recommended 2014-2024 Capital Investment Plan.

**BACKGROUND:**

On February 24, 2014 the Board received and commented on the proposed 2014-2024 Capital Investment Plan. The two requested changes: 1.) funding a replacement for the structure at OHS destroyed in the recent winter storm; and 2.) funding for replacing the unauthorized removal of fencing and landscape material at OHS can be accommodated through a combination of repurposed funding in the current CIP and insurance proceeds. A future agenda item will propose a funding strategy for Board consideration. Therefore, no changes to the document presented on February 24 are proposed.

The recommended 2014-2024 capital funding plan is attached. The schedules are segregated by funding: Pay-as-you-go (Attachment 1), Lottery (Attachment 2) and Article 46 Sales Tax (Attachment 3).

The total amount allocated by the County for Orange County Schools (OCS) capital projects in 2014-2015 is \$2,457,031. Recommended projects in years 1-5 are commensurate with the projected funding from the County.

Projects recommended for inclusion in the OCS 2014-2024 Capital Investment Plan are attached. With the exception of vehicles and technology, the projects were derived from the Facilities Assessment recently completed for all OCS facilities and while representative of the most critical needs do not comprehensively address them by any means. Projects included in previous capital plans were

considered in the Facilities Assessment and are included for funding as appropriate, although not necessarily within the same timeframe as originally slated for funding.

Projects recommended for funding in year one of the capital plan fall within the following categories:

• ADA Compliance	\$130,300
• Safety/Security Initiatives	225,767
• Classroom/Building Improvements	270,000
• Energy Efficiency/Lighting Improvement	28,000
• Mechanical Systems	296,000
• Paving: Parking Lots/Driveways/Walkways	30,000
• Roofing	<u>454,000</u>
Total Pay-As-You-Go	\$1,434,067
• Technology	\$400,000
• School Safety Security	59,000
• Classroom Building Improvements	18,336
• Vehicle	<u>30,000</u>
Total Lottery Proceeds	\$507,336
• Debt Service	\$490,000
• Technology Upgrades	<u>25,628</u>
Total Article 46 Sales Tax	\$515,628

### Funding Sources

#### Operating Budget Allocation

The Superintendent's budget recommends an increased allocation to the general maintenance budget to accommodate an increased focus on general maintenance issues identified in the recent Facilities Assessment Report. In addition, we are bringing a proposal forward with the budget to address staffing deficits in Maintenance.

#### Lottery Proceeds/Article 46 Sales Tax

Per the recommendation of the Interim Exec. Director – Auxiliary Services, the Superintendent recommends Lottery proceeds and Articles 46 Sales Tax will serve to complete the debt service requirement on the digital conversion and will further be directed to the high priority needs as cited in the Facilities Assessment Report. In addition, vehicle replacement for maintenance staff and potentially activity buses is recommended to be funded over multiple years.

**FINANCIAL IMPACT:** The County has allotted a total of \$2,457,031 to Orange County Schools for capital needs during 2014-2015 as follows:

Pay-as-you-go	\$1,434,067 (same as last year)
Lottery Proceeds	\$507,336 (down by \$8,495 from last year)
Article 46 Sales Tax	\$515,628 (up \$25,628 from last year)

The County has projected a 1.5% increase annually for both pay-as-you-go and sales tax funding. Those increases are reflected in the attached schedules.

Projects recommended for funding during the first five years of the Plan are commensurate with expected funding from the County. There are many capital needs however, for which funding is not available in the foreseeable future. The Facilities Assessment reflected a needed capital expenditure in all district facilities in excess of \$160 million dollars. Considering that the County allocation from all sources is currently less than \$2.5 million per year, funding for critical multi-million dollar projects will not be possible and alternative funding sources will be necessary.

**RECOMMENDATION:** The Superintendent recommends the Board approve the Capital Investment Plan for final submission to the County.