

ADOPTED

CAPITAL IMPROVEMENT PROGRAM

Fiscal Year 2012-2013 Through Fiscal Year 2017-2018

TOWN OF CARRBORO, NORTH CAROLINA
CAPITAL IMPROVEMENTS PROGRAM
FY2012-2013 THROUGH FY2017-2018

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Sandra Svoboda, Budget and Purchasing Analyst, CIP Coordinator

Carrboro Capital Improvements Plan

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MESSAGE FROM THE MANAGER

Message from the Manager

November 15, 2011

Dear Mayor and Board of Aldermen,

It is with pleasure that I submit to you the Capital Improvements Program (CIP) for FY 2012-13 through FY 2017-18. As in past updates, the CIP represents a best effort to implement the vision created by residents and documented by Town staff in various needs assessments, including Vision 2020, the Downtown Visioning Plan, Downtown Traffic Circulation Study, economic development assessment, and various master plans for parks and recreation and greenways. A prominent feature of the CIP is the sidewalk and greenways construction program, approved by citizens in a November 2003 bond referendum, to create a more walkable community with safe and convenient transportation through means other than single-occupancy vehicles.

This year, the CIP plan reflects significant progress in capital building. Reconstruction of Weaver Street is expected to be completed in early 2012. The Town continues to work on bond funded sidewalk projects, which consists of twenty projects divided into Phase IA and Phase IB. All ten Phase IA projects are complete and five Phase IB projects are complete. Planning and design work is underway for the Morgan Creek, and construction of the Wilson Park Multi-Use Path, part of the Bolin Creek greenway, is anticipated to begin in early 2012. Even though intergovernmental funds have been identified for the new greenway projects, the Town will face a challenge finding matching funds for these projects.

The Town continues its investment in road infrastructure with a planned 15-year cycle street resurfacing program. A street resurfacing project is budgeted in the current fiscal year. The CIP for FY 2012-13 through FY 2017-18 continues to provide for vehicle and equipment replacement with a focus on economical use which includes the evaluation of alternative fuel or hybrid vehicles. The increase in the Vehicle Replacement Schedule reflects the replacement of a Solid Waste front loader and a Fire pumper truck, which were postponed during the FY11-12 budget cycle.

Long-term initiatives such as the development and construction of Martin Luther King, Jr. Park have been delayed. While the master plan approved by the Board in September 2004 is complete, actual construction of the park has been pushed out to FY17-18 which will require updating the master plan. Parking lot construction and the planned public works facility will be another significant phase of the Town's capital planning beyond FY 2017-18. Arguably, construction of a new Public Works facility should be the next new construction project due to the inadequacy of the current facility and its susceptibility to serious flooding. However, with estimated construction costs of over \$13.0 million, it will be the most expensive project ever undertaken by the Town. As in past years, needs outstrip the revenue capacity and some needs must go unfunded. A view of unfunded town needs identified during this capital planning process is presented in the Appendix , page 3.5.

Due to new or shifting service needs, special financing opportunities, emergency needs, or other directives or priorities established by the Mayor and Board of Aldermen, the CIP plan is updated annually and projects included in outer planning years are not guaranteed for funding. While capital planning in this manner is not an exact science, it is a proven approach to building a forward-looking community while vigilantly protecting the Town's financial health.

FY12-13 - FY17-18 Capital Improvements Program Overview

The CIP plan shows an increase of \$2.9 million from last year. This is primarily due to the addition of projects required for storm water management (\$696,900); and additional greenway projects (Downtown Multi-Use Path at \$160,512, Jones Creek Greenway at \$962,849, and Carrboro High

School Multi-Use Path at \$859,694). Estimated costs for other large projects have increased due to inflation. For example, construction of the Public Works Facility increased by \$857,000 and MLK, Jr. Park by \$217,266 from last year.

Project costs are updated periodically depending on the type of project. For example, street resurfacing costs are adjusted each year due to the fluctuation of petroleum product costs. Updated sidewalk estimates for near future projects are based on current estimates calculating a cost per foot. The Public Works facility budget, at this point in time, is not based on any final design. However, the original estimate prepared by a consultant in 2005 has been updated to keep construction estimates as current as possible. Similarly, the Martin Luther King, Jr. park project cost is adjusted in an attempt to keep the estimates current.

The design and construction planning for Bolin and Morgan Creek have been completed, but construction estimates are several years old. Since the Town has limited funding capacity, this will affect what is actually constructed. Town staff, in conjunction with the Greenways Commission and the Board of Aldermen will move forward with the planning processes for both the Bolin Creek and Morgan Creek greenways and help fulfill the Town’s goal of a connected series of greenways as established by Carrboro Vision 2020.

Information Technology capital improvement projects include additional cost for website development in the coming year. Other technology projects include a street sign management system to allow the Town to manage street signs for appropriate retro reflectivity (mandated by the Federal Highway Administration to be in place by January 2012); in-car video system and infrastructure for police vehicles; enhancement for the financial system that to automate certain processes; and document scanning/GIS integration for the Planning Department.

The CIP for FY 2012-13 through FY 2017-18 totals \$39.6 million. Roughly 70% of this total is anticipated to be funded through debt (i.e., general obligation bonds or installment financing). Of the total debt to be financed, \$6.9 million represents installment financing needed to maintain the Town’s rolling stock and equipment. As indicated on p. 3.3 the overall per capita debt ratio slightly exceeds the average, but remains well below the high level for each year.

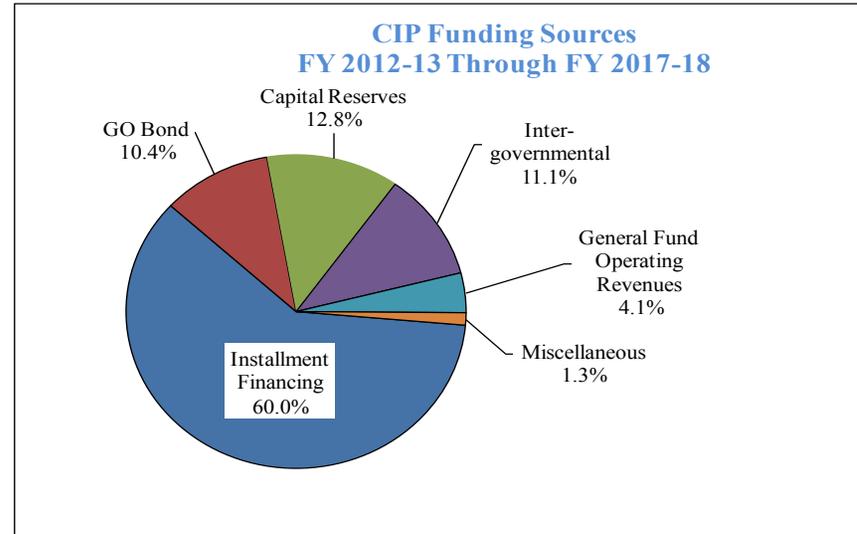
In FY 2016-17 the percentage of debt to the operating budget slightly exceeds 10% which will require adjustments in the operating budget and/or

PROJECTS	CURRENT CIP 11-12 THRU 16-17	RECOMMENDED CIP 12-13 THRU 17-18	DIFFERENCE
Greenways	\$ 1,750,471	\$ 3,662,696	\$ 1,912,225
Martin Luther King, Jr. Park	\$ 2,768,958	\$ 2,986,224	\$ 217,266
Park Maintenance and Repair	\$ 1,159,077	\$ 1,339,732	\$ 180,655
Public Works Facility	\$ 12,955,486	\$ 13,812,486	\$ 857,000
Sidewalks	\$ 6,206,844	\$ 5,560,096	\$ (646,748)
Street Resurfacing	\$ 3,363,006	\$ 2,447,990	\$ (915,016)
Town Parking Lots	\$ 500,000	\$ 500,000	\$ -
Weaver Street Reconstruction	\$ 1,801,000	\$ 1,466,370	\$ (334,630)
Information Technology	\$ 122,000	\$ 187,000	\$ 65,000
Equipment/Vehicle Lease-Purchase	\$ 6,111,654	\$ 6,953,462	\$ 841,808
Stormwater Management	\$ -	\$ 696,900	\$ 696,900
TOTAL PROJECTS	\$36,738,496	\$ 39,612,956	\$2,874,460

debt management.

As mentioned earlier, the CIP largely relies on debt financing as a means to build infrastructure. The Town’s ability to fund infrastructure projects for the next six years plays a significant role in the implementation of its CIP. In going forward, however, there are factors that may mitigate the debt impact anticipated by the adopted CIP, such as expanded tax base through residential and commercial property growth, adjustment of operating spending priorities, or new grant funding.

Financing capital needs means that a revenue stream must exist to pay for the debt service costs. As with major financing decisions, there are challenges and choices the Town must make in carrying out its CIP over the coming years. With a tax base comprised of residential properties and limited commercial base, the ability to sustain a large capital improvements program will require a careful balance of debt financing and the use of capital reserve funds. The potential tax impact to achieve this CIP (shown on page 3.4) points to the need for diversification of the town’s tax base and revisiting revenue-generating possibilities with the North Carolina General Assembly to avoid the heavy reliance on residential property taxes, one of the very few revenue sources under control of local governments in North Carolina. Possible revenue options include impact fees for recreation and transportation purposes, meal taxes, special tax districts for economic development, real estate transfer taxes, and grants. Some of these options may not be viable, at least in the near future.



I am proud of the action that is occurring in the capital program in light of the continuing difficult economic times. Town staff has delayed purchases, frozen positions, and remained diligent and frugal in their day-to-day operations while recognizing the importance of continuing to build upon and maintain the assets currently owned by the Town.

I look forward to discussing the projects included in the CIP for FY 2012-13 through FY 2017-18 and working to bring to life the vision of our residents and the Board.

Sincerely,

C. Matthew Efir
Interim Town Manager

***SUMMARY OF CAPITAL IMPROVEMENTS PLAN
PROJECT EXPENDITURES AND OPERATING IMPACT***

CIP Document Organization

Section I, Summary

This section consists of an overview of the CIP Program process, and cost summary table of projects proposed in the CIP plan.

Section II, Individual Project Descriptions

This section describes each project individually, identifies expenditures and revenue components.

The expenditure categories used are:

- *Planning*: These costs include architect plans, site testing, and other pre-building issues.
- *Land/ROW*: Estimated costs for acquisition of land or right-of-ways.
- *Construction*: Estimated costs for buildings related to specific projects.
- *Equipment/Furnishings*: Estimated costs for equipment such as chillers, alarm systems, and safety equipment. Furnishings include desks, chairs, and other items that will be used by employees and patrons.
- *Other*: This includes costs not easily fit into other categories. Examples include computer hardware and soft-

ware purchases, attorney's fees, and ongoing park maintenance needs.

- *Contingencies*: This is a percentage of the total project construction costs to provide funds for unforeseen costs or cost increases.

Project revenues are largely dependent upon financing through a combination of funding sources.

The types of funding for CIP projects are:

- *Installment Financing*: This is a debt that does not require voter approval. Debt payments may extend fifteen years with the asset used as collateral.
- *General Obligation Bonds*: This requires voter approval via a bond referendum. This is the strongest form of debt financing because the local government pledges its full faith and credit when making the debt obligation. Debt payments for GO bonds generally have a twenty-year term.
- *Capital Reserve Fund*: This Fund is created to set aside funds for any purposes for which a local government may issue debt. Funds are set aside via an allocation from the Town's General Fund, to accumulate and pay

for large capital items. The Town has largely used capital reserves for its street resurfacing program and local match required for sidewalk construction along state roads.

- *Intergovernmental Revenues*: These are grants or support from other local, federal, or state governmental jurisdictions.
- *General Fund Operating Revenues*: This is funding appropriated from the Town's General Fund each year for capital projects. There is no debt associated with this funding.
- *Miscellaneous*: This revenue includes various small contributions, including funds received from developers and the Town's payment-in-lieu program for recreation and open space.
- *Operating Budget Effects*: This reflects an estimate of the additional funds needed in the annual operating budget for each fiscal year.

Section III, Appendix

This section includes analysis of the impact of the CIP on the Town's financial condition and a discussion of projects that currently remain unfunded.

The Capital Improvements Program

The Capital Improvement Program (CIP) differs from the annual operating budget primarily in that the projects are of a high dollar threshold (more than \$100,000); large in size; irregular in frequency; and involve the development of assets that last for many years. Major capital decisions tend to have a greater fiscal impact than that required of annual operating and maintenance decisions and require different planning and budgetary methods.

Vehicles and capital equipment (exceeding \$25,000 per item) - both additions and replacements - are considered for the Town's lease-purchase schedule identified in the CIP. The vehicle replacement schedule is based on criteria established in the Town vehicle replacement policy. Also, Information Technology (IT) projects which cost \$15,000 or more are evaluated, prioritized and included in the CIP. IT projects emphasized in the CIP focus on the significant IT needs not previously funded, whereas the annual operating budget focuses on replacements, upgrades and maintenance costs.

Functions of the CIP

The six-year CIP is a planning tool, not a budget. Adjustments for anticipated projects may be made each year during the annual review of the Town's budget. The CIP is revised as needed until individual

projects are formally adopted. The CIP strives to achieve the following five (5) objectives:

1. To help the Town plan for the repair, replacement, and acquisition of capital items and facilities that are necessary in providing high quality services to residents.
2. To assist in financial planning by forecasting capital demands together with future revenues and expenditures.
3. To insure better coordination, evaluation, prioritization, and planning of projects to serve the community and its needs.
4. To provide lead time for project planning, regulatory permitting, design, land acquisition, and construction to assure projects will be ready when needed.
5. To maintain or improve the Town's credit rating and fiscal health through promoting strong budgetary and financial management planning.

CIP Planning Process

Town staff develops and maintains a projection of capital projects for the next six years based on previous capital plans, community needs assessments, and projects approved by the Board of Aldermen. The CIP is tied to projected revenue and expenditure constraints.

Future planning considers periods of revenue surplus and shortfall and adjust future programs accordingly. The CIP includes long-term maintenance and other operational requirements for proposed projects. Each fiscal year, the CIP is updated to include current information for review by the Board of Aldermen.

The Town's capital program recognizes the borrowing limitation and debt tolerance of the Town. In addition, the CIP budget process includes a financial analysis and narrative of the impact of the CIP on the Town's financial condition, including but not limited to, debt levels and operating budget. Issuing debt is appropriate when facilities have a long life. Debt service payments spread the costs over the life of the facility. This ensures inter-generational equity; that is, the facility will be paid for by all citizens who will use and benefit from the facility, both when borrowing occurs and throughout the life of the debt issue.

Summary Table of CIP Projects by Fiscal Year

The following table shows a summary of project expenditures over the next five years and the operating impact of each project on the annual budget.

PROJECT COST ESTIMATES											
Projects	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECTS	OPERATING IMPACT	FTEs
Street Resurfacing	\$ -	\$ 451,490	\$ -	\$ 601,400	\$ -	\$ 663,500	\$ -	\$ 731,600	\$ 2,447,990	\$ -	0.0
Sidewalks	\$ 2,579,896	\$ 361,100	\$ 2,589,100	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 5,560,096	\$ -	0.0
Park Maintenance and Repair	\$ 306,090	\$ -	\$ 117,804	\$ 260,173	\$ 195,784	\$ 80,711	\$ 132,000	\$ 247,170	\$ 1,339,732	\$ -	0.0
Town Parking Lots	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	0.0
Public Works Facility	\$ 756,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,056,000	\$ 13,812,486	\$ 7,500	0.0
Greenways	\$ 162,849	\$ 511,410	\$ 1,010,412	\$ 112,488	\$ 850,331	\$ 143,668	\$ 871,538	\$ -	\$ 3,662,696	\$ 85,000	1.1
Stormwater Management				\$ 27,500	\$ 335,000	\$ 334,400			\$ 696,900	\$ 3,500	0.0
Martin Luther King, Jr. Park	\$ 596,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,746	\$ 2,203,228	\$ 2,986,224	\$ 27,500	0.3
Weaver Street Reconstruction	\$ 515,433	\$ 950,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,466,370	\$ -	0.0
Equipment/Vehicle Lease-Purchase	\$ 560,500	\$ 298,850	\$ 1,118,880	\$ 1,071,528	\$ 1,655,323	\$ 904,433	\$ 678,586	\$ 665,362	\$ 6,953,462	\$ -	0.0
Information Technology	\$ 15,000	\$ -	\$ 101,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 187,000	\$ 39,200	0.0
Total Projects	\$ 5,492,504	\$ 2,573,787	\$ 4,937,696	\$ 2,118,589	\$ 3,091,438	\$ 2,126,712	\$ 1,868,870	\$ 17,403,360	\$ 39,612,956	\$ 162,700	1.4

FUNDING SOURCES										
Funding Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL FUNDING	% of Funding
Installment Financing	\$ 1,590,986	\$ 298,850	\$ 1,118,880	\$ 1,071,528	\$ 1,655,323	\$ 904,433	\$ 865,332	\$ 16,424,590	\$ 23,929,922	60.4%
GO Bond	\$ 2,029,730	\$ 258,416	\$ 1,820,139	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 4,138,285	10.4%
Capital Reserves	\$ 520,433	\$ 1,052,427	\$ 350,823	\$ 651,398	\$ 505,066	\$ 1,051,386	\$ 149,555	\$ 731,600	\$ 5,012,688	12.7%
Intergovernmental Revenues	\$ 430,940	\$ 964,094	\$ 1,428,550	\$ 89,990	\$ 680,265	\$ 90,182	\$ 721,983	\$ -	\$ 4,406,004	11.1%
General Fund Operating Revenues	\$ 415,686	\$ -	\$ 219,304	\$ 275,673	\$ 250,784	\$ 80,711	\$ 132,000	\$ 247,170	\$ 1,621,328	4.1%
Miscellaneous	\$ 504,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 504,729	1.3%
Total Funding	\$ 5,492,504	\$ 2,573,787	\$ 4,937,696	\$ 2,118,589	\$ 3,091,438	\$ 2,126,712	\$ 1,868,870	\$ 17,403,360	\$ 39,612,956	100.0%

OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ 3,000	\$ 4,000	\$ 21,600	\$ 64,600
Operating and Maintenance	\$ -	\$ -	\$ 21,200	\$ 19,500	\$ 1,500	\$ 16,000	\$ 2,500	\$ 9,500	\$ 70,200
Capital Outlays	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 9,900	\$ 27,900
Total Operating Costs	\$ -	\$ -	\$ 75,200	\$ 19,500	\$ 1,500	\$ 19,000	\$ 6,500	\$ 41,000	\$ 162,700
<i>Minus New Revenues*</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Operating Effect	\$ -	\$ -	\$ 75,200	\$ 19,500	\$ 1,500	\$ 19,000	\$ 6,500	\$ 41,000	\$ 162,700
New Personnel (FTE)	0.0	0.0	0.7	0.0	0.0	0.1	0.2	0.5	1.4

INDIVIDUAL PROJECT DESCRIPTIONS
PROJECT DESCRIPTIONS AND EXPENDITURE SCHEDULE

Street Resurfacing

Project Description

The Town recognizes the importance of maintaining streets and appropriates an annual allocation for street resurfacing. The schedule for street resurfacing is based on a pavement condition survey performed every 3 years. The last study was completed in February of 2011. The Average Pavement Conditions Rating (PCR) for the entire maintained road system in 2011 was 89.0% which is higher than the 2008 Average PCR value of 85.7% and is an indication that our program is being effective in the short term. Both ratings fall within the Good Category range of 81%-90%.

Define Problem

Resurfacing each street every 15 years prevents critical surface deterioration and avoids expensive roadway replacement or reconstruction. To maintain the 15 year cycle, approximately four to five miles of streets need to be resurfaced every 2 years. The Town currently maintains approximately 42 miles of paved roads. A two-year bid cycle reduces administrative time and construction cost.

treatments is much less than resurfacing.

Recommended Solution

Continue annual allocation from the General Fund to the Capital Reserve Fund in order to cover the cost of the resurfacing project every other year.

Operating Impact

Not applicable.

Project Alternatives

Lower cost surface treatments are available but the extended service life resulting from these

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng		\$ 1,300		\$ 1,400		\$ 1,500		\$ 1,600	\$ 5,800
Land/ROW									\$ -
Construction		\$ 450,190		\$ 600,000		\$ 662,000		\$ 730,000	\$ 2,442,190
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ 451,490	\$ -	\$ 601,400	\$ -	\$ 663,500	\$ -	\$ 731,600	\$ 2,447,990

FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves		\$ 451,490	\$ -	\$ 601,400	\$ -	\$ 663,500	\$ -	\$ 731,600	\$ 2,447,990
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - <i>Payment in Lieu</i>									\$ -
Total Funding	\$ -	\$ 451,490	\$ -	\$ 601,400	\$ -	\$ 663,500	\$ -	\$ 731,600	\$ 2,447,990

OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)									0.0

Sidewalks

Project Description

The purpose of this project is to increase the safety and convenience of walking throughout the Town's neighborhoods and to major facilities such as schools, bus stops, shopping areas and recreational facilities. Included in the sidewalk projects are state road improvements that serve the arterial needs of the community.

The Town has recommended all state road improvements include bike lanes on both sides of the road and, where feasible, side-

walks.

In 2003 the citizens approved \$4.6 million of general obligation bonds to finance a comprehensive sidewalk construction program. The Town has used Bond Anticipation Notes to finance construction activities until the bonds are actually issued. The Town anticipates issuing these general obligation bonds in Fall 2013, and no sidewalk projects are planned beyond FY 13-14.

The list of sidewalks funded is reviewed on

occasion by the Board. The Town continues to work on Phase I Bond projects, which consists of twenty projects divided into Phase IA and Phase IB. All ten Phase IA projects are complete and five Phase IB projects are complete. Safe Routes to School funds (SRTS) have been secured to help fund the sidewalk on Elm St. which is another Phase IB project. Construction on Elm St. and 3 other Phase IB projects is anticipated to start in FY 11-12.

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 611,719	\$ 160,600	\$ 176,600						\$ 948,919
Land/ROW			\$ 2,000						\$ 2,000
Construction	\$ 1,966,365	\$ 170,500	\$ 2,380,500						\$ 4,517,365
Equip/Furnishing									\$ -
Other	\$ 1,812	\$ 30,000	\$ 30,000	\$ 30,000					\$ 91,812
Contingencies	\$ -								\$ -
TOTAL	\$ 2,579,896	\$ 361,100	\$ 2,589,100	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 5,560,096

FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond	\$ 2,029,730	\$ 62,000	\$ 1,808,417	\$ 30,000	\$ -				\$ 3,930,147
Capital Reserves			\$ 350,823						\$ 350,823
Intergovernmental Revenues	\$ 335,708	\$ 299,100	\$ 429,860						\$ 1,064,668
General Fund Operating Revenues	\$ 11,700								\$ 11,700
Miscellaneous - Payment in Lieu	\$ 202,758								\$ 202,758
Total Funding	\$ 2,579,896	\$ 361,100	\$ 2,589,100	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 5,560,096

OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)									0.0

A proposed sidewalk project for Rogers Road is included in the CIP with construction planned to start in FY 12-13. This project will be funded with a combination of bond funds and STP-DA funds.

Sidewalk installation is to be part of the NCDOT Smith Level Rd. improvements and the Town will be required to provide a 30 % local match, currently estimated at \$207,000. Construction is planned for FY 12-13.

Bond funds were used to fund the Town's share of three Enhancement Projects (Jones Ferry Rd., Old Fayetteville Rd. and Brewer Lane) that were completed in 2008.

Since the inception of the sidewalk bond program, the Town has undertaken and completed seventeen projects for approximately 3.6 miles of sidewalk which also includes significant storm sewer, curb, gutter and retaining wall improvements. Based on current construction estimates, the total expenses for these completed sidewalk projects and those planned for FY 11-12 and FY12-13 will commit the entire estimated \$4.6 million bond amount.

Define Problem

The Town's sidewalk system has not expanded to a point where sidewalks are available along the major streets that connect neighborhoods with each other as well as Town commercial centers, parks, schools and similar activity centers. Suitable roadways are needed to handle and sustain the development of the Town as well as the demand for public transit, bikeway, and pedestrian systems. Currently, the North Carolina Department of Transportation, when making improvements to the state roads that cross the Town's jurisdiction, allows the Town to provide a local match to obtain sidewalks, if desired.

Project Alternatives

Alternatives to this project include the status quo and the provision of temporary gravel or asphalt paths.

Recommended Solutions

Arterials or state roads, local collector and sub-collector roads should have five-foot wide sidewalks constructed along both sides whereas local roads serving from 10 to 25 units should have five-foot wide sidewalks only along one side.

The S. Greensboro Sidewalk (between Old Pittsboro Rd. and the eastbound ramp from NC 54 Bypass) remains unfunded at this time. Estes Drive is also unfunded due to high construction costs, the need to obtain right-of-way along a state-maintained highway and a future NCDOT road project along the same corridor.

Operating Impact

The construction of new sidewalks will impact the town's operating budget in proportion to the amount of sidewalks constructed. Additional sidewalk facilities will produce an increase in sidewalk maintenance costs. In FY 13-14, there will be additional debt costs when the Town issues general obligation bonds for sidewalk and greenway projects.

Park Maintenance and Replacement Fund

Project Description

Providing an annual source of funds for park maintenance and replacement will provide for much needed maintenance requirements on a consistent ongoing basis. This concept, modeled after the Town's street resurfacing funding program, will offset costs such as field maintenance, court resurfacing, and refurbishment of park facilities. A list of projects by fiscal year are included on the following page.

Define Problem

In the past, park maintenance needs have been

deferred and then funded without support of a long-range schedule or plan to ensure the orderly upkeep of the Town's parks. This approach can pose liability risks and time constraints in managing park infrastructure that is in a state of disrepair. Park infrastructures need to be renovated or replaced on a fixed schedule to minimize liability and conform to current safety standards.

Project Alternatives

Continue to budget when needed and pursue funding for needs when resources are identified.

Recommended Solutions

Set aside an annual allocation to provide funding for ongoing park maintenance and replacement needs.

Operating Impact

The orderly replacement and maintenance of facilities and associated equipment minimizes the additional maintenance costs incurred compared to when facilities are in a state of disrepair. Included in FY12-13 are three new projects. The drapes at the Century Center have reached their lifespan and are in need of replacement. Also, adding lights at Anderson

Park tennis courts give citizens more access to lighted tennis courts thereby cutting down on the high usage at Wilson Park tennis courts. Finally, adding three 50" LCD TV's in the meeting rooms at the Century Center will enable us to use computer equipment in more than one room and be competitive with other rental facilities in the area.

PROJECT COST ESTIMATES

Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 13,500								\$ 13,500
Land/ROW									\$ -
Construction	\$ 292,590		\$ 40,000	\$ 229,961				\$ 177,870	\$ 740,421
Equip/Furnishing									\$ -
Other			\$ 77,804	\$ 20,212	\$ 195,784	\$ 80,711	\$ 132,000	\$ 69,300	\$ 575,811
Contingencies				\$ 10,000					\$ 10,000
TOTAL	\$ 306,090	\$ -	\$ 117,804	\$ 260,173	\$ 195,784	\$ 80,711	\$ 132,000	\$ 247,170	\$ 1,339,732

FUNDING SOURCES

Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing					\$ -	\$ -	\$ -		\$ -
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues	\$ 306,090	\$ -	\$ 117,804	\$ 260,173	\$ 195,784	\$ 80,711	\$ 132,000	\$ 247,170	\$ 1,339,732
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ 306,090	\$ -	\$ 117,804	\$ 260,173	\$ 195,784	\$ 80,711	\$ 132,000	\$ 247,170	\$ 1,339,732

OPERATING BUDGET EFFECTS

Elements	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs								\$ -
Operating and Maintenance								\$ -
Capital Outlays								\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minus New Revenues*								\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)								0.0

Park Maintenance and Replacement Fund, continued

Summary of the park maintenance projects and related costs:

SUMMARY OF PARK MAINTENANCE PROJECTS	PREVIOUS YEARS EXPENSES	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL
Wilson Park Bathroom	\$ 306,090							\$ 306,090
Century Center Drape Replacement		\$ 25,115						\$ 25,115
Town Commons Play Equipment		\$ 42,689						\$ 42,689
Century Center LCD TV Installation		\$ 10,000						\$ 10,000
Anderson Park Tennis Court Lights		\$ 40,000						\$ 40,000
Anderson Park Basketball Court Resurfacing			\$ 11,550					\$ 11,550
Anderson Park Tennis Court Resurfacing			\$ 8,662					\$ 8,662
Anderson Park Bathroom Facility			\$ 239,961					\$ 239,961
Baldwin Basketball Court Renovation				\$ 43,324				\$ 43,324
Wilson Park Tennis Court Replacement				\$ 152,460				\$ 152,460
Anderson Fitness Stations					\$ 39,131			\$ 39,131
Anderson Park Pavillion Replacement					\$ 41,580			\$ 41,580
Anderson and Wilson Playground Renovation						\$ 132,000		\$ 132,000
Brewer's Lane Basketball Court Renovation							\$ 69,300	\$ 69,300
Century Center Renovation (New Elevator)							\$ 177,870	\$ 177,870
Total	\$ 306,090	\$ 117,804	\$ 260,173	\$ 195,784	\$ 80,711	\$ 132,000	\$ 247,170	\$ 1,339,732

PROJECTS IN DESIGNATED FUND BALANCE

Wilson Park Playground Replacement	\$ 31,500
Dog Park Fence Renovation	\$ 11,025
Total	\$ 42,525

PROJECTS ON HOLD

Field # 4 Renovation	\$ 56,028
Anderson Multi-purpose Field Renovation	\$ 48,659
Anderson Lights at Multi-purpose Field	\$ 99,907
Total	\$ 204,594

Town Parking Lots

Project Description

This project will maintain public parking in the downtown area to support the commercial business district and maintain the current number of parking spaces in the central business district. In the 1999 CIP, three parking lots were identified in the downtown area as suitable for public parking. One parking lot at the corner of Rosemary Street and Sunset Drive was purchased in FY03-04 at a cost of \$114,000. The Town is experiencing difficulty in finding affordable land space in the downtown area. The recent Regional Technology Strategies (RTS) report that assesses Carrboro's eco-

nomie development needs, recommends providing more adequate parking downtown and that a more comprehensive study of downtown parking be done to find the most cost-effective, environmentally appropriate, and business friendly parking structure. Other alternatives including parking decks have been considered and may be reviewed in the future.

Define Problem

Parking in the downtown has always been limited to private parking facilities associated with businesses until the Town developed the parking lots

currently under its control. As vacant properties in downtown are developed for commercial use, the lots that are currently leased by the Town as parking lots become more attractive to developers for building purposes. The current lots are leased with a 90-day clause that allows either the lessee or the lessor to terminate the contract without penalty.

Over time, the available properties will only become more expensive to buy and develop.

Project Alternative

An alternative to buying the properties would be to change the ordinance so that the properties in the downtown could be developed to mitigate parking needs. Another option would be to develop a parking facility that could be financed via a public-private partnership. The parking facility might be in the form of a parking deck. Parking deck space costs approximately \$20,000 per space to develop.

Recommended Solution

Continue to pursue parking options for the downtown area and perform a comprehensive study to determine best options.

Operating Impact

The operating budget impact is unknown at this time due to the fact that no specific decisions have been made regarding the parking arrangements in the downtown area. Maintenance and upkeep would vary depending on whether the lots would be paved or gravel.

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ -							\$ 500,000	\$ 500,000
Land/ROW	\$ -								\$ -
Construction									\$ -
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000

FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ -			\$ -		\$ -		\$ 500,000	\$ 500,000
GO Bond									\$ -
Capital Reserves	\$ -								\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000

OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)									0.0

Public Works Facility

Project Description

A new facility is needed to move the Public Works Department from its current location on Smith Level Rd. to a more modern structure to improve operations and provide adequate storage. The project budget was updated in 2005 with the help of MHAworks Architects with a number inflated out six years to FY 11-12. Those numbers have now been inflated out six more years to FY 17-18.

Define Problem

Located on 2.5 acres, approximately 40 per-

cent of the current public works facility is located within a designated flood plain. The department has outgrown the current facility with respect to storage and office space. Most materials are stored in separate sheds away from the main building; some are exposed to the elements. Vehicles and equipment are also stored outside, many left out in the open. The fleet maintenance garage area is cramped for space and does not have any floor drains which can restrict vehicle preparation and clean-up. Bathroom and locker room facilities are woefully inadequate. Supervisors work in

poorly lit, cramped offices that do not have adequate electrical outlets. The conference room serves as an office for crew leaders and is also used for filing.

Project Alternatives

Remain in current facility.

Recommended Solution

The Town has purchased approximately 23 acres off of Old NC 86 to construct a public works facility in the future. Construction of the facility is planned for FY17-18 and beyond.

Operating Budget

Daily and annual operating costs would increase in correlation with the increase in facility size. Estimated increase is approximately \$7,000 to \$8,000 annually.

PROJECT COST ESTIMATES

Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 4,355							\$ 2,058,000	\$ 2,062,355
Land/ROW	\$ 751,881								\$ 751,881
Construction	\$ -							\$ 8,788,000	\$ 8,788,000
Equip/Furnishing								\$ 1,990,000	\$ 1,990,000
Other	\$ 250							\$ -	\$ 250
Contingencies								\$ 220,000	\$ 220,000
TOTAL	\$ 756,486	\$ -	\$ 13,056,000	\$ 13,812,486					

FUNDING SOURCES

Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ 756,486						\$ -	\$ 13,056,000	\$ 13,812,486
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ 756,486	\$ -	\$ 13,056,000	\$ 13,812,486					

OPERATING BUDGET EFFECTS

Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance								\$ 7,500	\$ 7,500
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ 7,500
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ 7,500
New Personnel (FTE)									0.0

Greenway Trails

Project Description

This project will provide a system of multi-use greenways in Carrboro's Planning Area, link with existing and planned trails in Chapel Hill and Orange County, and link neighborhoods and park facilities. The development of these greenways is proposed by the Carrboro Recreation and Parks Comprehensive Master Plan and supported by the Carrboro Vision 2020 and Carrboro Comprehensive Bicycle Transportation Plan. Through the Metropolitan Planning Organization project funding process, the Town has secured financing for

construction of Morgan Creek Greenway from University Lake to Smith Level Road; and, Bolin Creek Greenway from Estes Drive to Homestead Road.

Define Problem

The Town has acquired a number of properties or public access easements along major creek corridors and has adopted as an element of the Parks and Recreation Master Plan a plan for greenways.

Project Alternatives

An alternative to creating a system of greenways is to create selected linear parks or to simply continue without greenway facilities.

Recommended Solutions

Two separate trail systems are proposed by the Carrboro Recreation and Parks Comprehensive Master Plan: the Morgan Creek Greenway and the Bolin Creek Greenway. The Morgan Creek Greenway connects with Chapel Hill's system at Smith Level Road and continues west to link with the University Lake Property. The Bolin Creek Greenway system also has the potential to link with Chapel Hill's system and will eventually stretch seven miles throughout Carrboro's northern planning area. The design and construction planning for Phase 1A Bolin Creek Greenway (Wilson Park Multi-Use Path) is complete. Planning for Bolin Creek Phase 1B and Morgan Creek will begin in 2011.

New trails being considered in this CIP are the Downtown Multi-Use Path, which will connect Greensboro and Lloyd streets, Jones Creek Greenway which will extend the Town's greenway network north of Homestead Road connecting with the Twin Creeks Greenway and Bolin Creek Greenway Phase 1B, and the Carrboro High School Multi-Use Path which will connect the future Morgan Creek Greenway to BPW Club Road. Other phases of greenway trails (Bel Arbor Multi-Use Path, Sunset Creek Branch, Bolin Creek from Hogan Farm to Union Grove Church Road, BPW/Westbrook and Tripp Farm to Seawell School Road) have been proposed but are currently unfunded.

Operating Impact

Additional personnel and equipment for maintenance as well as the possibility of police personnel for added security may be needed.

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 162,849	\$ 230,614	\$ 97,624	\$ 97,814	\$ 94,481	\$ 131,745			\$ 815,127
Land/ROW						\$ 11,923			\$ 11,923
Construction		\$ 240,253	\$ 780,995		\$ 755,850		\$ 871,538		\$ 2,648,636
Equip/Furnishing									\$ -
Other									\$ -
Contingencies		\$ 40,543	\$ 131,793	\$ 14,674					\$ 187,010
TOTAL	\$ 162,849	\$ 511,410	\$ 1,010,412	\$ 112,488	\$ 850,331	\$ 143,668	\$ 871,538	\$ -	\$ 3,662,696

FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond		\$ 196,416	\$ 11,722					\$ -	\$ 208,138
Capital Reserves	\$ 5,000			\$ 22,498	\$ 170,066	\$ 53,486	\$ 149,555		\$ 400,605
Intergovernmental Revenues	\$ 95,232	\$ 314,994	\$ 998,690	\$ 89,990	\$ 680,265	\$ 90,182	\$ 721,983		\$ 2,991,336
General Fund Operating Revenues	\$ 39,646					\$ -			\$ 39,646
Miscellaneous - Payment in Lieu	\$ 22,971								\$ 22,971
Total Funding	\$ 162,849	\$ 511,410	\$ 1,010,412	\$ 112,488	\$ 850,331	\$ 143,668	\$ 871,538	\$ -	\$ 3,662,696

OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs			\$ 36,000			\$ 3,000	\$ 4,000	\$ 4,000	\$ 47,000
Operating and Maintenance			\$ 18,000				\$ 1,000	\$ 1,000	\$ 20,000
Capital Outlays			\$ 18,000						\$ 18,000
Total Operating Costs	\$ -	\$ -	\$ 72,000	\$ -	\$ -	\$ 3,000	\$ 5,000	\$ 5,000	\$ 85,000
Minus New Revenues*									\$ -
Net Operating Effect	\$ -	\$ -	\$ 72,000	\$ -	\$ -	\$ 3,000	\$ 5,000	\$ 5,000	\$ 85,000
New Personnel (FTE)			0.7			0.1	0.2	0.2	1.1

Stormwater Management

Project Description

The Town has evaluated sites available in the municipal limits to pursue the construction of stormwater retrofits to satisfy the requirements of the Jordan Lake rules for nutrient reduction from existing development. The review process, including conceptual planning, field visits, and coordination with Chapel Hill-Carrboro City Schools staff has identified two recommended sites - one adjacent to Carrboro Elementary School and the Frances Shetley bike path; and a second site adjacent to Morgan Creek, the Public Works facility and land owned by the Canterbury Town Homes Home Owners Association.

Define Problem

Local governments must develop a program to identify opportunities for retrofits and other projects to reduce nutrient loading from existing developed lands in the Jordan Lake watershed based on regulatory requirements from the State. These requirements are designed to improve water quality in Jordan Lake. Under the Jordan Lake rules, the Town is required by 2023 to reduce nitrogen loading from existing development by 8%. The Town is required to install two retrofits per year beginning in 2014.

Project Alternatives

There are other potential sites in Town but they would not be as cost effective as the two sites identified.

Recommended Solution

Proceed with the engineering/design study to address hydrology, geotechnical considerations, utilities and development of construction drawings.

Operating Impact

The stormwater wetlands will have to be maintained after installation, but there is lower maintenance costs than other types of stormwater management devices.

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng				\$ 25,000	\$ 80,000				\$ 105,000
Land/ROW									\$ -
Construction					\$ 232,000	\$ 257,200			\$ 489,200
Equip/Furnishing									\$ -
Other									\$ -
Contingencies				\$ 2,500	\$ 23,000	\$ 77,200			\$ 102,700
TOTAL	\$ -	\$ -	\$ -	\$ 27,500	\$ 335,000	\$ 334,400	\$ -	\$ -	\$ 696,900

FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves	\$ -			\$ 27,500	\$ 335,000	\$ 334,400			\$ 696,900
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - <i>Payment in Lieu</i>									\$ -
Total Funding	\$ -	\$ -	\$ -	\$ 27,500	\$ 335,000	\$ 334,400	\$ -	\$ -	\$ 696,900

OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance						\$ 1,000	\$ 1,500	\$ 1,000	\$ 3,500
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,500	\$ 1,000	\$ 3,500
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,500	\$ 1,000	\$ 3,500
New Personnel (FTE)									0.0

Martin Luther King, Jr. Park

Project Description

In December 1999, the Town purchased 9.5 acres of land in the Hillsborough Road/Pathway Drive area and designated it as a neighborhood park. In October 2003, the Board approved a road alignment concept and requested the design committee work with the consultant to complete the park design. On June 15, 2004, the Board of Aldermen approved the park design and officially named the park Martin Luther King, Jr. Park.

Define Problem

A neighborhood park is recommended for the Hillsborough Road area to accommodate the surrounding neighborhoods. Wilson Park is the closest neighborhood park in this area; however, the service radius neither serves the neighborhoods that the proposed park project is intended to serve nor accommodates the ultimate growth north of Hillsborough Road from the Old Fayetteville to Calvander inter-

section. Currently, there is not a neighborhood park available for the northern area of Town, making this site a suitable project.

Project Alternatives

The park can continue to be used in its current state with no major improvements.

Recommended Solution

Revise the Master Plan with a target date of FY 2017-18 to begin construction.

Operating Impact

Additional personnel and equipment will be required to maintain the park grounds.

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 42,533						\$ 186,746	\$ 73,435	\$ 302,714
Land/ROW	\$ 552,700								\$ 552,700
Construction								\$ 2,129,793	\$ 2,129,793
Equip/Furnishing									\$ -
Other	\$ 1,017								\$ 1,017
Contingencies									\$ -
TOTAL	\$ 596,250	\$ -	\$ 186,746	\$ 2,203,228	\$ 2,986,224				

FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ 274,000		\$ -	\$ -	\$ -	\$ -	\$ 186,746	\$ 2,203,228	\$ 2,663,974
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues	\$ 43,250								\$ 43,250
Miscellaneous - Payment in Lieu	\$ 279,000								\$ 279,000
Total Funding	\$ 596,250	\$ -	\$ 186,746	\$ 2,203,228	\$ 2,986,224				

OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs								\$ 17,600	\$ 17,600
Operating and Maintenance									\$ -
Capital Outlays								\$ 9,900	\$ 9,900
Total Operating Costs	\$ -	\$ -			\$ -	\$ -		\$ 27,500	\$ 27,500
Minus New Revenues*				\$ -					\$ -
Net Operating Effect	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 27,500	\$ 27,500
New Personnel (FTE)								0.3	0.3

Lease-Purchase Schedule for Vehicles and Equipment

Project Description

The Town's policy and practice is to provide adequate maintenance of Town vehicles and equipment and for their orderly rehabilitation and replacement, within available revenue and budgetary limits. The Town funds vehicle and equipment (exceeding \$25,000 per item) additions and replacements using installment financing (see schedule on following pages). In regards to vehicles, the Public Works Department evaluates whether there are suitable hybrids or alternative fuel vehicles available before purchasing non-hybrids or non-alternative vehicles.

Define Problem

Maintenance of capital assets is one of many important criteria used by credit rating agencies to assess the fiscal health and credit rating of an organization. In addition, regular and appropriate replacement cycles ensure an efficient service delivery system that is not hampered by time lost to repairs, broken parts, or maintaining outdated equipment or vehicles.

The Town should provide for the adequate maintenance and replacement of vehicles and equipment on a regular schedule to ensure efficient and effective service delivery. The Public Works Department reviews all vehicle re-

quests and makes recommendations based on replacement criteria identified in the Town's policies.

Project Alternatives

Without this schedule the alternative would be to incur major expenses to maintain vehicles and equipment that are outdated and beyond their useful life.

Recommended Solution Operating Impact

The majority of items requested are replacement vehicles and operational costs are minimized by replacing the vehicles in a timely manner. FY12-13 includes one addition to the fleet with a new patrol vehicle and replacement of a solid waste vehicle and pumper fire truck which were in last years replacement schedule but due to budget constraints were delayed one year.

PROJECT COST ESTIMATES

Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction									\$ -
Equip/Furnishing	\$ 560,500	\$ 298,850	\$ 1,118,880	\$ 1,071,528	\$ 1,655,323	\$ 904,433	\$ 678,586	\$ 665,362	\$ 6,953,462
Other									\$ -
Contingencies									\$ -
TOTAL	\$ 560,500	\$ 298,850	\$ 1,118,880	\$ 1,071,528	\$ 1,655,323	\$ 904,433	\$ 678,586	\$ 665,362	\$ 6,953,462

FUNDING SOURCES

Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ 560,500	\$ 298,850	\$ 1,118,880	\$ 1,071,528	\$ 1,655,323	\$ 904,433	\$ 678,586	\$ 665,362	\$ 6,953,462
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ 560,500	\$ 298,850	\$ 1,118,880	\$ 1,071,528	\$ 1,655,323	\$ 904,433	\$ 678,586	\$ 665,362	\$ 6,953,462

OPERATING BUDGET EFFECTS

Elements	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minus New Revenues*									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)									0.0

Lease-Purchase Schedule, continued

The following table provides a breakdown, by fiscal year, of the cost estimates provided in the previous table.

Fiscal Year 2012-2013			
Replacement	Police	Patrol Vehicles-Replace vehicle #211	\$ 35,280
Replacement	Police	Patrol Vehicles-Replace vehicle #212	\$ 35,280
Replacement	Police	Patrol Vehicles-Replace vehicle #213	\$ 35,280
Replacement	Police	Patrol Vehicles-Replace vehicle #214	\$ 35,280
Replacement	Police	Community Services-Replace vehicle #210	\$ 35,280
Addition	Police	Patrol Vehicle	\$ 35,280
Replacement	Fire-Rescue	Sedan - Replace #982 / with F-150 4x4 Pick-Up	\$ 25,200
Replacement	Public Works	Solid Waste - Front Loader- Replace #56	\$ 231,000
Replacement	Fire	Pumper Truck-Replace #934	\$ 651,000
			TOTAL
			\$ 1,118,880
Fiscal Year 2013-2014			
Replacement	Rec & Parks	Small Pick up -Replace #015	\$ 17,420
Replacement	Rec & Parks	Full Size Pick up -Replace #016	\$ 16,800
Replacement	Planning	Mid size SUV - Replace #135	\$ 29,400
Replacement	Police	Patrol Vehicles-Replace vehicle #215	\$ 37,044
Replacement	Police	Patrol Vehicles-Replace vehicle #216	\$ 37,044
Replacement	Police	Patrol Vehicles-Replace vehicle #217	\$ 37,044
Replacement	Police	Patrol Vehicles-Replace vehicle #218	\$ 37,044
Replacement	Police	Patrol Vehicles-Replace vehicle #219 K-9	\$ 37,044
Replacement	Police	Patrol Vehicles-Replace vehicle #221	\$ 37,044
Addition	Police	Patrol Vehicle	\$ 37,044
Replacement	Police	Administration- Replace vehicle #203	\$ 30,800
Replacement	Police	Administration- Replace vehicle #004	\$ 30,800
Replacement	Public Works	Solid Waste - Fully Automated - Replace #54 Autocar Expert 2000 Body	\$ 256,000
Addition	Public Works	Vacuum Leaf Loader Truck	\$ 200,000
Addition	Public Works	Solid Waste - Front Loader New Addition to Fleet	\$ 231,000
			TOTAL
			\$ 1,071,528
Fiscal Year 2014-2015			
Replacement	Public Works	Streets-New Holland Tractor Replace #044/Boom Mower-Replace #040	\$ 96,000
Replacement	Public Works	Streets-Sweeper Truck-Replace vehicle #008	\$ 240,000
Replacement	Public Works	Streets-F-450 Truck-Replace vehicle #017	\$ 50,000
Replacement	Public Works	Solid Waste-Condor Labire #800	\$ 268,800
Replacement	Planning	Ford F-150-Replace # 134	\$ 18,000
Replacement	Police	Patrol Vehicles-Replace vehicle #222	\$ 38,900
Replacement	Police	Patrol Vehicles-Replace vehicle #223	\$ 38,900
Replacement	Police	Patrol Vehicles-Replace vehicle #224	\$ 38,900
Replacement	Police	Patrol Vehicles-Replace vehicle #225	\$ 38,900
Replacement	Police	Patrol Vehicles-Replace vehicle #226 K-9	\$ 38,900
Addition	Police	Patrol Vehicle	\$ 38,900
Replacement	Police	Investigations-Replace # 227	\$ 31,395
Replacement	Fire-Rescue	Engine-1998 Ferrara-Replace #931	\$ 717,728
			TOTAL
			\$ 1,655,323

Lease-Purchase Schedule, continued

Fiscal Year 2015-2016			
Replacement	Public Works	Solid Waste - Replace #801	\$ 282,240
Replacement	Public Works	Fleet Maintenance-Hybrid Sedan-Replace vehicle #220	\$ 28,000
Replacement	Public Works	Streets-F-350 4x4 Truck-Replace vehicle #041	\$ 36,465
Replacement	Public Works	L&G-Dump Truck-Replace vehicle #031	\$ 53,600
Replacement	Public Works	L&G John Deere Tractor-Replace vehicle #064	\$ 41,000
Replacement	Public Works	L&G John Deere 997 Mower-Replace #603	\$ 16,328
Replacement	IT	Mid size van-Replace vehicle #012	\$ 21,000
Replacement	Rec & Parks	Ford E-350 Van-Replace vehicle # 701	\$ 33,700
Replacement	Police	Patrol Vehicles-Replace vehicle #229	\$ 40,845
Replacement	Police	Patrol Vehicles-Replace vehicle #230	\$ 40,845
Replacement	Police	Patrol Vehicles-Replace vehicle #231	\$ 40,845
Replacement	Police	Patrol Vehicles-Replace vehicle #235 K-9	\$ 40,845
Addition	Police	Patrol Vehicle	\$ 40,845
Replacement	Police	Investigations-Replace #234	\$ 33,000
Replacement	Police	Community Services-Replace vehicle #228	\$ 40,845
Replacement	Police	Community Services-Replace vehicle #232	\$ 40,845
Replacement	Police	Community Services-Replace vehicle #233	\$ 40,845
Replacement	Planning	Hybrid Honda Civic	\$ 32,340
		TOTAL	\$ 904,433
Fiscal Year 2016-2017			
Replacement	Public Works	Fleet Maintenance-Ford Ranger 4x4 Replace vehicle #700	\$ 24,441
Replacement	Public Works	Streets-580/Case Backhoe Super M #060	\$ 87,106
Replacement	Public Works	L&G-Ford F350 With Flat Bed Utility #602	\$ 32,162
Replacement	Public Works	L&G-Ford Ranger Replace vehicle # 600	\$ 21,441
Replacement	Public Works	Solid Waste-Condor Labire #802	\$ 334,000
Replacement	Police	Investigations-Replace vehicle # 237	\$ 34,842
Addition	Police	Patrol Vehicle	\$ 42,880
Replacement	Fire-Rescue	Ford F-250 HD 4x4 Shift Comander Replace vehicle # 987	\$ 53,470
Replacement	Public Works	Streets - Replace Lee Boy Roller #039	\$ 48,244
		TOTAL	\$ 678,586
Fiscal Year 2017-2018			
Replacement	Public Works	Fleet Maintenance-Ford Ranger Replace vehicle #706	\$ 21,000
Replacement	Public Works	Supervision-Ford Ranger Replace vehicle #704	\$ 21,000
Replacement	Public Works	Building & Maintenance-Ford Ranger Replace vehicle #705	\$ 21,000
Replacement	Public Works	Streets - Dump Truck Replace vehicle #033	\$ 108,000
Replacement	Public Works	L&G-Ford F-250 HD 4 X 2 Replace vehicle #604	\$ 28,670
Replacement	Public Works	Solid Waste - Autocar Frontloader #804	\$ 294,000
Replacement	Police	Patrol Vehicles-Replace vehicle #202	\$ 45,024
Replacement	Police	Patrol Vehicles-Replace vehicle #236 K-9	\$ 45,024
Replacement	Police	Patrol Vehicles-Replace vehicle #238	\$ 45,024
Replacement	Fire-Rescue	Supervision-Ford Expedition #986	\$ 36,620
		TOTAL	\$ 665,362

Weaver Street Reconstruction

Project Description

The Weaver Street Reconstruction project includes the removal and reconstruction of the existing road, removal and replacement of curb and gutter, the installation of additional storm inlets and piping to improve storm drainage in the block of W. Main to N. Greensboro, and the replacement of an existing 12 inch water main in both blocks. The cost for the water main replacement will be paid for by OWASA.

Define Problem

It was determined in 1997 that due to the poor condition of the existing sub-grade and base that the removal and replacement of all the pavement, base materials, sub-grade materials and curb & gutter would be necessary. Sun-gate and Town staff were working on finalizing design plans in Summer of 2000 when the project was put on hold knowing that a Downtown Vision 2020 Report was anticipated. It was decided at the time it would be prudent to delay work so that any recommendations for design consideration that might come from

the report could be considered as part of the construction project. This way Weaver Street could include suggested items such as decorative street lights, benches, and wider sidewalks, etc. As of April 2003, no decisions had been made from the Downtown Vision Report on what suggestions should be included in the project.

A Downtown Transportation Circulation Study was being discussed in early 2003. Subsequently, the project was put on hold again pending the outcome of the study. A

resolution was adopted in April of 2003 that recommended the re-examination of the Weaver Street project when the Downtown Transportation Circulation Study was completed.

The Downtown Traffic Circulation Study, as prepared by Kimley-Horn and Associates, was presented to the Board in June of 2005. Kimley-Horn recommended several street projects as a result of the study including Weaver Street.

Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 136,911	\$ 113,189							\$ 250,100
Land/ROW									\$ -
Construction	\$ 378,522	\$ 664,478							\$ 1,043,000
Equip/Furnishing									\$ -
Other									\$ -
Contingencies		\$ 173,270							\$ 173,270
TOTAL	\$ 515,433	\$ 950,937	\$ -	\$ 1,466,370					

FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves	\$ 515,433	\$ 600,937							\$ 1,116,370
Intergovernmental Revenues		\$ 350,000							\$ 350,000
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ 515,433	\$ 950,937	\$ -	\$ 1,466,370					

OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minus New Revenues*									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)									0.0

The basic repaving of Weaver Street was first programmed in the CIP beginning with FY 2006-07. In November of 2007 the Board adopted a resolution for the CIP to include the least expensive option for Weaver Street which is basically reconstruction of the street only as outlined in the Project Description above.

The project is currently under construction and scheduled for completion in Spring 2012.

Project Alternatives

None.

Recommended Solutions

Reconstruction of the roadway including the installation of storm sewer and the replacement of an existing 80 year old water main.

Operating Impact

These two blocks of Weaver Street were in poor condition and required annual maintenance in terms of asphalt patching. Reconstruction of the roadway will reduce this routine maintenance requirement.

Information Technology Schedule

Project Description

All new Information Technology projects that cost \$15,000 or greater are included on the Information Technology Schedule (individual projects are listed in the schedule on the following page).

Included in FY12-13 are costs for a street sign management system which is a requirement of the Federal Highway Administration. This system will allow the Town to record and maintain data on Town managed traffic sign retroreflectivity. Other projects include in-car video system for police vehicles and website development and streaming Board of Aldermen video hosting.

Define Problem

Maintenance and upgrades of information technology are critical to the efficient and effective operations of the Town. Regular and appropriate replacement cycles ensure a service delivery system that is not hampered by time lost to repairs, broken parts, or maintaining outdated equipment.

Project Alternatives

When information technology is not updated or replaced on a consistent schedule, excessive downtime or staff time may be devoted to maintaining outdated equipment. This could disrupt services provided by the Town in a detrimental way that

affects service delivery.

Recommended Solution

The Town should provide for the maintenance and upgrade of information technology on a regular ongoing basis to ensure efficient and effective service delivery.

Operating Impact

The operating impact is the cost of annual software support and upgrades.

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction									\$ -
Equip/Furnishing	\$ 15,000		\$ 101,500	\$ 15,500	\$ 55,000				\$ 187,000
Other									\$ -
Contingencies									\$ -
TOTAL	\$ 15,000	\$ -	\$ 101,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 187,000
FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues	\$ 15,000	\$ -	\$ 101,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 187,000
Miscellaneous - <i>Payment in Lieu</i>									\$ -
Total Funding	\$ 15,000	\$ -	\$ 101,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 187,000
OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance		\$ -	\$ 3,200	\$ 19,500	\$ 1,500	\$ 15,000			\$ 39,200
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ 3,200	\$ 19,500	\$ 1,500	\$ 15,000	\$ -	\$ -	\$ 39,200
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ 3,200	\$ 19,500	\$ 1,500	\$ 15,000	\$ -	\$ -	\$ 39,200
New Personnel (FTE)									0.0

Information Technology Schedule, continued

The following table provides a breakdown, by fiscal year, of the cost of the estimates provided in the table on the previous page:

SUMMARY OF INFORMATION TECHNOLOGY PROJECTS

Expenditures	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL
Traffic Counters	\$ 15,000							\$ 15,000
Street Sign Management System			\$ 15,000					\$ 15,000
PD In-Car Video System and Infrastructure			\$ 21,500					\$ 21,500
Tyler Forms for the Munis Financial System				\$ 15,500				\$ 15,500
Planning - Document Scanning/GIS Integration					\$ 55,000			\$ 55,000
Website Development and Streaming Board of Aldermen Video Hosting			\$ 65,000					\$ 65,000
Total	\$ -	\$ -	\$ 101,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ 187,000

OPERATING BUDGET EFFECTS

Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL
Personnel Costs								\$ -
Operating and Maintenance			\$ 3,200	\$ 19,500	\$ 1,500	\$ 15,000		\$ 39,200
Capital Outlays								\$ -
Total Operating Costs	\$ -	\$ -	\$ 3,200	\$ 19,500	\$ 1,500	\$ 15,000	\$ -	\$ 39,200
<i>Minus New Revenues*</i>								\$ -
Net Operating Effect	\$ -	\$ -	\$ 3,200	\$ 19,500	\$ 1,500	\$ 15,000	\$ -	\$ 39,200

APPENDIX

CIP Impact on Town's Overall Financial Condition And Operating Budget

Currently, the Town holds a credit rating of A+ with Standard and Poor's and a grade of 83 with the North Carolina Municipal Council. These are considered very favorable ratings for municipalities similar to the Town of Carrboro.

To understand the impact of the CIP on the Town's overall financial condition (i.e., debt burden and debt service) and annual operating budget, the CIP planning process includes the calculation of debt burden and debt service ratios. These debt ratios are monitored by the Local Government Commission and credit rating industries in assessing the fiscal health of the Town.

The debt analyses is based on the proposed spending and borrowing of \$28.0 million to fund CIP projects over a six-year period. Installment purchase financing for vehicles and equipment assumes a five to seven year term, and installment purchase financing for all other projects assumes a 15-year term. Projects financed with General Obligation Bond debt assumes a 20-year term. For vehicles and equipment debt financing, we estimate a five percent interest rate in FY 2011-12 and increase the rate a one-half percentage point every year through FY 2017-18 with a final interest rate of 7.5 percent. Other long term installment debt financing assumes an interest rate of 7.25 percent. Also, the amounts needed to finance capital projects with cash (i.e., capital reserves or general fund contribution) are considered in evaluation the operating budget impact.

Debt Service Ratios

The Town's debt structure primarily consists of installment financing and GO bond debt for capital improvements and equipment or vehicle replacements. Because debt load is a large expenditure, credit rating industries monitor these financial obligation resulting from the borrowing of money.

Credit rating firms analyze a government's ability to afford debt in numerous ways. Under favorable circumstances, debt:

- Is proportionate in size and growth to the government's tax base;
- Does not extend past the facilities' useful life which it finances;
- Is not used to balance the operating budget;
- Does not put excessive burdens on operating expenditures; and
- Is not so high as to jeopardize the credit rating.

Several financial ratios are used to evaluate ability to repay as well as the government's capacity to incur debt. One measure of a debt capacity is expressed in terms of assessed or market valuation, and the other is on a per capita basis.

Debt To Assessed Valuation

The Town compares these two debt ratios to its peer town group (i.e., population of 10,000 to 24,999) as identified by the Local Government Commission (LGC) as a reference point to assess debt burden and ability to pay. The LGC calculates the debt-to-assessed valuation ratio for each jurisdiction and determines the overall debt-to-assessed valuation ratio as being low, average, or high. The Town strives to avoid the "high" debt burden. Beginning on page 3.3 is a spreadsheet that shows the impact of financings proposed in the CIP.

For municipalities comparable to Carrboro the average debt-to-assessed valuation ratio in FY 2009-10 was .345 percent with a high level being 1.208 percent. Carrboro's ratio for this same period was .522%. With additional debt to fund projects in the CIP, this ratio is projected to be .38% in FY 17-18. The Town's

debt-to-assessed valuation ratio while above the average and less than the high level, is considered to fall within the norm given that the Town has very little bonded debt. The Town has used primarily installment debt financing,

Overall the Town's debt is below the legal limit required by NC General Statutes, GS 159-55 which limits net debt to eight percent (8 %) or less of a local government's total property valuation. For Carrboro the legal debt limit is \$153,531,227 based on the June 30, 2011 audited valuation of \$1,908,388,531.

Debt Per Capita

The per capita ratio measures debt burden and is generally useful for communities that do not rely heavily on property taxes and cannot easily compute a substitute revenue base for comparison. For FY 2009-10 the Town's per capita debt was \$503 compared to an average of \$400 for peer group and a high of \$1,086. With the additional debt required in the CIP, the estimated per capita debt for FY 11-12 is estimated to be \$514, which is expected to be lowered to \$397 in FY 17-18 when outstanding principal debt is estimated to be \$8.7 million.

Debt Burden

Debt service can be a major part of a government's fixed costs, and its increase may indicate excessive debt and fiscal strain. Thus, credit firms consider debt exceeding 20% of operating revenues as a potential problem while 10% is considered acceptable debt burden. The Town's goal is to keep total debt service at or below 12%, considering this to be a moderate level of debt. The Town's debt service as a percentage of the total operating budget is projected to reach 10.36% percent in FY 16-17 yet stays within Town fiscal policy limits.

The North Carolina Local Government Commission (LGC) advises that local governments should have a reasonable debt burden. A heavy debt burden may be evidenced by a ratio of Gen-

eral Fund Debt Service to General Fund Expenditures exceeding 15%, or Debt per Capita or Debt to Appraised Property Value exceeding that of similar units.

Carrboro's CIP meets all objectives of the LGC as well as its own fiscal policy. The debt service to total budget ratio, while increasing at times, does not come close to the 15% threshold considered by the LGC to be a "high" debt burden. The more significant impact of the CIP is the potential property tax burden that may occur over the next six years should the town pursue all of the projects in the CIP.

As with most financing decisions, there are challenges and choices the Town must make in carrying out its CIP over the coming years. With a tax base consisting of residential properties and limited or no commercial base, the ability to sustain a large capital improvements program will require a careful balance of debt financing and the use of capital reserve funds.

Summary of CIP Impact on Debt Ratios

DEBTSERVICE COSTS - CURRENT	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
Total GO Debt	\$ 14,515	\$ 22,573	\$ 22,573	\$ -	\$ -	\$ -	\$ -
Total Installment Purchase Debt, Long Term	\$ 706,781	\$ 694,301	\$ 681,759	\$ 669,247	\$ 632,063	\$ 619,560	\$ 451,188
Total Installment Purchase Debt, General Fund Veh/Eqp	\$ 490,563	\$ 331,519	\$ 331,519	\$ 98,243	\$ -	\$ -	\$ -
CURRENT DEBT SERVICE OBLIGATIONS	\$ 1,211,859	\$ 1,048,393	\$ 1,035,851	\$ 767,490	\$ 632,063	\$ 619,560	\$ 451,188
DEBTSERVICE COSTS - ADDITIONAL DEBT							
GO Debt Service Costs	\$ 14,515	\$ 45,146	\$ 586,073	\$ 546,824	\$ 530,150	\$ 513,476	\$ 513,476
Installment Purchase Debt Service Costs, Long Term	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,383	\$ 236,766
Installment Purchase Short Term Debt Service Costs, General Fund Veh/Eqp	\$ 65,740	\$ 311,867	\$ 549,712	\$ 920,436	\$ 1,124,790	\$ 1,213,725	\$ 1,120,578
<i>FUTURE DEBT SERVICE, RECOMMENDED CIP</i>	\$ 80,255	\$ 357,013	\$ 1,135,785	\$ 1,467,260	\$ 1,654,940	\$ 1,845,584	\$ 1,870,820
TOTAL DEBT SERVICE, CURRENT & RECOMMENDED	\$ 1,292,114	\$ 1,405,406	\$ 2,171,635	\$ 2,234,750	\$ 2,287,003	\$ 2,465,144	\$ 2,322,008
TOTAL DEBT (OUTSTANDING PRINCIPAL)							
GO Bond, Long Term Debt (includes authorized but unissued bonds)	\$ 4,600,000	\$ 4,600,000	\$ 4,370,000	\$ 4,140,000	\$ 3,910,000	\$ 3,680,000	\$ 3,450,000
Installment Purchase, Long Term Debt	\$ 4,499,103	\$ 3,979,545	\$ 3,451,918	\$ 2,915,914	\$ 2,396,132	\$ 1,868,326	\$ 1,488,334
Installment Purchase, Short Term General Fund Veh/Eqp	\$ 723,682	\$ 415,568	\$ 96,739	\$ 0	\$ -	\$ -	\$ -
CURRENT OUTSTANDING PRINCIPAL	\$ 9,822,785	\$ 8,995,114	\$ 7,918,657	\$ 7,055,914	\$ 6,306,132	\$ 5,548,326	\$ 4,938,334
ADDITIONAL DEBT (OUTSTANDING PRINCIPAL):							
Installment Purchase, Long Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,271,591	\$ 2,169,613
Installment Purchase, Short Term General Fund Veh/Eqp	\$ 233,110	\$ 1,051,779	\$ 1,626,184	\$ 2,446,549	\$ 2,364,573	\$ 1,970,270	\$ 1,640,088
FUTURE OUTSTANDING PRINCIPAL	\$ 233,110	\$ 1,051,779	\$ 1,626,184	\$ 2,446,549	\$ 2,364,573	\$ 4,241,861	\$ 3,809,701
TOTAL OUTSTANDING PRINCIPAL, CURRENT & RECOMMENDED	\$ 10,055,895	\$ 10,046,893	\$ 9,544,841	\$ 9,502,463	\$ 8,670,705	\$ 9,790,187	\$ 8,748,034
Population	19,582	19,974	20,373	20,781	21,196	21,620	22,053
Projected Assessed Valuation	\$ 1,908,388,531	\$ 1,965,640,187	\$ 2,024,609,393	\$ 2,085,347,674	\$ 2,147,908,105	\$ 2,212,345,348	\$ 2,278,715,708
ESTIMATED RATIOS WITHOUT ADDITIONAL DEBT							
Projected Budget - 3% growth w short term debt and w/o additional long-term debt only + CIP PAYG only	\$ 18,489,939	\$ 19,944,846	\$ 21,307,557	\$ 22,485,525	\$ 23,228,122	\$ 23,402,637	\$ 23,137,384
% Outstanding Principal as % to Assessed Valuation	0.51%	0.46%	0.39%	0.34%	0.29%	0.25%	0.22%
% Debt Service to Total Operating Budget	6.55%	5.26%	4.86%	3.41%	2.72%	2.65%	1.95%
Debt Per Capita	\$ 502	\$ 450	\$ 389	\$ 340	\$ 298	\$ 257	\$ 224
ESTIMATED RATIOS WITH ADDITIONAL DEBT							
Projected Budget + Additional Debt Service + CIP PAYG and Operating Impact Costs	\$ 18,489,939	\$ 21,053,823	\$ 22,799,674	\$ 24,320,233	\$ 24,651,912	\$ 24,034,496	\$ 23,887,626
% Outstanding Principal as % to Assessed Valuation	0.53%	0.51%	0.47%	0.46%	0.40%	0.44%	0.38%
% Debt Service to Total Operating Budget	6.99%	6.68%	9.52%	9.19%	9.28%	10.26%	9.72%
Debt Per Capita	\$ 514	\$ 503	\$ 469	\$ 457	\$ 409	\$ 453	\$ 397
LGC DEBT RATIOS: PEER POPULATION (10,000-24,999), FY 2009-10	LOW	AVERAGE	HIGH				
Outstanding Principal (Debt) as % of Assessed Valuation	0.018%	0.345%	1.208%				
Outstanding Principal (Debt) Per Capita	\$ 11.00	\$ 400.00	\$ 1,086.00				
CREDIT RATING INDUSTRY STANDARD:	BUDGET STRAIN	ACCEPTABLE					
Debt Service as a % of the Operating Budget	20%	10%					

Impact of CIP on the Town's Annual Operating Budget

The chart below shows the potential impact of the CIP on the Town's annual operating budget. This impact is calculated in terms of tax rate equivalent, a formula that takes estimated revenue generated from the Town's assessed property tax base and estimates what it would take in property tax revenue to fund the increases. This formula does not take into consideration the natural growth or decline in the annual revenue stream from other sources such as sales tax, grant revenues, and local user fees. Nor does this chart address ongoing operational needs cited in the annual operating budget process but unrelated to the CIP. Committing to an aggressive CIP requires significant increases in debt service costs associated with financing large multi-year projects. These costs will be largely funded through property taxes, one of the few significant revenue streams directly under the control of local jurisdictions. Additionally, significant annual cash appropriations may be necessary to pay for smaller capital projects where financing is not an appropriate alternative, as well as to pay for increased operating costs once capital projects are completed.

Based on the projects in the CIP there will be increased cost of funding the priorities in FY 13-14 with the issue of \$4.6 million of GO debt for sidewalk construction approved by voters in November 2003; and the financing to build the Martin Luther King, Jr. park on Hillsborough Road in FY 16-17. In addition, the town continues to maintain its current infrastructure, replacing vehicles in a timely manner; maintaining streets and performing storm water repairs; and addressing technology needs. The chart shows periodic increases in operating cost as projects are funded. The potential increases cited by the CIP can be mitigated by obtaining additional revenue sources, expansion of the tax base above what is projected, or by delaying or deleting projects that are not related to public safety.

CURRENT DEBT SERVICE	\$ ISSUE	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
CENTURY CENTER, IP	\$ 3,080,000	\$ 229,879	\$ 229,879	\$ 229,879	\$ 229,879	\$ 229,879	\$ 229,879	\$ 99,593
MARTIN LUTHER KING, JR PARK, IP	\$ 274,000	\$ 24,673	\$ 24,673	\$ 24,673	\$ 24,673	\$ -	\$ -	\$ -
PUBLIC WORKS LAND, IP	\$ 767,000	\$ 63,960	\$ 61,938	\$ 59,854	\$ 57,801	\$ 55,748	\$ 53,704	\$ 26,076
ADAMS TRACT, IP	\$ 600,000	\$ 54,760	\$ 53,120	\$ 51,480	\$ 49,840	\$ 48,200	\$ 46,560	\$ 44,920
SIDEWALK AND GREENWAYS - BANS	\$ 2,590,000	\$ 14,515	\$ 22,573	\$ 22,573	\$ -	\$ -	\$ -	\$ -
FIRE SUBSTATION	\$ 2,992,703	\$ 333,510	\$ 324,691	\$ 315,873	\$ 307,055	\$ 298,236	\$ 289,418	\$ 280,600
VEHICLE/EQPMIT INSTALLMENT DEBT SERVICE, CURRENT	N/A	\$ 490,563	\$ 331,519	\$ 331,519	\$ 98,243	\$ -	\$ -	\$ -
TOTAL CURRENT DEBT SERVICE		\$ 1,211,859	\$ 1,048,393	\$ 1,035,851	\$ 767,490	\$ 632,063	\$ 619,560	\$ 451,188
CIP PROJECTS RECOMMENDED								
GO SIDEWALK AND GREENWAY DEBT SERVICE, FUTURE	\$ 4,600,000	\$ 14,515	\$ 45,146	\$ 586,073	\$ 546,824	\$ 530,150	\$ 513,476	\$ 513,476
DEBT SERVICE COSTS - LONG-TERM INSTALLMENT FINANCING								
MARTIN LUTHER KING JR. PARK CONSTRUCTION	\$ 2,389,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,383	\$ 2,169,613
FUTURE VEHICLE/EQP INSTALLMENT DEBT SERVICE, FY11-12 CIP		\$ 65,740	\$ 311,867	\$ 549,712	\$ 920,436	\$ 1,124,790	\$ 1,213,725	\$ 1,120,578
TOTAL DEBT SERVICE, CURRENT AND FUTURE		\$ 1,292,114	\$ 1,405,406	\$ 2,171,635	\$ 2,234,750	\$ 2,287,003	\$ 2,465,144	\$ 4,254,855
CAPITAL RESERVE								
STREET RESURFACING		\$ 451,490	\$ 300,700	\$ 300,700	\$ 331,750	\$ 331,750	\$ 365,800	\$ 365,800
PARK MAINTENANCE FUND		\$ -	\$ 117,804	\$ 260,173	\$ 195,784	\$ 80,711	\$ 132,000	\$ 247,170
WEAVER STREET RECONSTRUCTION	\$ 600,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SIDEWALKS ROGERS RD AND SMITH LEVEL/CULBRETH ROADS	\$ -	\$ -	\$ 350,823	\$ -	\$ -	\$ -	\$ -	\$ -
STORMWATER MANAGEMENT				\$ 27,500	\$ 335,000	\$ 334,400		
JONES CREEK GREENWAY				\$ 22,498	\$ 170,066			
DOWNTOWN MULTI-USE PATH						\$ 32,102	\$ -	
CARRBORO HIGH SCHOOL MULTI-USE PATH						\$ 21,384	\$ 149,555	
INFORMATION TECHNOLOGY	\$ 36,500	\$ 101,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL RESERVE CASH FOR FUTURE PROJECTS	\$ 1,088,927	\$ 870,827	\$ 626,371	\$ 1,087,600	\$ 800,347	\$ 647,355	\$ 612,970	\$ 612,970
OPERATING IMPACT OF CIP PROJECTS								
INFORMATION TECHNOLOGY	\$ 3,200	\$ 3,200	\$ 19,500	\$ 1,500	\$ 15,000	\$ -	\$ -	\$ -
MARTIN LUTHER KING, JR. PARK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,500
GREENWAYS		\$ 72,000						
STORMWATER MANAGEMENT						\$ 1,000	\$ 1,500	\$ 1,000
JONES CREEK GREENWAY				\$ 3,000				
DOWNTOWN MULTI-USE PATH						\$ 2,500	\$ 2,500	
CARRBORO HIGH SCHOOL MULTI-USE PATH						\$ 2,500	\$ 2,500	
PARK MAINTENANCE			\$ 117,804	\$ 260,173	\$ 195,784	\$ 80,711	\$ 132,000	\$ 247,170
PUBLIC WORKS FACILITY						\$ 7,500	\$ -	\$ -
TOTAL OPERATING IMPACT OF CIP PROJECTS	\$ 3,200	\$ 193,004	\$ 279,673	\$ 200,284	\$ 96,711	\$ 146,000	\$ 280,670	\$ 280,670
GRAND TOTAL COSTS FOR CIP IMPLEMENTATION	\$ 2,384,241	\$ 2,469,237	\$ 3,077,679	\$ 3,522,634	\$ 3,184,061	\$ 3,258,499	\$ 5,148,495	\$ 5,148,495
LESS FUNDS ALREADY SET ASIDE IN CAPITAL RESERVE/DESIGNATED FUND BALANCE	\$ (600,937)	\$ (350,823)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DIFFERENCE FROM PRIOR FISCAL YEAR	\$ (2,384)	\$ 335,109	\$ 959,266	\$ 444,955	\$ (338,573)	\$ 74,438	\$ 1,889,996	\$ 1,889,996
REVENUE PER PENNY OF TAX (assumes 3.0% increase yearly)	\$ 188,947	\$ 194,615	\$ 200,454	\$ 206,467	\$ 212,662	\$ 219,041	\$ 225,613	\$ 225,613
TAX RATE EQUIVALENT (CENTS) FOR BOTH CIP INFRASTRUCTURE AND OPERATING COSTS		(0.01)	1.72	4.79	2.16	(1.59)	0.34	8.38

Unfunded Projects

Town Hall Renovations

Town Hall, originally constructed in 1922, needs considerable renovations in order to maintain its usefulness. These major renovations, identified in a facilities use study conducted in 1995, would make the building suitable for organizational and community needs. Without these renovations, Town Hall will not be able to accommodate future space needs.

Gymnasium

The town's Comprehensive Parks and Recreation Master Plan strongly recommends the construction of a gymnasium inclusive of two basketball courts, a meeting room, and office and storage spaces. During the public input process, citizens identified a facility such as this as the top priority for Carrboro as critical to meeting general and athletic programming needs in the community.

Local Road Improvements

It is important for the town's development that streets are kept in good condition. There are other local road improvements that could be conducted such as Rainbow and Dove Streets. These roads need to be widened to include curb and gutter. They also in some cases would need a stormwater swale section. However, no citizen petitions have come forward and the projects currently remain unfunded.

Outdoor Swimming Pool

The Town's Comprehensive Master Parks and Recreation Plan recommends one public pool for each set of 25,000 people. Carrboro is currently without a swimming facility. Several public input sessions within the community have expressed support for an outdoor pool.

Roberson Street Improvements

The Downtown Carrboro: New Vision report recommends improvements to Roberson Street. These improvements have the potential to enliven the downtown core and will highlight Roberson Street as a priority location for development. The improvements include underground utilities, sidewalk improvements, on-street parking, lighting, and connections throughout the area.