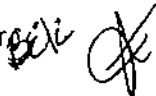




Date: December 7, 2010
To: Village Community Development District #7 Board of Supervisors
From: Barbara E. Kays, Budget Director 

ISSUE:

Approval of the District #7 2010/11 – 2014/15 Capital Improvement Plan

BACKGROUND:

As you know, one of the goals for the Board and District staff was to complete a Capital Improvement Plan for the District. After the Fixed Assets records were completed, work began on creating a capital improvement plan which included staff completing physical surveys of the District's assets which consists mostly of roads and fences. After months of preparation and discussion, attached is the final Capital Improvement Plan Fiscal Years 2010/11 – 2014/15 for your approval.

The Capital Improvement Plan is a management and planning tool to help ensure the sustainability of the District. The CIP provides a five-year plan for identifying capital and major maintenance projects along with a funding plan. It also is an excellent communication tool for residents in understanding when specific projects/areas are planned to be completed and how the projects will be funded. This document becomes the foundation for future CIPs as it will be updated on an annual basis during the budget process. The first year will be dropped and a year will be added at the end to continue as a five-year plan.

As you know, the maintenance and replacement costs of certain infrastructure located in specific areas such as Morse Boulevard, Buena Vista Boulevard to name a few will be budgeted in the Project Wide Fund. The revenues and expenses for the pertinent infrastructure will be identified in the Project Wide Fund CIP. This Capital Improvement Plan includes infrastructure maintenance and capital costs to be funded by the District 7 General Fund.

At the August 30, 2010 workshop, the Board reviewed and discussed the working copy of the District's Capital Improvement Plan Fiscal Years 2010/11 – 2014/15 along with the methodologies, assumptions and funding options. The attached Final CIP reflects no changes from the working copy that was presented to the Board at the August workshop. Once the CIP is approved, the document will be made available on the District's website.

This Capital Improvement Plan includes total estimated capital and major maintenance expenditures of \$114,970 over the five year period with \$48,194 for roads and \$66,776 for wall/entry sign painting. The majority of the funding for these projects will come from the Working Capital and Road R & R funds.

RECOMMENDATION:

Staff recommends the Board approve the District # 7 Capital Improvement Plan Fiscal Years 2010/11 – 2014/15.

MOTION:

Motion to approve the District # 7 Capital Improvement Plan Fiscal Years 2010/11 – 2014/15.



**CAPITAL IMPROVEMENT PLAN
FISCAL YEARS 2010/11-2014/15**

COMMUNITY DEVELOPMENT DISTRICT #7 ELECTED OFFICIALS

Niles Getz Chair
Term through 2014
391-5103
Niles.Getz@districtgov.org

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Term through 2014
751-2562
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Jim Sprung
Term through 2012
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Gerry Andrews
Term through 2012
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Term through 2014
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Community Development District #7



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COMMUNITY DEVELOPMENT DISTRICT #7 ELECTED OFFICIALS

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CAPITAL IMPROVEMENT PLAN OVERVIEW

The District Board recognizes that the development of a multi-year capital improvement plan (CIP) is important to provide a comprehensive and cost effective approach to identifying capital needs of the District.

The Capital Improvement Plan is beneficial to the District for many reasons such as:

1. Focuses attention on long range community goals and needs. Capital projects can be brought into line with the District's objectives, allowing projects to be prioritized based on need and funding availability.
2. Allows for an informed public. The CIP reporting document keeps residents informed about the future capital investment plans of the District, as well as becoming aware of projects, timelines and associated costs.
3. Encourages efficient program administration. Knowing in advance what, when and where projects will be undertaken leads to effective scheduling of available personnel, equipment and financial resources.
4. Identifies the most economically sound manner of funding projects. By fiscally constraining all five years of the CIP, the District is able to identify projects without a funding source and work to put in place sources of funding, smoothing the need for sharp increases in assessments.

The development of the Capital Improvement Plan is a continual process and, consequently, should be viewed as a working document. Therefore, the CIP document is developed from a multiyear planning perspective, evaluated and revised every year during the budget process in order to include new projects, reflect changes in ongoing projects and extend the program an additional year.

The first year of the plan is incorporated into the annual budget to appropriate funds. Improvements identified in subsequent years are approved only on a planning basis with no official appropriation.

This Capital Improvement Plan includes capital costs and some maintenance costs such as wall and entry sign painting. Capital costs included in this plan include new or improvements to infrastructure (roads and fencing) that have a unit cost of \$10,000 or more and a useful life that exceeds one year. The estimated costs are based on current year dollars.

FUNDING SOURCES

The original construction of the District's infrastructure was funded through a bond issue however; the objective was to fund the ongoing maintenance and replacement costs with the District's maintenance assessment revenues. One of the purposes of developing the CIP is to minimize the spikes in the assessment through long-term planning. Over the past years, the Districts have designated funds to be placed in reserves for roads, multi-modal paths and general purposes. These funds were considered in addition to available working capital funding to determine the funding plan for the five-year plan.

For the numbered districts south of 466, a Project Wide Fund was created in recognition that certain infrastructure would extend beyond the geographic boundaries of the numbered districts and would benefit all residents. The maintenance and replacement costs of infrastructure located in specific areas such as Morse Boulevard, Buena Vista Boulevard to name a few will be budgeted in the Project Wide Fund. The revenues and expenses for the pertinent infrastructure will be identified in the Project Wide Fund CIP. This Capital Improvement Plan includes infrastructure maintenance and capital costs to be funded by the District 7 General Fund.

Every capital project included in this CIP has an adequate funding source identified for the project. There is not an increase in maintenance assessments included in this five-year plan.

While determining available resources, several assumptions were made: operating expenditures would increase annually by 1%; working capital would remain at a level equal to three months of operating expenditures and estimates were based on current dollars using current bid prices when available.

A Project Funding Summary found on page 3 provides an overview of the project totals and the funding source by fiscal year with total recaps by project type and by funding source. The Working Capital and R & R Fund Balances found at the end of the plan is a summary of the funding sources by type by fiscal year. This report reflects the balances of the funding sources by fiscal year and highlights the funding source ending balance at the end of the five-year plan.

This Capital Improvement Plan is an end result of numerous hours of work by the District's staff and the Board of Supervisors working collaboratively to provide a planning and financial tool for the sustainability of the District.

DISTRICT # 7 PROJECT FUNDING SUMMARY

PROJECT TOTAL BY SOURCE		ROADS		FENCE		WALL		OTHER	TRF to ROAD R&R
		Capital	Maint.	Capital	Maint.	Capital	Maint.		
2010-11									
Operating	\$19,757						\$19,757		
Working Capital	\$0								
General R & R	\$0								
Road R &R	\$0								
2011-12									
Operating	\$5,680						\$5,680		
Working Capital	\$0								
General R & R	\$0								
Road R &R	\$0								
2012-13									
Operating	\$6,535						\$6,535		
Working Capital	\$0								
General R & R	\$0								
Road R &R	\$0								
2013-14									
Operating	\$22,600		\$3,600				\$19,000		
Working Capital	\$15,804						\$15,804		
General R & R	\$0								
Road R &R	\$0								
2014-15									
Operating	\$0								
Working Capital	\$28,800		\$28,800						
General R & R	\$0								
Road R &R	\$15,794	\$15,794							
TOTAL CIP FY 2010-2015 BY EXPENSE TYPE		\$ 15,794	\$ 32,400	\$ -	\$ -	\$ -	\$ 66,776	\$ -	\$ -

Project	Capital	Maint.	Total
Road	\$15,794	\$32,400	\$48,194
Fence	\$0	\$0	\$0
Wall	\$0	\$66,776	\$66,776
FIVE YEAR TOTAL	\$15,794	\$99,176	\$114,970

Funding Source	Expense
Operating	\$54,572
Working Capital	\$44,604
General R & R	\$0
Road R &R	\$15,794
TOTAL	\$114,970

DISTRICT # 7 PAVEMENT AND ROAD MANAGEMENT

Included within the District are three types of roads: villa, residential and collector roads. The District is only responsible for maintaining approximately 7.09 miles of villa roads. The maintenance responsibilities for the residential and collector roads have been conveyed to Sumter County.

Pavements are an important District infrastructure investment and our goal is to create an effective pavement maintenance program to address pavement needs before the onset of serious damage with efforts towards maximizing the value and extending the remaining service life of our pavement network.

PAVEMENT MANAGEMENT SYSTEM PROCESS

The District has incorporated a pavement management system that combines engineering principles with cost effective activities to facilitate a more organized and logical approach to pavement decision-making.

In 2009, Districts 1-7 participated in a Request for Proposal (RFP) to contract for a vendor to develop a consistent methodology with regard to data collection, management and maintenance of the road network throughout The Villages. The District contracted with Transmap Corporation to survey the villa road systems along with the resident and collector roads for District 4. The data collected by Transmap was incorporated into a Pavement Management System program. This program utilizes coding of roadway conditions coupled with the cost options to determine maintenance or re-construction activities.

In July, 2009 Transmap used its mapping van and technology to collect road images and data. The mapping van captured the pavement features and distresses at fifteen foot intervals. The data was input into the pavement management system to produce a pavement condition index (PCI) for each road surveyed. The road information, a map with the pavement condition index score and access to the web based pavement management system was provided to the District Board in November, 2009.

PAVEMENT CONDITION INDEX (PCI)

The Pavement Condition Index (PCI) is a numerical index between 0 and 100 and is used to indicate the condition of a roadway. Pavement scores are based on 100 as good and 0 as failed. All roads on the map are color coded based on their condition and pavement condition index (PCI). The PCI range and road condition description are listed in the chart below.

PCI	Description
86-100	Good
71-85	Satisfactory
56-70	Fair
41-55	Poor
26-40	Very Poor
11-25	Serious
0-10	Failed

Transmap identified the road conditions in District #7 as 27.73% satisfactory and 72.27% as good.

District Property Management has established that for maintenance and planning purposes the pavement condition index shall be no less than a PCI of 75.

MAINTENANCE PLAN

District Property Management has developed a maintenance plan and associated costs utilizing this pavement condition index as a baseline along with ongoing physical surveys by Property Management staff. District Property Management's maintenance and rehabilitation approach utilizes continuous and preventive maintenance to prolong the life span of Villa pavement and recommends the following schedule:

- Year One: Crack Sealing and Patching the Pavement,
- Year Two: Double Micro-Resurfacing the Pavement,
- Year Five: Applying a Surface Rejuvenator to the Pavement.

Year One - Crack Sealing

Crack sealing is the placement of liquid materials into or above existing cracks in the pavement. This process prevents water and materials from penetrating into these cracks, which left untreated, would cause further deterioration of the street. Crack sealing is only applied to cracks in the pavement and will not present a uniform appearance to the road, yet may change the PCI. Crack sealing prevents further deterioration of the existing pavement from 2-3 years and is considered maintenance for the purposes of the Capital Improvement Plan.

Year Two – Micro-Resurfacing

Micro-resurfacing is an application of ¼ inch (single application) or ½ inch (double application) of a mixture that is overlaid on the entire existing asphalt surface of the street. This process will provide a uniform appearance to the street surface and using the micro-resurfacing process should improve the PCI and extend the life of existing pavement for an estimated 3 to 5 years. The micro-resurfacing process is categorized as a capital cost.

Year Five- Surface Rejuvenator

Once pavement micro resurfacing has been performed, the asphalt will harden. Property Management is recommending the use of rejuvenator to restore the pavement surface and prevent premature cracking or raveling.

A one-coat application of rejuvenator is sprayed to penetrate into the pavement, replenishing the oily fraction of the asphalt and then enhance the properties of the micro-resurfacing. While surface rejuvenators will not change the PCI, they are an inexpensive treatment to prolong pavement life and delay major maintenance or reconstruction. The surface rejuvenator program is considered a capital cost for the District's Capital Improvement Plan.

Project Review

Once the pavement work is completed, the overall pavement condition will be assessed by District Property Management to see if the goals and objectives that were originally set have been met. Project review will include noting the treatment type, treatment date, the improvement in condition, the improvement in serviceability, and other feedback information. District Staff will send updated information to Transmap to be input into the pavement management system. The PCI for the road may be adjusted to reflect the completed maintenance.

Project Costs

Cost prices were calculated using FY 09-10 bid prices and consist of the following:

- Crack Sealing and Patching, is estimated at \$100 per Villa with mobilization of \$3,500 per project,
- Double Micro-Resurfacing is calculated at \$3.14 per square yard,
- Surface Rejuvenator is calculated using \$.80 per square yard.
- Mill and Overlay is calculated using \$4.80 per square yard.
- Mobilization, unless indicated otherwise, is calculated at \$3,500 and is placed in a fiscal year where crack sealing is not occurring. Depending upon when projects are implemented the cost of mobilization may adjust.

CAPITAL IMPROVEMENT PLAN ROAD SUMMARY

The data collected by Transmap was compiled into a villa road report. This report was used to prepare a cost work plan for the District. A spreadsheet summary utilizing the proposed preventative maintenance schedule for the upcoming five (5) fiscal years is included and provides project details for each year. The summary identifies the Villa, square yardage of the villa road, recommended work, the year the cost would occur, and annual/cumulative capital and maintenance costs. Crack Sealing is also included identifying operating costs and work timetables.

CAPITAL IMPROVEMENT PLAN FUNDING ANALYSIS

A Project Funding Summary is provided that reflects the dollar amount for road capital and maintenance projects by year for five fiscal years. The funding analysis considers several funding sources including working capital, General R & R funds, and Road R & R funds. Current operating expenses were also reviewed to determine if current operating funds would be available for the crack seal maintenance costs. The Capital Improvement Plan will be updated on an annual basis during the budget process to make any necessary adjustments and to add another year of recommendations.

ROAD PROJECT LIST

The Capital Improvement Plan focuses on the fiscal year beginning 2010-11 and ending in fiscal year 2014-15 and has a total capital cost of \$15,794 and a total maintenance cost of \$32,400 and includes the following:

FY 2010-11

No Projects

Total Capital Cost: \$ 0 Total Maintenance Cost: \$0.

FY 2011-12

No Projects

Total Capital Cost: \$0 Total Maintenance Cost: \$0.

FY 2012-13

No Projects

Total Capital Cost: \$0 Total Maintenance Cost: \$0.

FY 2013-14

Crack Sealing - Bonita Villas

Total Capital Cost: \$0 Total Maintenance Cost: \$3,600.

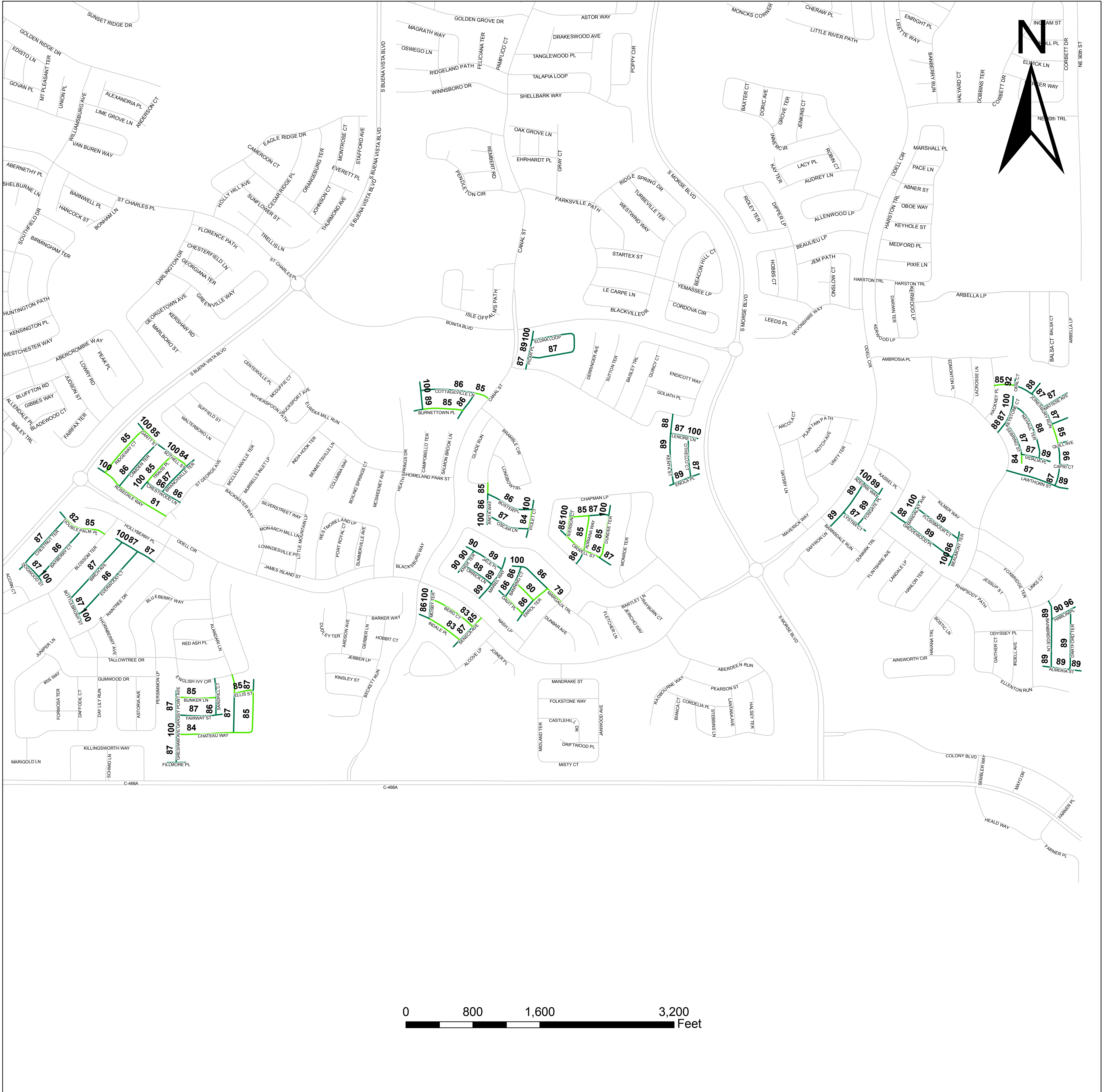
FY 2014-15

Double Micro-Resurfacing – Bonita Villas

Crack Sealing - Allendale, Crestwood, Double Palms, Grovewood, Hillcrest, Holly Hill, Rosedale and Sandhill Villas

Total Capital Cost: 15,794 Total Maintenance Cost: \$28,800.

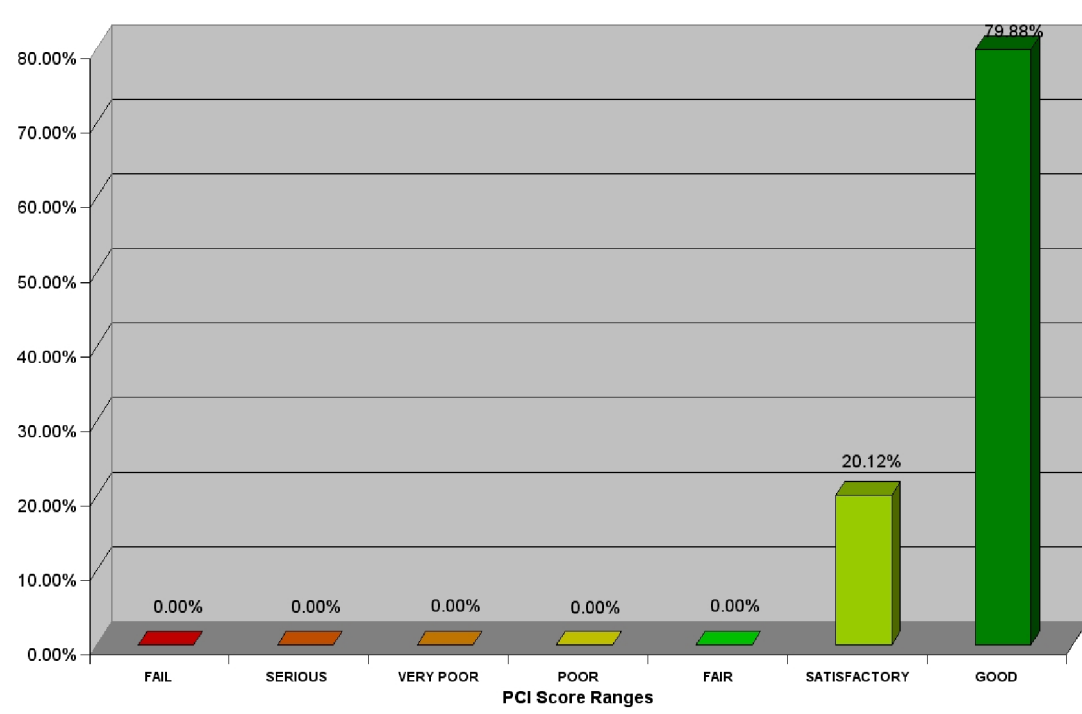
VCDD, FL District 7 Pavement Analysis Project



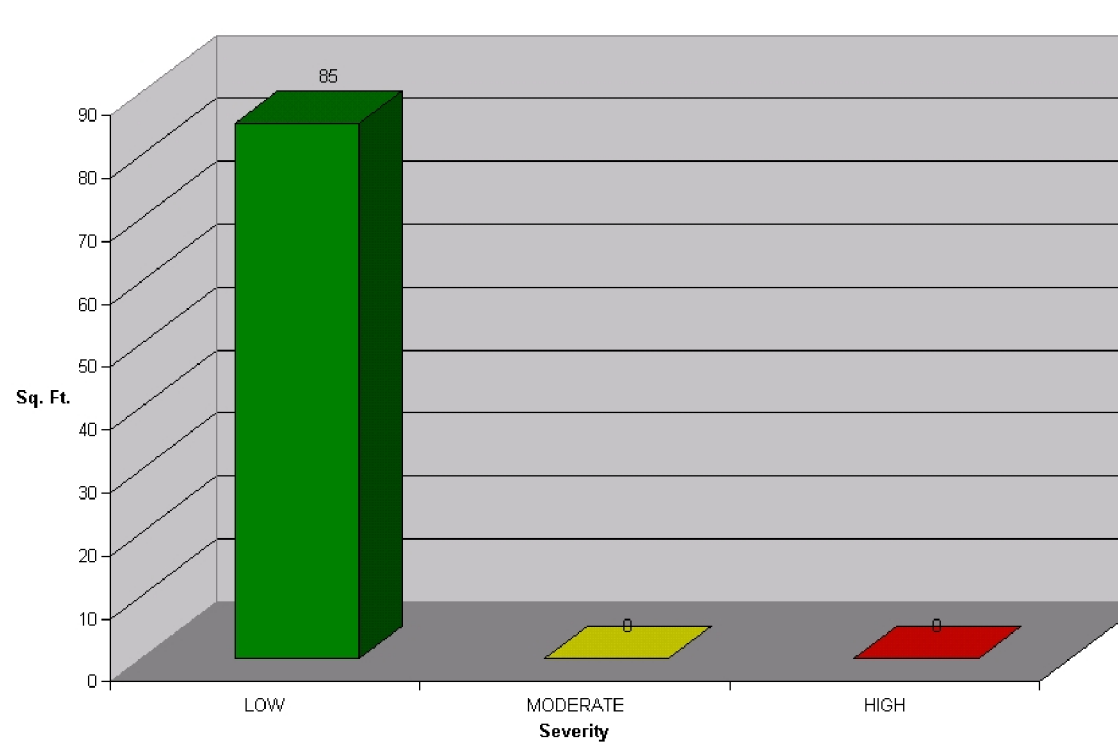
Legend

- PCI**
- 86 - 100
 - 71 - 85
 - 56 - 70
 - 41 - 55
 - 26 - 40
 - 11 - 25
 - 0 - 10

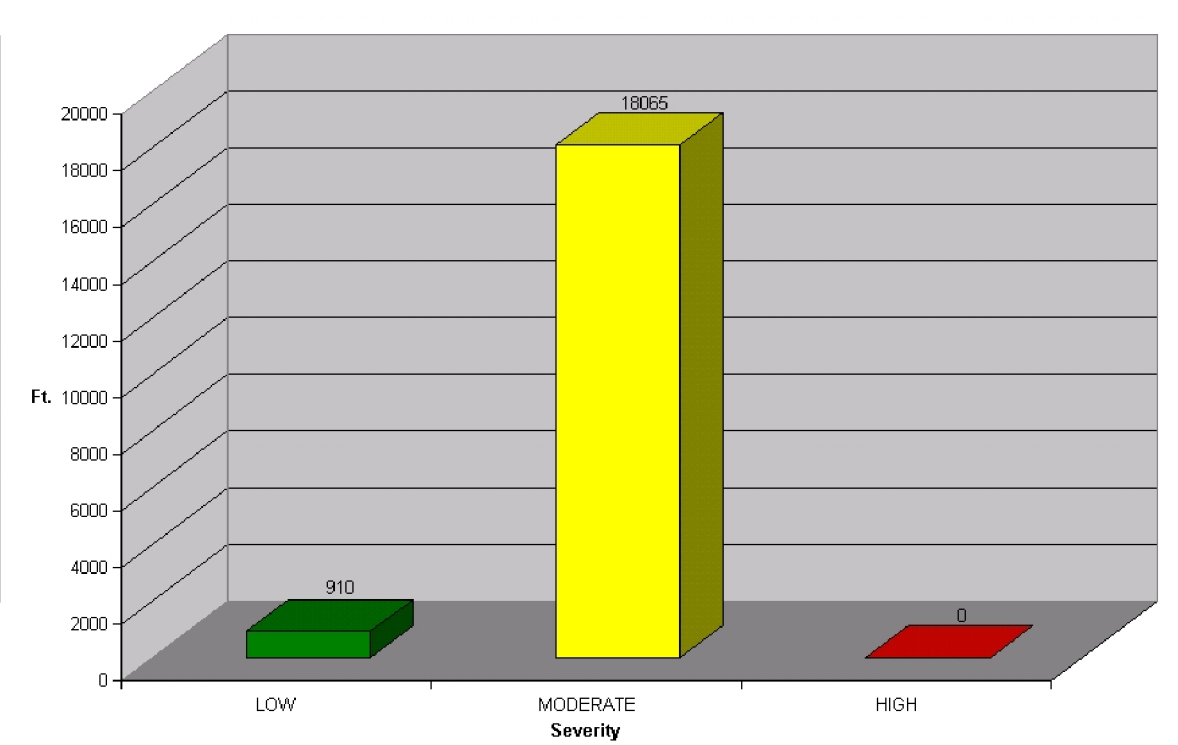
PCI Percentages for District 7, VCDD



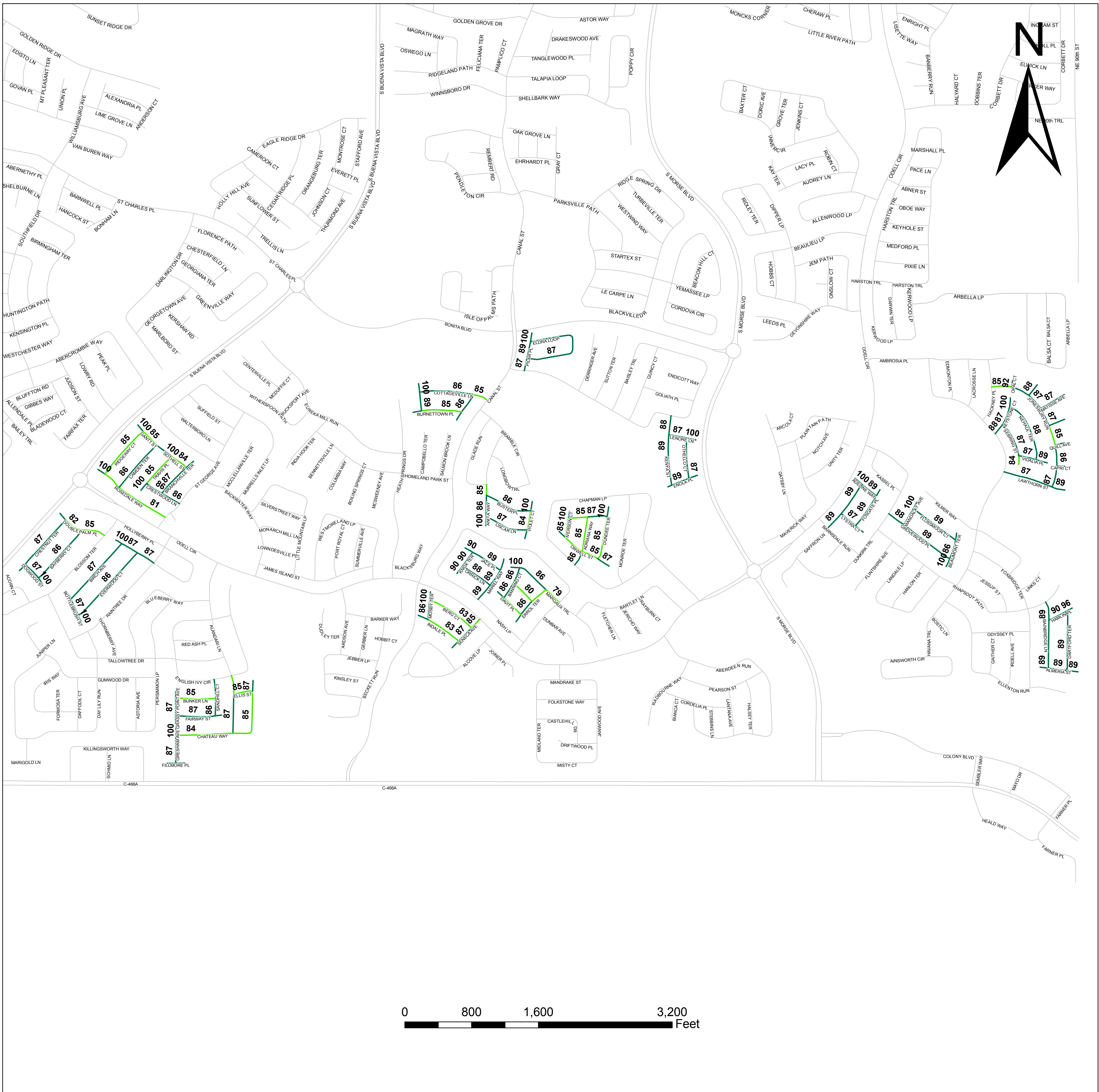
Square Footage of Block Cracking



Linear Feet of Longitudinal / Transverse Cracking



VCDD, FL District 7 Pavement Analysis Project

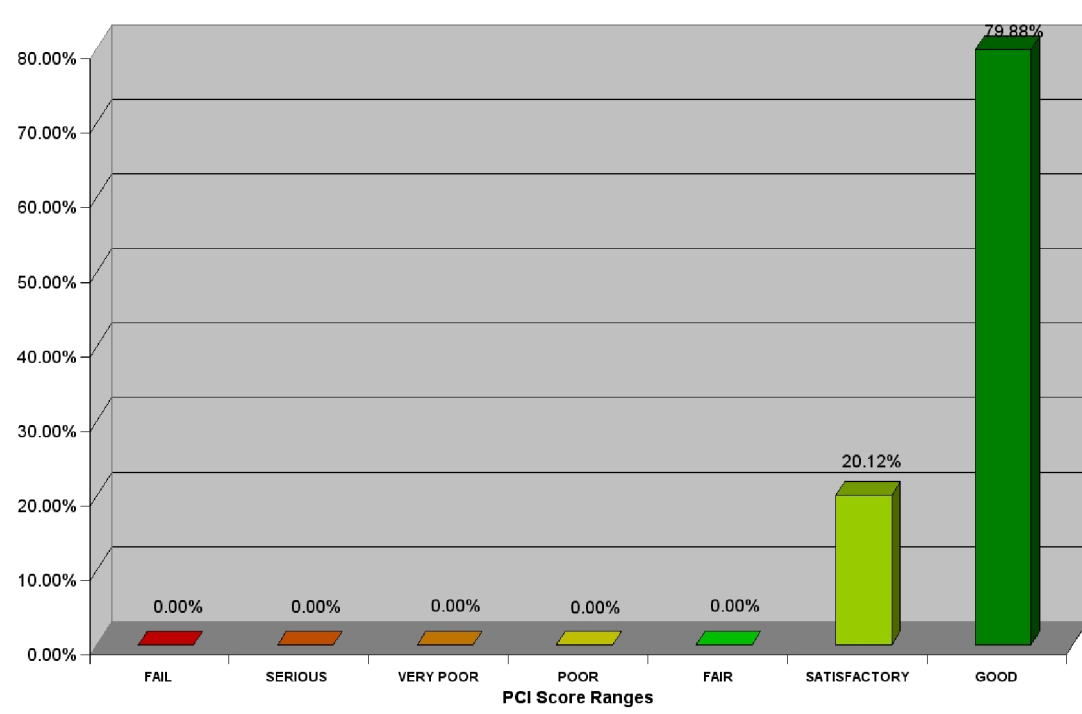


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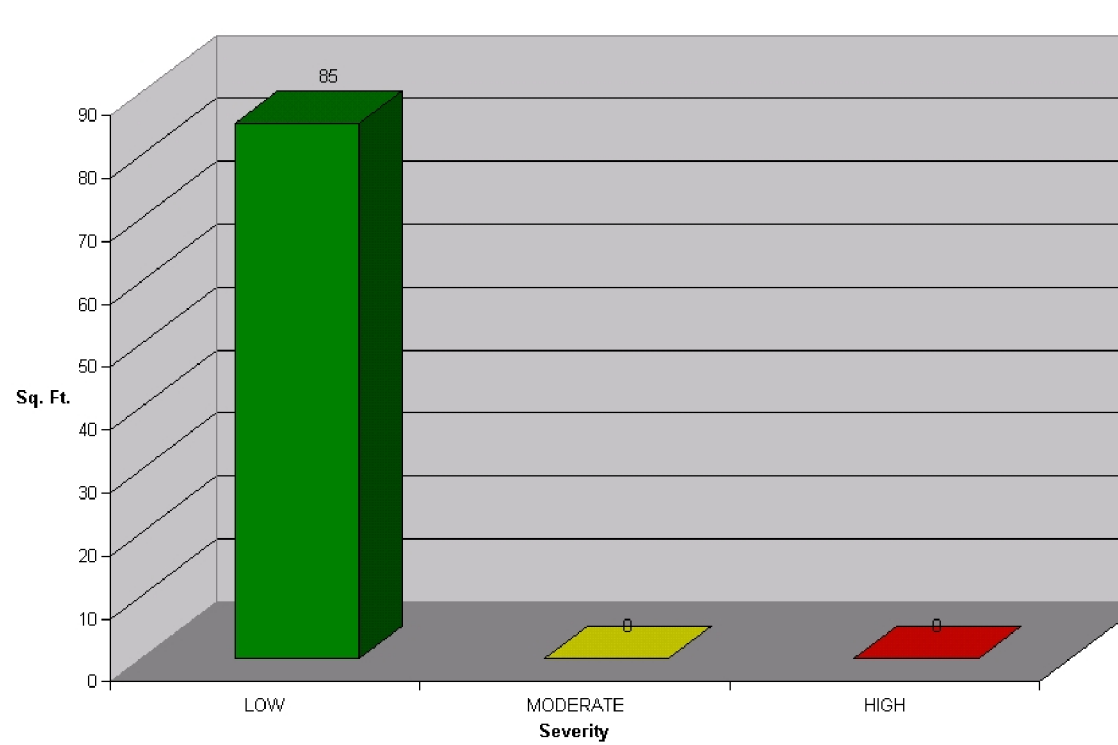
PCI

- 86 - 100
- 71 - 85
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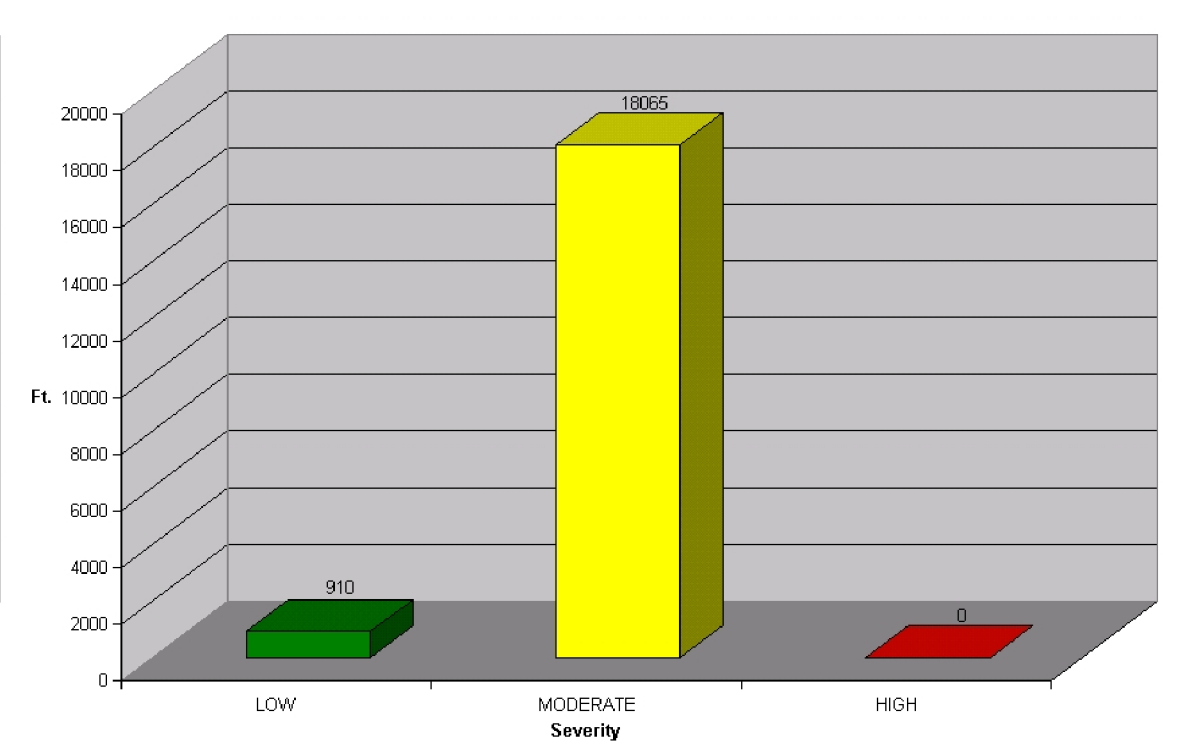
PCI Percentages for District 7, VCDD



Square Footage of Block Cracking



Linear Feet of Longitudinal / Transverse Cracking



DISTRICT # 7 WORKING CAPITAL and R & R FUNDS BALANCES

Working Capital	2010-11	2011-12	2012-13	2013-14	2014-15
Beginning Balance	910,415	1,308,270	1,688,415	2,050,673	2,379,061
Deposits	2,168,854	2,168,854	2,168,854	2,168,854	2,168,854
Expenditures - Operating	1,770,999	1,788,709	1,806,596	1,824,662	1,842,909
Capital Improvement Plan Expenditures				15,804	28,000
Transfer/ Deposit to Road R & R					
Ending Balance	1,308,270	1,688,415	2,050,673	2,379,061	2,677,006

RESERVES

General R & R	2010-11	2011-12	2012-13	2013-14	2014-15
Beginning Balance	587,606	587,606	587,606	587,606	587,606
Deposits					
Capital Improvement Plan Expenditures					
Transfer/ Deposit to Road R & R					
Ending Balance	587,606	587,606	587,606	587,606	587,606

Road R & R	2010-11	2011-12	2012-13	2013-14	2014-15
Beginning Balance	150,000	150,000	150,000	150,000	150,000
Deposits					
Capital Improvement Plan Expenditures					15,794
Ending Balance	150,000	150,000	150,000	150,000	134,206

FOR ADDITIONAL INFORMATION

The District's capital improvement plans are designed to provide a comprehensive and cost effective approach to identifying capital needs of the District. We welcome resident input in the continuing development of the District's capital improvement plan so please contact us with your suggestions or if you have any questions about the report.

You may reach the Office of Management and Budget at 3201 Wedgewood Lane, The Villages, FL 32162; Telephone (352) 751-3939.

Please visit the Village Community Development District web site at www.districtgov.org to obtain more information about Community Development District #7, including budgets, audits, board meetings, agendas and minutes.