

BOARD OF ALDERMEN

ITEM NO. E(4)

AGENDA ITEM ABSTRACT

MEETING DATE: December 7, 2004

TITLE: Presentation of the Capital Improvements Plan

DEPARTMENT: Management Services	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: A. Recommended Capital Improvement Plan, FY05-06 through FY10-11	FOR INFORMATION CONTACT: Steven E. Stewart, 918-7315 J. Patrick Childs, 918-7301

PURPOSE

The purpose of this item is to provide the Board of Aldermen with the opportunity to review the Town Manager's FY2005-06 Capital Improvement Plan (CIP). The recommended CIP document is a plan that enables staff and the Board to plan for a vibrant community while protecting the Town's positive fiscal position and meeting the most critical needs over the next six years.

INFORMATION

The recommended six-year CIP schedule is an annual update of the Town's CIP that includes short and long-term maintenance and other operational requirements for proposed projects. Capital purchases, including vehicles and equipment that exceeds \$25,000 per item shall be considered for the Town's lease-purchase schedule identified in the CIP. The vehicle replacement schedule enumerated in the CIP document is based upon criteria established in the vehicle replacement policy.

The recommended Capital Improvements Plan (CIP) totals \$29,580,847 up 1.2 percent from last year's Adopted CIP. Approximately \$19,148,266 of the \$29.5 million total will be funded through debt financing instruments such as general obligation bonds and installment financings. Of the total debt to be financed, \$4,625,362 represents installment financing needed to maintain the Town's rolling stock and equipment for day-to-day operations. The projected increase in the overall funding compared to the previous year is largely attributable to the increased costs of street resurfacing, the inclusion of the Public Works facility construction as a funded project in FY10-11, the greater costs projected for purchasing parking lots due to the growing cost of land in the downtown area.

The implementation of the sidewalk plan (to begin in the current fiscal year), construction of a fire substation in the Northern Transition area, and development of the Martin Luther King, Jr. Park, over the next six years marks another significant phase of the Town's aggressive capital planning, whereby the Town moves beyond purchasing land for future facilities and begins to focus on implementing the vision created by residents and documented by Town staff in various needs assessments including Vision 2020, the Downtown Visioning Plan, and various master plans for Parks and Recreation and greenways.

Financing capital needs means that a revenue stream must exist to pay for the debt service costs. Implementation of all of the projects listed in the adopted CIP may impact the current property tax rate beyond what is acceptable to the community. Looking forward, however, there are factors that may mitigate the debt burden created by the adopted CIP, such as expanded tax base through growth and the revaluation of real property that occurs every four years.

FISCAL IMPACT

The potential fiscal impact of the CIP, if implemented as recommended, is documented on page 3.6 of the CIP document.

ADMINISTRATION'S RECOMMENDATION

The Board is requested to review the CIP document and make suggestions to staff before the CIP is brought back for formal adoption.