

**A RESOLUTION TO CONSIDER AND ADOPT THE RECOMMENDED CAPITAL
IMPROVEMENTS PROGRAM – FISCAL YEAR 2011-2012 THROUGH FISCAL
YEAR 2016-2017
Resolution No. 44/2010-11**

WHEREAS, the Town of Carrboro recognizes that a Capital Improvements Plan enables staff and the Board to plan for a vibrant community; and

WHEREAS, the Capital Improvements Plan is a six-year planning tool designed to help the Town plan for the repair, replacement, and acquisition of capital items; to assist in financial planning; to ensure better coordination and evaluation of projects; to provide necessary lead time for project planning, permitting, design; and to maintain or improve the Town's credit rating and fiscal health; and

WHEREAS, the Recommended FY2011-12 through FY2016-17 Capital Improvements Program has been updated from last year's comprehensive revision of the Town's capital needs; and

WHEREAS, this plan is updated annually for Board review; and

WHEREAS, adjustments for anticipated projects can also be made each year during the annual revision of the Town's budget; and

WHEREAS, this flexibility in the planning and implementation of capital needs makes Carrboro's Capital Improvements Plan responsive to the changing needs of its diverse community.

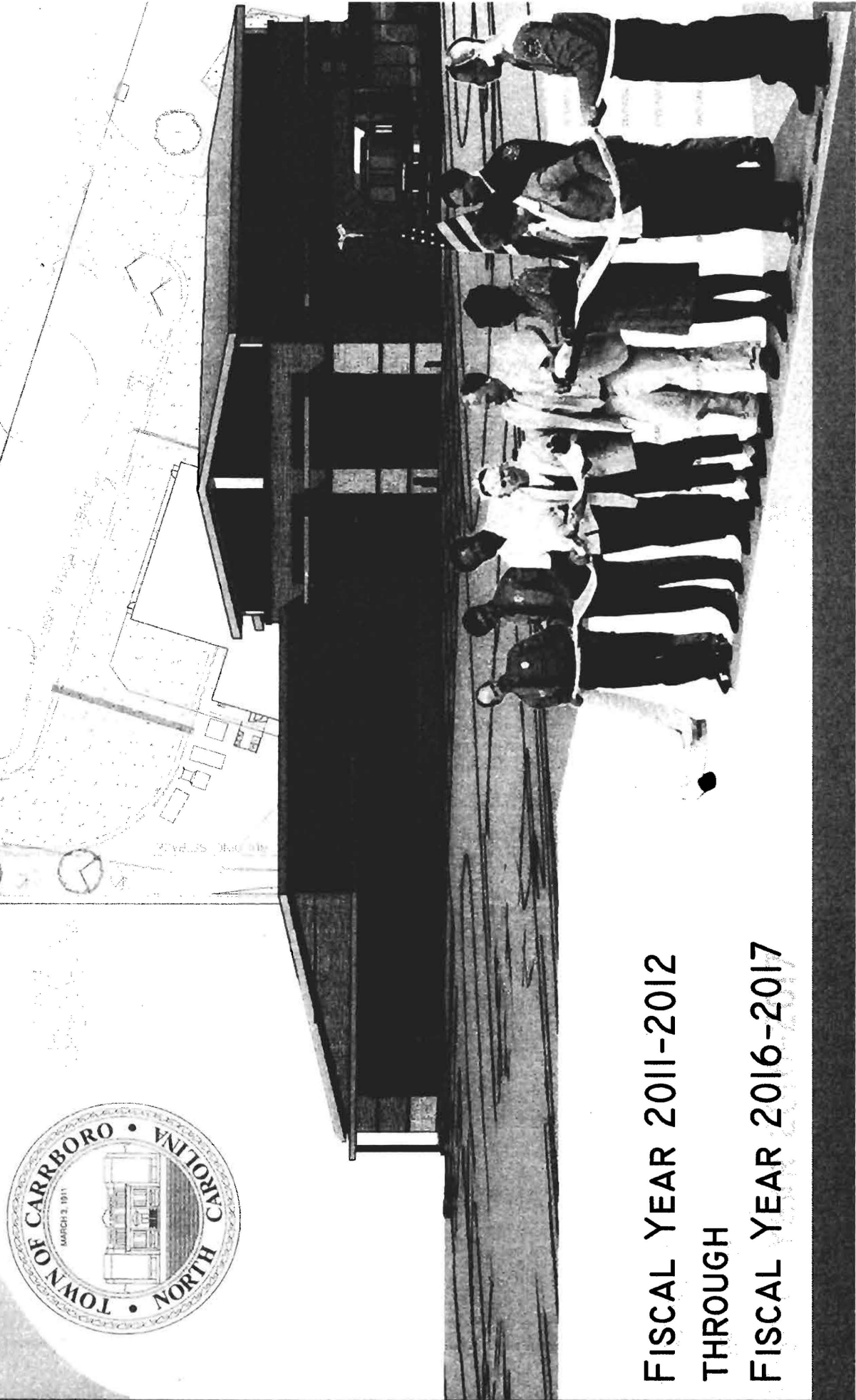
THEREFORE BE IT RESOLVED that the Town of Carrboro Board of Aldermen has received the *Recommended Capital Improvements Program – Fiscal Year 2011-2012 through Fiscal Year 2016-2017* and adopts this capital program.

SR 1777
HOMESTEAD ROAD
(VARIABLE PUBLIC ROAD)

Town of Carrboro

Recommended

CAPITAL IMPROVEMENT PROGRAM



**FISCAL YEAR 2011-2012
THROUGH
FISCAL YEAR 2016-2017**

TOWN OF CARRBORO, NORTH CAROLINA
CAPITAL IMPROVEMENTS PROGRAM
FY2011-2012 THROUGH FY2016-2017

BOARD OF ALDERMEN

Mark Chilton, Mayor
Randee Haven-O'Donnell, Mayor Pro-Tempore
Joal Hall Broun, Alderman
Dan Coleman, Alderman
Jacquelyn Gist, Alderman
Lydia Lavelle, Alderman
Sammy Slade, Alderman

TOWN MANAGER

Steven E. Stewart

CIP ADVISORY COMMITTEE

Arche L. McAdoo, Finance Director
Anita Jones-McNair, Recreation and Parks Director
George Seiz, Public Works Director
Travis Crabtree, Fire Chief
Patricia McGuire, Planning Administrator
Andy Vogel, Information and Technology Manager
Sandra Svoboda, Budget and Purchasing Analyst, CIP Coordinator

Thanks to Jeff Kleaveland, Planning Department, for the cover design.

Carrboro Capital Improvements Plan

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INTRODUCTION

A Message from the Manager

November 16, 2010

Dear Mayor and Board of Aldermen,

It is with pleasure that I submit to you the Recommended FY11-12- FY16-17 Capital Improvements Program (CIP). The CIP, in total, 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 in a bond referendum in November 2003 that validates residents' desire to have a walkable community with safe and convenient transportation through means other than single-occupancy vehicles. The Town will continue prioritizing the placement of sidewalks and greenways as time and costs permit.

This year, the CIP plan represents significant progress in capital building. Construction of the fire substation has been completed and the facility is now in full operation. Reconstruction of Weaver Street is expected to be completed in the next year. Significant progress on the design and building of bond-funded sidewalks will continue with the anticipation of utilizing all of these funds within the next three years. Planning work is underway for the Morgan Creek and Bolin Creek greenways. The Town continues to protect 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. In addition to capital building, the FY11-12 - FY16-17 CIP continues to provide for vehicle and equipment replacement guidelines focusing on timely replacement and economical use which includes the evaluation of alternative fuel or hybrid vehicles. Long-term initiatives are also unfolding in this CIP with the continued construction of bond-funded sidewalks, and the development and construction of the long-planned Martin Luther King, Jr. park.

Parking lot construction and the planned public works facility will mark another significant phase of the town's capital planning in later years. The planned purchase/development of lots in the downtown area continues to be considered beyond FY 16-17. 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, it will also be the most expensive project ever undertaken by the Town. As in past years, needs outstrip the revenue capacity and thus some needs go unfunded. A view of unfunded town needs identified during this capital planning process is presented in the Appendix on page 3.6.

As mentioned in previous updates, this Capital Improvements Program is simply a planning tool to forecast and match estimated revenues and major capital needs over a six-year period and beyond. 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, this plan is updated annually and projects included in later planning years are not guaranteed for funding. Overall, however, we believe that 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 fiscal health.

FY11-12 - FY16-17 Capital Improvements Plan Overview

The Recommended Capital Improvements Plan (CIP) totals \$36,738,496. Roughly 74% of this total is or will be funded through debt financing instruments (i.e., general obligation bonds and installment financings). Of the total debt to be financed, \$6,111,654 represents installment financing needed to maintain the town's rolling stock and equipment to provide Town services. Per capita debt and percentage of debt to the operating budget remain well within industry standards in each year of the CIP as indicated on p. 3.3.

The overall CIP plan shows a decreased of \$1.3 million from the prior years. This is primarily due to the completion of the north area fire substation. However, estimated costs for other projects have increased due to inflation. For example, construction of the Public Works Facility increased by \$800,000; MLK, Jr. Park \$699,712; Sidewalks \$223,960; and, street resurfacing program increased \$562,079.

Project costs are updated periodically depending on the type of project. For example, street resurfacing costs are adjusted/inflated 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 is not based on any final design at this point in time. However, the estimate has been updated from the original 2005 estimate prepared by a consultant. Similarly, the Martin Luther King, Jr. park project cost is adjusted in an attempt to keep the estimates current.

Construction estimates for Bolin and Morgan Creek are several years old and the current CIP estimates do not include any anticipated inflationary impact. These costs will be reviewed as the planning process is completed. Ultimately, the Town has limited funding capacity and this will affect what is actually constructed. In October 2007 the Board of Aldermen established the Greenways Commission which is composed of representatives from surrounding jurisdictions, agencies, advocacy groups and Carrboro citizens. Town staff, in conjunction with the Greenways Commission and the Board 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 cost decreases reflect the fact that most departments in the organization are now sufficiently automated with hardware and major systems with much of the costs for IT upgrades or replacements are now reflected in the operating budget. However, several IT needs are identified in this CIP including a street sign management system to allow the Town to manage street signs for appropriate retro reflectivity (mandated to be in place by January 2012); in-car video system and infrastructure for police vehicles; and enhancement for the financial system that to automate certain processes; and document scanning/GIS integration for the Planning Department in later years. The decrease in the Vehicle replacement schedule reflects adjustments to the fleet based on the vehicle maintenance policy.

PROJECTS	CIP 11-12		DIFFERENCE
	THRU 16-17	CIP 10-11 THRU 15-16	
Greenways	\$ 1,750,471	\$ 1,750,471	\$0
Martin Luther King, Jr. Park	\$ 2,768,958	\$ 2,069,246	\$699,712
Northern Area Fire Substation	\$ -	\$ 3,250,000	-\$3,250,000
Park Maintenance and Repair	\$ 1,159,077	\$ 1,154,365	\$4,712
Public Works Facility	\$ 12,955,486	\$12,155,486	\$800,000
Sidewalks	\$ 6,206,844	\$ 5,982,884	\$223,960
Street Resurfacing	\$ 3,363,006	\$ 2,800,927	\$562,079
Town Parking Lots	\$ 500,000	\$500,000	\$0
Weaver Street Reconstruction	\$ 1,801,000	\$ 1,801,000	\$0
Information Technology	\$ 122,000	\$ 149,959	-\$27,959
Equipment/Vehicle Lease-Purchase	\$ 6,111,654	\$ 6,486,606	-\$374,952
TOTAL PROJECTS	\$36,738,495	\$38,100,944	-\$1,362,449

Martin Luther King, Jr. Park is also considered a major capital initiative that is important to residents. The master plan approved by the Board in September 2004 is complete and actual development of the park is proposed for FY12-13. If the current economic downturn continues, the park project will likely need to be pushed out further in the future or could continue to be used "as is".

Looking more specifically at the upcoming FY11-12 budget process, the CIP exerts significant spending pressures that will compete with the annual operating budget as the Town opens the fire substation paying both operational costs and debt service. The Town continues to implement the sidewalk and greenways program, and move forward with road improvements. Several projects require additional funding and will need an appropriation from the capital reserve fund to ensure project completion.

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. A strong effort has been made to limit the number of projects until there is sufficient growth in the tax base to support a more aggressive capital improvement program. Looking forward, however, there are factors that may mitigate the debt impact anticipated by the adopted CIP, such as expanded tax base through growth, adjustment of spending priorities, or new grant funding.

Financing capital needs means that a revenue stream must exist to pay for the debt service costs. The potential tax impact of the CIP (shown on page 3.4) is noteworthy and points to the need for diversification of the town's tax base and consideration of revisiting revenue-generating possibilities with the North Carolina General Assembly to avoid a heavy reliance on property taxes, one of the very few revenue sources under control of local governments in North Carolina. A menu of revenue options exists, including 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 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 that will continue to provide for generations to come.

I look forward to discussing the projects recommended in the CIP and ultimately bringing to life the vision of our residents and the Board.

Sincerely,

Steven E. Stewart
Town Manager

SES/ALM

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

The Capital Improvements Program

The Capital Improvement Program (CIP) differs from the annual budgeting of operating expenses primarily in that the project submitted 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) - both additions and replacements - shall be considered for the Town's lease-purchase schedule identified in the CIP. The vehicle replacement schedule enumerated in the lease-purchase schedule within the CIP document is based on criteria established in the Town vehicle replacement policy. Also, Information Technology (IT) projects with costs equal to or greater than \$15,000 are evaluated, prioritized and included in the Information Technology Schedule in the CIP. IT projects emphasized in the CIP focus on the significant IT needs not previously funded, whereas the annual operating budget assumes the responsibility for replacements, upgrades and maintenance costs.

Functions of the CIP

The six-year CIP schedule is a planning tool, not a budget. Adjustments for anticipated projects can 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. This flexibility in the

planning and implementation of capital needs makes Carrboro's CIP responsive to the changing needs of its diverse community. The CIP achieves five (5) major 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 should be tied to projected revenue and expenditure constraints. Future planning should consider 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 intergenerational 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. Debt levels are discussed in detail in the Appendix.

Any capital item that has not been included in the CIP or recurring lease-purchase schedule but because of its critical or emergency need where timing was not anticipated in the CIP or budgetary process or is mandated immediately by either state or federal requirements will be considered for approval for debt financing.

The CIP Document provides information in three sections:

Section I, Summary

This section of the document consists of a transmittal message and summary spreadsheets that describe what is proposed in the CIP plan, changes in the Town's capital pro-

CIP Document Organization

gram, and a discussion of the impact of the CIP on debt, operating costs, tax, and revenue implications of the plan.

Section II, Individual Project Descriptions

This section describes each project individually, identifies various components of expenditures and revenue. The expenditure categories used are described below:

- *Planning:* These costs include architect plans, site testing, and other pre-building issues.
- *Land/ROW:* Estimated costs for 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 allocation includes costs not easily fit into other categories. Examples include computer hardware and software purchases, attorney's fees, and ongoing park maintenance needs.
- *Contingencies:* This is generally a percentage of the total project construction costs and represents funds available for unforeseen costs or cost increases.

Project revenues are largely dependent upon financing through various debt instruments such as general obligation bonds or install-

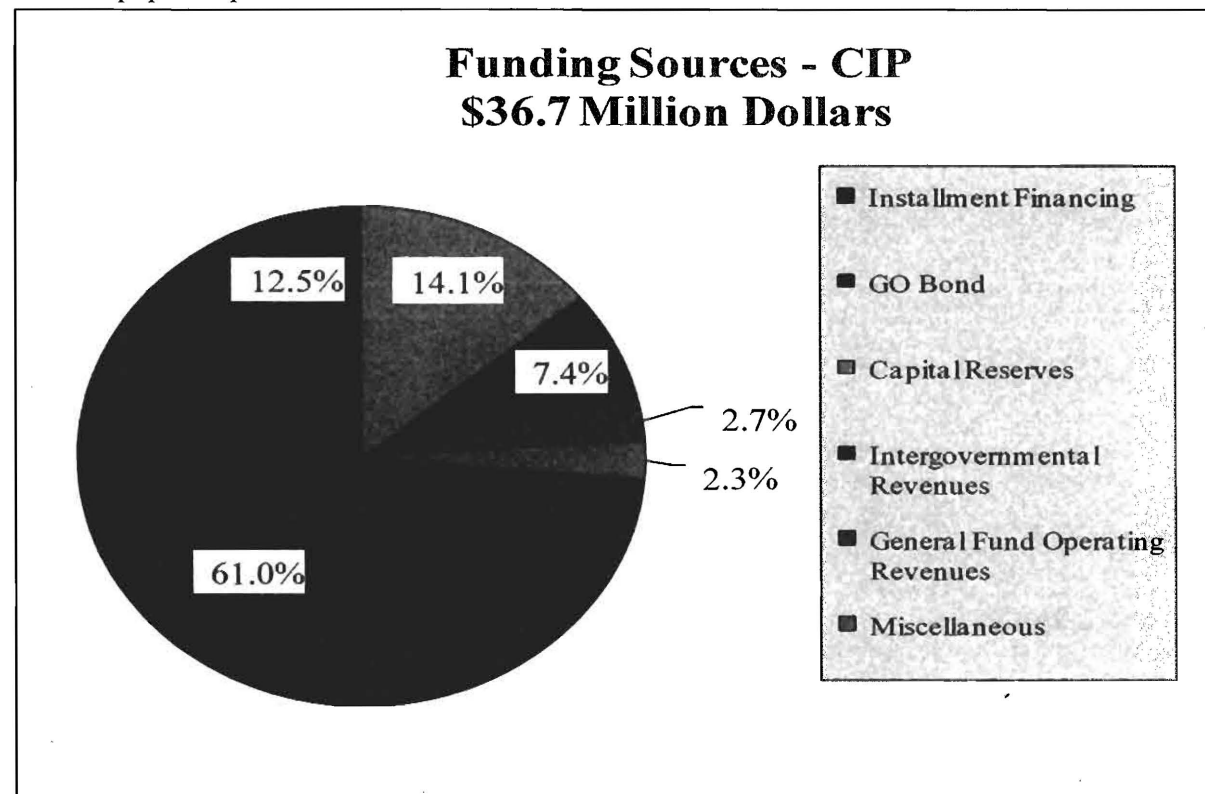
ment financing. The graph below illustrates the revenue stream needed to finance the Town's CIP. Approximately, 74 percent of the CIP is financed through debt, requiring revenue to support debt payments.

Below is a list of the types of funding:

- *Installment Financing:* This is a debt financing source that does not require voter approval. Debt payments generally extend fifteen years with the asset as collateral. The Town has used installment financing to fund short-term vehicle and equipment purchases and for land and

facilities.

- *General Obligation Bonds:* This form of debt financing requires voter approval. The ability to get funds follows 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 general obligation. Debt payments for GO bonds generally have a twenty-year term.
- *Capital Reserves:* Capital Reserve Funds are created to set aside funds for any purposes for which a local govern-



ment may issue bonds. A certain amount of funds is set aside via an allocation from the Town's primary operating fund, the General Fund, to accumulate to pay for large capital items. The Town has largely used capital reserves for its street resurfacing program and pay the local match toward sidewalk construction along state roads.

- *Intergovernmental Revenues* – This represents grants or support from other local, federal, or state governmental jurisdictions.
- *General Fund Operating Revenues* – This represents funding appropriated directly from the Town's General Fund each year. There is no debt associated with this funding.
- *Miscellaneous* – The revenue includes various small miscellaneous contributions including funds received directly from developers and reserves set aside as required by the Town's payment-in-lieu program for recreation and open space.
- *Operating Budget Effects* – This reflects an estimate of the additional annual operating budget impact for each fiscal year.

Section III, Appendix

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

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.

Projects	PREVIOUS YEARS EXPENSES					FY16-17 AND BEYOND				TOTAL PROJECTS	OPERATING IMPACT	FTES
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND					
Street Resurfacing	\$ -	\$ 544,806	\$ 601,300	\$ -	\$ 663,400	\$ -	\$ 731,500	\$ 822,000	\$ 3,363,006	\$ -	0.0	
Sidewalks	\$ 2,367,844	\$ 172,500	\$ 1,888,000	\$ 1,778,500	\$ -	\$ -	\$ -	\$ -	\$ 6,206,844	\$ -	0.0	
Park Maintenance and Repair	\$ 39,581	\$ 147,455	\$ 99,907	\$ 89,743	\$ 414,991	\$ 138,600	\$ 100,800	\$ 128,000	\$ 1,159,077	\$ 2,000	0.0	
Town Parking Lots	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	0.0	
Public Works Facility	\$ 756,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,199,000	\$ 12,955,486	\$ 7,500	0.0	
Greenways	\$ 122,379	\$ 146,500	\$ 618,818	\$ 862,774	\$ -	\$ -	\$ -	\$ -	\$ 1,750,471	\$ 72,000	0.7	
Martin Luther King, Jr. Park	\$ 596,250	\$ -	\$ -	\$ 1,772,151	\$ 400,557	\$ -	\$ -	\$ -	\$ 2,768,958	\$ 25,000	0.3	
Weaver Street Reconstruction	\$ 52,315	\$ 797,685	\$ 951,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,801,000	\$ -	0.0	
Equipment/Vehicle Lease-Purchase	\$ 620,496	\$ 560,500	\$ 1,171,350	\$ 999,480	\$ 353,248	\$ 1,543,795	\$ 566,443	\$ 296,342	\$ 6,111,654	\$ -	0.0	
Information Technology	\$ -	\$ 15,000	\$ 36,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 122,000	\$ 21,700	0.0	
Total Projects	\$ 4,555,350	\$ 2,384,446	\$ 5,366,875	\$ 5,518,148	\$ 1,887,196	\$ 1,682,395	\$ 1,398,743	\$ 13,945,342	\$ 36,738,495	\$ 128,200	1.0	

Funding Source	PREVIOUS YEARS REVENUE					FY16-17 AND BEYOND				TOTAL FUNDING	% of Funding
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND				
Installment Financing	\$ 1,688,629	\$ 560,500	\$ 1,171,350	\$ 2,771,631	\$ 1,124,560	\$ 1,543,795	\$ 566,443	\$ 12,995,342	\$ 22,422,250	61.0%	
GO Bond	\$ 2,081,924	\$ -	\$ 917,060	\$ 1,601,016	\$ -	\$ -	\$ -	\$ -	\$ 4,600,000	12.5%	
Capital Reserves	\$ 52,315	\$ 1,342,491	\$ 1,346,123	\$ 207,000	\$ 663,400	\$ -	\$ 731,500	\$ 822,000	\$ 5,164,829	14.1%	
Intergovernmental Revenues	\$ 125,271	\$ 319,000	\$ 1,745,656	\$ 531,000	\$ -	\$ -	\$ -	\$ -	\$ 2,720,927	7.4%	
General Fund Operating Revenues	\$ 102,965	\$ 162,455	\$ 136,407	\$ 105,243	\$ 99,236	\$ 138,600	\$ 100,800	\$ 128,000	\$ 973,706	2.7%	
Miscellaneous	\$ 504,247	\$ -	\$ 50,279	\$ 302,258	\$ -	\$ -	\$ -	\$ -	\$ 856,784	2.3%	
Total Funding	\$ 4,555,351	\$ 2,384,446	\$ 5,366,875	\$ 5,518,148	\$ 1,887,196	\$ 1,682,395	\$ 1,398,743	\$ 13,945,342	\$ 36,738,496	100.0%	

OPERATING BUDGET EFFECTS

Elements	PREVIOUS YEARS EXPENSES					FY16-17 AND BEYOND				TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND			
Personnel Costs	\$ -	\$ -	\$ -	\$ 52,000	\$ -	\$ -	\$ -	\$ -	\$ 52,000	
Operating and Maintenance	\$ -	\$ -	\$ 3,700	\$ 19,500	\$ 3,500	\$ 15,000	\$ -	\$ 7,500	\$ 49,200	
Capital Outlays	\$ -	\$ -	\$ -	\$ 27,000	\$ -	\$ -	\$ -	\$ -	\$ 27,000	
Total Operating Costs	\$ -	\$ -	\$ 3,700	\$ 98,500	\$ 3,500	\$ 15,000	\$ -	\$ 7,500	\$ 128,200	
Minus New Revenues*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Operating Effect	\$ -	\$ -	\$ 3,700	\$ 73,500	\$ 3,500	\$ 15,000	\$ -	\$ 7,500	\$ 128,200	
New Personnel (FTE)	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	1.0	

***INDIVIDUAL PROJECT DESCRIPTIONS
PROJECT DESCRIPTIONS AND EXPENDITURE SCHEDULE***

Street Resurfacing

Project Description

Many years ago the Town acknowledged the importance of maintaining streets by appropriating 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 2008. The Average Pavement Conditions Rating (PCR) for the entire maintained road system in 2008 was 85.7% which was lower than the 2005 Average PCR value of 88.0%. Both ratings fall within the Good Category range of 81%-90%. The next condition survey will be in spring of

2011.

Define Problem

The Town has avoided the issues faced many years ago when streets were in poor condition. 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 38 miles of paved roads. A two-year bid cycle reduces administrative time and construction cost.

Project Alternatives

Lower cost surface treatments are available but the extended service life resulting from these treatments is much less than resurfacing.

Recommended Solution

Continue transferring money each year 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 COST ESTIMATES

Expenditures	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
	Planning/Arch/Eng		\$ 1,200	\$ 1,300		\$ 1,400		\$ 1,500	\$ 17,000
Land/ROW									\$ -
Construction		\$ 543,606	\$ 600,000		\$ 662,000		\$ 730,000	\$ 805,000	\$ 3,340,606
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ 544,806	\$ 601,300	\$ -	\$ 663,400	\$ -	\$ 731,500	\$ 822,000	\$ 3,363,006

FUNDING SOURCES

Revenue Source	PREVIOUS YEARS REVENUE	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
	Installment Financing								
GO Bond									\$ -
Capital Reserves		\$ 544,806	\$ 601,300		\$ 663,400		\$ 731,500	\$ 822,000	\$ 3,363,006
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ 544,806	\$ 601,300	\$ -	\$ 663,400	\$ -	\$ 731,500	\$ 822,000	\$ 3,363,006

OPERATING BUDGET EFFECTS

Elements	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 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

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, sidewalks.

The community, in 2003, voted to use \$4.6 million general obligation bond funds to finance a comprehensive sidewalk construction program. In conjunction with state agencies and developers, the Board has crafted a plan to finance sidewalk construction over a period of six years provided the Town's fiscal position and the economy remain healthy. The list of sidewalks funded is reviewed on occa-

sion 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. is anticipated to start in FY 10/11.

The proposed Rogers Road sidewalk project

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 542,045	\$ 14,500	\$ 315,000	\$ 91,500					\$ 963,045
Land/ROW		\$ 16,000	\$ 30,000						\$ 46,000
Construction	\$ 1,823,987	\$ 142,000	\$ 1,543,000	\$ 1,480,000					\$ 4,988,987
Equip/Furnishing									\$ -
Other	\$ 1,812		\$ -	\$ 207,000					\$ 208,812
Contingencies	\$ -								\$ -
TOTAL	\$ 2,367,844	\$ 172,500	\$ 1,888,000	\$ 1,778,500	\$ -	\$ -	\$ -	\$ -	\$ 6,206,844
FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond	\$ 2,081,924		\$ 810,558	\$ 1,448,618	\$ -				\$ 4,341,100
Capital Reserves			\$ 143,823	\$ 207,000					\$ 350,823
Intergovernmental Revenues	\$ 71,944	\$ 172,500	\$ 883,340						\$ 1,127,784
General Fund Operating Revenues	\$ 11,700								\$ 11,700
Miscellaneous - Payment in Lieu	\$ 202,276		\$ 50,279	\$ 122,882					\$ 375,437
Total Funding	\$ 2,367,844	\$ 172,500	\$ 1,888,000	\$ 1,778,500	\$ -	\$ -	\$ -	\$ -	\$ 6,206,844
OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 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

is included in the CIP with construction planned to start in FY 11/12. This project will be funded with a combination of bond funds and STP-DA funds.

The NCDOT proposed sidewalk/bike lane along Old Fayetteville Road (NC54 to McDougle Middle School) is funded entirely by NCDOT and construction is expected to be completed in fall of 2010. Sidewalk installation is also expected 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.

It should be noted that \$126,849 of bond funds were used to fund the Town's share of three Enhancement Projects (Jones Ferry Rd., Old Fayetteville Rd. and Brewer Lane). These projects were completed in 2008.

Since the inception of the sidewalk bond program, the Town has undertaken and completed nineteen projects for approximately 3.9 miles of sidewalk which also includes significant storm sewer, curb, gutter and retaining wall improvements. The total expenses for these completed sidewalk projects and those planned for FY 10-11 and FY11-12 will commit the entire amount of bond funds available.

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 urban 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 subcollector 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.

Operating Impact

As sidewalks are added and eventually age, operating costs will increase, however, the incremental cost with each project is minimal at this point.

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 ensure 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. The operating and maintenance costs in FY13-14 are for the elevator maintenance and inspection.

PARK MAINTENANCE & REPAIR REPLACEMENT FUND

PROJECT COST ESTIMATES

Expenditures	PREVIOUS YEARS EXPENSES							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
Planning/Arch/Eng	\$ 13,500							\$ 13,500	
Land/ROW								\$ -	
Construction	\$ 133,955			\$ 370,755				\$ 504,710	
Equip/Furnishing								\$ -	
Other	\$39,581	\$ 99,907	\$ 89,743	\$ 44,236	\$ 138,600	\$ 100,800	\$ 128,000	\$ 640,867	
Contingencies								\$ -	
TOTAL	\$ 39,581	\$ 147,455	\$ 99,907	\$ 89,743	\$ 414,991	\$ 138,600	\$ 100,800	\$ 1,159,077	

FUNDING SOURCES

Revenue Source	PREVIOUS YEARS REVENUE							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
Installment Financing	\$ 37,647			\$ 370,755	\$ -	\$ -		\$ 408,402	
GO Bond								\$ -	
Capital Reserves								\$ -	
Intergovernmental Revenues								\$ -	
General Fund Operating Revenues	\$ 1,934	\$ 147,455	\$ 99,907	\$ 89,743	\$ 44,236	\$ 138,600	\$ 100,800	\$ 750,675	
Miscellaneous - Payment in Lieu								\$ -	
Total Funding	\$ 39,581	\$ 147,455	\$ 99,907	\$ 89,743	\$ 414,991	\$ 138,600	\$ 100,800	\$ 1,159,077	

OPERATING BUDGET EFFECTS

Elements	PREVIOUS YEARS							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
Personnel Costs								\$ -	
Operating and Maintenance				\$ 2,000				\$ 2,000	
Capital Outlays								\$ -	
Total Operating Costs	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	
Minus New Revenues*								\$ -	
Net Operating Effect	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	
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							FY16-17 AND BEYOND	TOTAL
	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17			
Lights at the Multi-purpose Field - Anderson Park	\$ 99,907							\$ 99,907	
Anderson Park Basketball Court Resurfacing		\$ 11,550						\$ 11,550	
Town Commons Play Equipment		\$ 38,808						\$ 38,808	
Baldwin Basketball Court Renovation		\$ 39,385						\$ 39,385	
Anderson Park Tennis Court Resurfacing			\$ 8,662					\$ 8,662	
Anderson Fitness Stations			\$ 35,574					\$ 35,574	
Anderson Park Bathroom Facility			\$ 209,055					\$ 209,055	
Century Center Renovation (Elevator)			\$ 161,700					\$ 161,700	
Wilson Park Tennis Court Replacement				\$ 138,600				\$ 138,600	
Anderson Park Pavillion Replacement					\$ 37,800			\$ 37,800	
Brewer's Lane Basketball Court Renovation					\$ 63,000			\$ 63,000	
Anderson Tennis Court Resurfacing						\$ 8,000		\$ 8,000	
Anderson and Wilson Playground Renovation						\$ 120,000		\$ 120,000	
Total	\$ -	\$ 99,907	\$ 89,743	\$ 414,991	\$ 138,600	\$ 100,800	\$ 128,000	\$ -	\$ 972,041

PROJECTS ON HOLD

Wilson Park Playground Replacement	\$ 31,500
Dog Park Fence Renovation	\$ 11,025
Field # 4 Renovation	\$ 50,935
Anderson Multi-purpose Field Renovation	\$ 44,236
Total	\$ 137,696

Town Parking Lots

Project Description

This project will satisfy the need to maintain public parking in the downtown 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 economic 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							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
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							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
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							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minus New Revenues*									\$ -
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 five more years to FY 16-17.

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 a file room.

Project Alternatives

Remain in current facility.

Recommended Solution

The Town has committed to constructing a public works facility in the future and has demonstrated this commitment with the purchase of approximately 23 acres off of Old NC 86. Construction of the facility is planned for FY16-17.

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							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
Planning/Arch/Eng	\$ 4,355							\$ 1,960,000	\$ 1,964,355
Land/ROW	\$ 751,881								\$ 751,881
Construction	\$ -							\$ 8,137,000	\$ 8,137,000
Equip/Furnishing								\$ 1,896,000	\$ 1,896,000
Other	\$ 250							\$ -	\$ 250
Contingencies								\$ 206,000	\$ 206,000
TOTAL	\$ 756,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,199,000	\$ 12,955,486

FUNDING SOURCES

Revenue Source	PREVIOUS YEARS REVENUE							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
Installment Financing	\$ 756,486						\$ -	\$ 12,199,000	\$ 12,955,486
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ 756,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,199,000	\$ 12,955,486

OPERATING BUDGET EFFECTS

Elements	PREVIOUS YEARS EXPENSES							FY16-17 AND BEYOND	TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16			
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. Through the Metropolitan Planning Organization project funding process, the Town has secured financing for two greenways proposed for construction: the Morgan Creek

Greenway from University Lake to Smith Level Road, and the 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. If the Town wishes to establish a system of trails along these corridors, activities proposed by this project should be implemented.

Project Alternatives

An alternative to creating a system of greenways is to create selected linear parks or to simply continue without greenway facilities. In either event, the Town may wish to continue accepting the donation of easements and/or property along major streams for environmental protection and flood control purposes.

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 is three miles in length, connects with Chapel Hill's system at Smith Level Road and continues west to link with the University Lake Property. The BPW-Westbrook connector path, providing pedestrian and bicycle access, will be a part of this greenway. 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 is expected to be nearly complete in FY10/11 with that of Bolin Creek Phase 1B and Morgan Creek beginning in FY10/11. Other phases of greenway trails have been proposed but are currently unfunded, as noted in the Appendix.

Operating Impact

The creation of a greenway system will require additional personnel and equipment for maintenance as well as the possibility of police personnel for added security.

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 122,379	\$ 146,500	\$ 175,469	\$ 132,727					\$ 577,075
Land/ROW									\$ -
Construction			\$ 443,349	\$ 730,047					\$ 1,173,396
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ 122,379	\$ 146,500	\$ 618,818	\$ 862,774	\$ -	\$ -	\$ -	\$ -	\$ 1,750,471
FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond			\$ 106,502	\$ 152,398				\$ -	\$ 258,900
Capital Reserves									\$ -
Intergovernmental Revenues	\$ 53,327	\$ 146,500	\$ 512,316	\$ 531,000		\$ -			\$ 1,243,143
General Fund Operating Revenues	\$ 46,081					\$ -			\$ 46,081
Miscellaneous - Payment in Lieu	\$ 22,971			\$ 179,376					\$ 202,347
Total Funding	\$ 122,379	\$ 146,500	\$ 618,818	\$ 862,774	\$ -	\$ -	\$ -	\$ -	\$ 1,750,471
OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Personnel Costs				\$ 36,000					\$ 36,000
Operating and Maintenance				\$ 18,000					\$ 18,000
Capital Outlays				\$ 18,000					\$ 18,000
Total Operating Costs	\$ -	\$ -	\$ -	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ 72,000
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ 72,000
New Personnel (FTE)				0.7					0.7

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. A committee was appointed and Site Solutions was selected as the design consultant for the 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 Al-

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

Project Alternatives

Allow park to be used as is with no additional improvement.

Recommended Solution

Develop a neighborhood park on Hillsborough Road.

Operating Impact

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

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 42,533			\$ 169,773	\$ 66,759				\$ 279,065
Land/ROW	\$ 552,700								\$ 552,700
Construction				\$ 1,602,378	\$ 333,798				\$ 1,936,176
Equip/Furnishing									\$ -
Other	\$ 1,017								\$ 1,017
Contingencies									\$ -
TOTAL	\$ 596,250	\$ -	\$ -	\$ 1,772,151	\$ 400,557	\$ -	\$ -	\$ -	\$ 2,768,958
FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ 274,000		\$ -	\$ 1,772,151	\$ 400,557	\$ -	\$ -	\$ -	\$ 2,446,708
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	\$ -	\$ -	\$ 1,772,151	\$ 400,557	\$ -	\$ -	\$ -	\$ 2,768,958
OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Personnel Costs				\$ 16,000					\$ 16,000
Operating and Maintenance									\$ -
Capital Outlays				\$ 9,000					\$ 9,000
Total Operating Costs	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Minus New Revenues*				\$ -					\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
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 for 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. An inventory of these needs is presented on the 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 has traditionally used installment financing to ensure regular replacement of the Town's rolling stock and on occasion to purchase high-cost equipment that is replaced or needed on an infrequent basis.

Project Alternatives

When vehicles or equipment are not replaced on a consistent schedule, excessive downtime or staff labor may be used toward maintaining broken equipment or vehicles. This could disrupt services provided by the Town in a detrimental way that affects service delivery or causes safety or liability concerns for the Town.

Recommended Solution

The Town should provide for the adequate maintenance of vehicles and equipment to ensure efficient and effective service delivery. The Public Works Department reviews all vehicle requests and makes recommendations based on

replacement criteria identified in the Town's policies.

Operating Impact

The majority of items requested are replacement vehicles and operational costs are minimized by replacing the vehicles in a timely manner. The increased cost of the police vehicles in FY11-12 is due to retrofitting video equipment in each vehicle.

PROJECT COST ESTIMATES

Expenditures	PREVIOUS YEARS EXPENSES							FY16-17 AND BEYOND		TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND			
Planning/Arch/Eng									\$ -	
Land/ROW									\$ -	
Construction									\$ -	
Equip/Furnishing	\$ 620,496	\$ 560,500	\$ 1,171,350	\$ 999,480	\$ 353,248	\$ 1,543,795	\$ 566,443	\$ 296,342	\$ 6,111,654	
Other									\$ -	
Contingencies									\$ -	
TOTAL	\$ 620,496	\$ 560,500	\$ 1,171,350	\$ 999,480	\$ 353,248	\$ 1,543,795	\$ 566,443	\$ 296,342	\$ 6,111,654	

FUNDING SOURCES

Revenue Source	PREVIOUS YEARS REVENUE							FY16-17 AND BEYOND		TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND			
Installment Financing	\$ 620,496	\$ 560,500	\$ 1,171,350	\$ 999,480	\$ 353,248	\$ 1,543,795	\$ 566,443	\$ 296,342	\$ 6,111,654	
GO Bond									\$ -	
Capital Reserves									\$ -	
Intergovernmental Revenues									\$ -	
General Fund Operating Revenues									\$ -	
Miscellaneous - Payment in Lieu									\$ -	
Total Funding	\$ 620,496	\$ 560,500	\$ 1,171,350	\$ 999,480	\$ 353,248	\$ 1,543,795	\$ 566,443	\$ 296,342	\$ 6,111,654	

OPERATING BUDGET EFFECTS

Elements	PREVIOUS YEARS REVENUE							FY16-17 AND BEYOND		TOTAL PROJECT
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND			
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.

Type	Department	Vehicle	Cost
Fiscal Year 2011-2012			
Replacement	Fire	Pumper Truck-Replace #934	\$ 620,000
Replacement	Rec & Parks	Full Size Pick up -Replace #016	\$ 16,000
Replacement	Rec & Parks	Small Pick up -Replace #015	\$ 15,800
Replacement	Planning	Mid size SUV - Replace #135	\$ 28,000
Replacement	Police	Administration-Replace vehicle #190	\$ 28,000
Replacement	Police	Patrol Vehicle-Replace vehicle #205	\$ 40,100
Replacement	Police	Patrol Vehicle-Replace vehicle #206	\$ 40,100
Replacement	Police	Patrol Vehicle-Replace vehicle #207	\$ 40,100
Replacement	Police	Patrol Vehicle-Replace vehicle #208	\$ 40,100
Replacement	Police	Patrol Vehicle-Replace vehicle #235	\$ 40,100
Replacement	Police	Investigations-Replace vehicle #204	\$ 27,300
Replacement	Police	Animal Control vehicle - Replace K-9	\$ 15,750
Replacement	Public Works	Solid Waste - Front Loader- Replace #56	\$ 220,000
		TOTAL	\$ 1,171,350
Fiscal Year 2012-2013			
Replacement	Public Works	Solid Waste - Fully Automated - Replace #54	\$ 256,000
Replacement	Public Works	Streets - Replace Lee Boy Roller #039	\$ 37,800
Replacement	Public Works	Solid Waste - Replace #300	\$ 250,000
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	Sedan - Replace #982	\$ 24,000
Addition	Public Works	Solid Waste - Front Loader New Addition to Fleet	\$ 220,000
		TOTAL	\$ 999,480
Fiscal Year 2013-2014			
Replacement	Planning	Hybrid	\$ 32,340
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	\$ 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
		TOTAL	\$ 353,248

Lease-Purchase Schedule, continued

Fiscal Year 2014-2015			
Replacement	Public Works	Streets-New Holland Tractor Replace #044/Boom Mower-Re	\$ 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 Labrie #801	\$ 225,000
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	\$ 38,900
Addition	Police	Patrol Vehicle	\$ 38,900
Replacement	Police	Investigations-Replace # 227	\$ 31,395
Replacement	Fire	Engine-1998 Ferrara-Replace #931	\$ 650,000
		TOTAL	\$ 1,543,795
Fiscal Year 2015-2016			
Replacement	Public Works	Fleet Maintenance-Hybrid Sedan-Replace vehicle #220	\$ 28,000
Replacement	Public Works	Streets-F-350 4x4 Truck-Replace vehicle #041	\$ 23,500
Replacement	Public Works	L&G-Dump Truck-Replace vehicle #031	\$ 43,155
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	\$ 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
		TOTAL	\$ 566,443
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	Police	Investigations-Replace vehicle # 237	\$ 34,842
Addition	Police	Patrol Vehicle	\$ 42,880
Replacement	Fire	Ford F-250 HD 4x4 Shift Commander Replace vehicle # 987	\$ 53,470
		TOTAL	\$ 296,342

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.

PROJECT COST ESTIMATES									
Expenditures	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 52,315	\$ 97,685	\$ 100,100						\$ 250,100
Land/ROW									\$ -
Construction		\$ 700,000	\$ 850,900						\$ 1,550,900
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ 52,315	\$ 797,685	\$ 951,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,801,000
FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves	\$ 52,315	\$ 797,685	\$ 601,000						\$ 1,451,000
Intergovernmental Revenues			\$ 350,000						\$ 350,000
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ 52,315	\$ 797,685	\$ 951,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,801,000
OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 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

The recommendation for Weaver Street includes repaving (maintain existing cross section) and re-striping to narrow the travel lanes to ten feet creating a four-foot wide bicycle lane between the travel lanes and the gutter pan. Other suggestions include the installation of three new mid-block crossings, upgrade signage, bike detectors at intersections to trigger changes in traffic signals, ADA compliant wheelchair ramps, hedge-screens between the public right-of-way and private parking lots.

The basic repaving of Weaver Street was first programmed in the CIP beginning with the FY 2006/07 plan. Design for the project was originally scheduled for 2007/08 and construction slated for 2008/09.

This project was discussed with the Board in November of 2007 as part of the annual CIP presentation. At the end of the presentation 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.

Design of the project continues in FY 10/11. Final construction plans are almost finished and the Town is in the process of obtaining necessary permits, encroachment agreements and easements. A tentative bid opening is slated for the fall of 2010. It is anticipated that construction will start in late December of 2010 and take about one year for completion.

Project Alternatives

None.

Recommended Solutions

The current condition of Weaver Street continues to worsen and the project cannot be postponed indefinitely. The longer reconstruction is delayed, the more expensive temporary repairs will be.

Operating Impact

These two blocks of Weaver Street are in poor condition and in the last several years have 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 with costs equal to or greater than \$15,000 are included on the Information Schedule (individual projects are listed in the schedule on the following page).

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 down-time or staff time may be used toward 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 on-going 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	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction									\$ -
Equip/Furnishing		\$ 15,000	\$ 36,500	\$ 15,500	\$ 55,000				\$ 122,000
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ 15,000	\$ 36,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 122,000
FUNDING SOURCES									
Revenue Source	PREVIOUS YEARS REVENUE	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ -								\$ -
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues	\$ -	\$ 15,000	\$ 36,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 122,000
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ 15,000	\$ 36,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 122,000
OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance		\$ -	\$ 3,700	\$ 1,500	\$ 1,500	\$ 15,000			\$ 21,700
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ 3,700	\$ 1,500	\$ 1,500	\$ 15,000	\$ -	\$ -	\$ 21,700
Minus New Revenues*									\$ -
Net Operating Effect	\$ -	\$ -	\$ 3,700	\$ 1,500	\$ 1,500	\$ 15,000	\$ -	\$ -	\$ 21,700
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 TECHNOLOGY SOLUTIONS PROJECTS									
	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY16-17 AND BEYOND	TOTAL
Street Sign Management System		\$ 15,000							\$ 15,000
PD In-Car Video System and Infrastructure									\$ -
PD In-Car Video System and Infrastructure			\$ 21,500						\$ 21,500
Traffic Counters									\$ -
Tyler Forms for the Munis Financial System			\$ 15,000	\$ 15,500					\$ 30,500
Street Sign Management System									\$ -
Planning - Document Scanning/GIS Integration				\$ -	\$ 55,000				\$ 55,000
									\$ -
Total	\$ -	\$ 15,000	\$ 36,500	\$ 15,500	\$ 55,000	\$ -	\$ -	\$ -	\$ 122,000
OPERATING BUDGET EFFECTS									
Elements	PREVIOUS YEARS EXPENSES	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY16-17 AND BEYOND	TOTAL
Personnel Costs									\$ -
Operating and Maintenance		\$3,700	\$ 1,500	\$ 1,500	\$ -				\$ 6,700
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ 3,700	\$ 1,500	\$ 1,500	\$ 15,000	\$ -	\$ -	\$ -	\$ 21,700
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ 3,700	\$ 1,500	\$ 1,500	\$ 15,000	\$ -	\$ -	\$ -	\$ 21,700
New Personnel (FTE)									0.0

APPENDIX

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

The CIP planning process includes an analysis of the impact on the town's overall financial condition. This financial analysis evaluates the impact of the CIP on the Town's debt burden, debt service and annual operating costs. These are the major debt ratios monitored by the Local Government Commission and credit rating industries in assessing the fiscal health of the Town. 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.

The debt analyses is based on the proposed spending and borrowing of \$36.7 million to fund CIP projects over a six-year period. Where applicable, projects and purchases including vehicles and equipment are based upon a six percent inflation factor. Lease purchase financing for vehicles and equipment assumes a five – seven year term while lease purchase financing for all other projects assumes a 15-year term. Projects financed with General Obligation Bond debt assumes a 20-year term. For all debt scenarios, we estimate a five and three-quarters percent interest rate in FY2010-11 and increase the rate a one-half percentage point every year through FY2015-16 with a final interest rate of 8.75 percent. Also, the amounts needed to finance capital projects with cash (i.e., capital reserves or general fund contribution) are also considered.

Debt Service Ratios

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

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.

Numerous indicators 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.

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 FY2008-09 was .385 percent with a high level being 1.414 percent. Carrboro's ratio for this same period was .451% and is projected to peak in FY 112-13 to .700%. Because the Town has very little bonded debt, having

used primarily installment debt financing, the debt-to-assessed valuation ratio is considered to fall within the norm. Overall the Town's debt is well below the legal limit (NC General Statutes GS 159-55) that limits net debt to eight percent (8 %) or less of a local government's total property valuation. For Carrboro that legal margin, based on the June 30, 2010 audited valuation, is \$153,531,227.

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 2008-09 the Town's per capita debt was \$367 compared to an average of \$413 for peer group and a high of \$1,193. While the estimated per capita debt for FY 10-11 is estimated to be \$629, this is expected to be lowered to \$589 in FY 12-13 when debt is estimated to peak at \$2.6 million.

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 percent of operating revenues as a potential problem while 10 percent is considered acceptable. 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 11.24 percent in FY12-13 yet stays within 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 General 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 decision, there are challenges and choices the town must make in carrying out its CIP over the coming years. Given a tax base consisting of residential properties and limited or no commercial base, the ability to sustain a large capital improvements program becomes even more challenging.

Summary Table of the Impact of CIP on Debt Ratios

DEBT SERVICE COSTS								
		FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Total GO Debt	\$ 22,573	\$ 18,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Installment Purchase Debt, Long Term	\$ 376,965	\$ 373,272	\$ 369,610	\$ 365,886	\$ 362,193	\$ 333,827	\$ 170,588	
Total Installment Purchase Debt, General Fund Veh/Equip	\$ 994,674	\$ 777,251	\$ 612,240	\$ 372,611	\$ 132,631	\$ -	\$ -	
CURRENT DEBT SERVICE OBLIGATIONS	\$ 1,394,212	\$ 1,169,516	\$ 981,850	\$ 738,497	\$ 494,824	\$ 333,827	\$ 170,588	
GO Debt Service Costs	\$ 190,095	\$ 391,414	\$ 555,163	\$ 538,488	\$ 521,813	\$ 505,138	\$ 471,787	
Installment Purchase Debt Service Costs, Long Term	\$ 342,328	\$ 333,510	\$ 616,196	\$ 597,601	\$ 579,005	\$ 560,410	\$ 523,219	
Installment Purchase Short Term Debt Service Costs, General Fund Veh/Equip	\$ -	\$ 264,664	\$ 492,481	\$ 573,700	\$ 931,712	\$ 1,067,144	\$ 934,600	
TOTAL DEBT SERVICE OBLIGATIONS, CURRENT & RECOMMENDED	\$ 1,926,635	\$ 2,159,103	\$ 2,645,690	\$ 2,448,285	\$ 2,527,354	\$ 2,466,518	\$ 2,100,194	
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	\$ 3,220,000	
Installment Purchase, Long Term Debt	\$ 5,010,887	\$ 4,499,103	\$ 3,979,545	\$ 3,451,918	\$ 2,915,914	\$ 2,396,132	\$ 1,488,334	
Installment Purchase, Short Term General Fund Veh/Equip	\$ 1,727,595	\$ 1,034,564	\$ 474,624	\$ 125,526	\$ 0	\$ -	\$ -	
CURRENT OUTSTANDING PRINCIPAL	\$ 11,338,482	\$ 10,133,667	\$ 8,824,170	\$ 7,717,444	\$ 6,825,914	\$ 6,076,132	\$ 4,708,334	
ADDITIONAL DEBT (OUTSTANDING PRINCIPAL):								
Installment Purchase, Long Term Debt	\$ -	\$ -	\$ 2,027,861	\$ 1,883,014	\$ 1,738,166	\$ 1,593,319	\$ 1,303,625	
Installment Purchase, Short Term General Fund Veh/Equip	\$ 1,212,000	\$ 1,160,336	\$ 1,372,790	\$ 1,198,668	\$ 1,821,529	\$ 1,045,507	\$ 95,620	
TOTAL OUTSTANDING PRINCIPAL, CURRENT & RECOMMENDED	\$ 12,550,482	\$ 11,294,003	\$ 12,224,820	\$ 10,799,126	\$ 10,385,610	\$ 8,714,958	\$ 6,107,578	
Population	19,953	20,352	20,759	21,174	21,598	22,029	22,919	
Projected Assessed Valuation	\$ 1,655,892,914	\$ 1,705,569,702	\$ 1,756,736,793	\$ 1,809,438,897	\$ 1,863,722,063	\$ 1,919,633,725	\$ 2,036,539,419	
WITHOUT ADDITIONAL DEBT								
Projected Budget - 3% growth w short term debt and w/o additional long-term debt only + CIP PAYG only	\$ 20,031,797	\$ 21,195,694	\$ 21,710,462	\$ 21,695,603	\$ 21,755,624	\$ 21,206,089	\$ 19,924,814	
% Outstanding Principal to Assessed Valuation	0.68%	0.59%	0.50%	0.43%	0.37%	0.32%	0.23%	
% Debt Svc to Total Budget	6.96%	5.52%	4.52%	3.40%	2.27%	1.57%	0.86%	
Debt Per Capita	\$ 568	\$ 498	\$ 425	\$ 364	\$ 316	\$ 276	\$ 205	
WITH ADDITIONAL DEBT								
Projected Budget + Additional Debt Service + CIP PAYG and Operating Impact Costs	\$ 20,864,325	\$ 23,037,514	\$ 23,608,764	\$ 23,581,882	\$ 23,375,792	\$ 22,271,636	\$ 20,919,820	
% Outstanding Principal to Assessed Valuation	0.76%	0.66%	0.70%	0.60%	0.56%	0.45%	0.30%	
% Debt Svc to Total Budget	9.23%	9.37%	11.21%	10.38%	10.81%	11.07%	10.04%	
Debt Per Capita	\$ 629	\$ 555	\$ 589	\$ 510	\$ 481	\$ 396	\$ 266	
DEBT RATIOS: PEER POPULATION (10,000-24,999), FY08-09								
	LOW	AVERAGE	HIGH					
Outstanding Principal (Debt) as % of Assessed Valuation	0.620%	0.385%	1.414%					
Outstanding Principal (Debt) Per Capita	\$ 61.00	\$ 413.00	\$ 1,193.00					
CREDIT RATING INDUSTRY STANDARD:								
	BUDGET STRAIN	ACCEPTABLE						
Debt Service as a % of the Operating Budget	20%	10%						

Impact of the 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 the 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 here will be increased cost of funding the priorities-- moving forward with plans to build the Martin Luther King, Jr. neighborhood park on Hillsborough Road in FY12-13; and continuing with sidewalk construction with the intention of beginning full debt service payments in FY12-13 on the entire \$4,600,000 approved by voters in November 2003. 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									
BOND REFUND, RECREATION AND FIRE FACILITY	\$ 863,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STREET AND BIKEWAY, GO BOND	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CENTURY CENTER, IP	\$ 3,080,000	\$ 229,879	\$ 229,879	\$ 229,879	\$ 229,879	\$ 229,879	\$ 229,879	\$ 229,879	\$ 229,879
MARTIN LUTHER KING, JR PARK, IP	\$ 274,000	\$ 24,673	\$ 24,673	\$ 24,673	\$ 24,673	\$ 24,673	\$ 24,673	\$ 24,673	\$ 24,673
PUBLIC WORKS LAND, IP	\$ 767,000	\$ 66,013	\$ 63,960	\$ 61,938	\$ 59,854	\$ 57,801	\$ 55,748	\$ 53,704	\$ 51,651
ADAMS TRACT, IP	\$ 600,000	\$ 56,400	\$ 54,760	\$ 53,120	\$ 51,480	\$ 49,840	\$ 48,200	\$ 46,560	\$ 44,920
SIDEWALK AND GREENWAYS - BANS	\$ 2,590,000	\$ 22,673	\$ 18,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FIRE SUBSTATION	\$ 2,992,703	\$ 342,328	\$ 333,510	\$ 324,691	\$ 315,873	\$ 307,055	\$ 298,236	\$ 289,418	\$ 280,600
VEHICLE/EQPMNT INSTALLMENT DEBT SERVICE, CURRENT(FY09-10 CIP)	N/A	\$ 994,674	\$ 777,251	\$ 612,240	\$ 372,611	\$ 132,631	\$ -	\$ -	\$ -
TOTAL CURRENT DEBT SERVICE		\$ 1,736,540	\$ 1,503,025	\$ 1,306,541	\$ 1,054,370	\$ 801,879	\$ 632,063	\$ 481,807	\$ 331,630
CIP PROJECTS RECOMMENDED, NOT YET FUNDED									
GOULD WALK AND GREENWAYS	\$ 300,000	\$ 199,056	\$ 281,414	\$ 363,772	\$ 446,130	\$ 528,488	\$ 610,846	\$ 693,204	\$ 775,562
TOTAL CIP PROJECTS RECOMMENDED, NOT YET FUNDED		\$ 199,056	\$ 281,414	\$ 363,772	\$ 446,130	\$ 528,488	\$ 610,846	\$ 693,204	\$ 775,562
DEBT SERVICE COSTS - LONG-TERM INSTALLMENT FINANCING									
MARTIN LUTHER KING JR. PARK	\$ 2,172,708	\$ -	\$ -	\$ 261,791	\$ 252,699	\$ 243,607	\$ 243,607	\$ 243,607	\$ 243,607
INSTALLMENT FINANCING DEBT SERVICE, FUTURE	\$ 2,172,708	\$ -	\$ -	\$ 261,791	\$ 252,699	\$ 243,607	\$ 243,607	\$ 243,607	\$ 243,607
TOTAL DEBT SERVICE, CURRENT AND FUTURE		\$ 1,926,635	\$ 2,159,103	\$ 2,615,976	\$ 2,419,256	\$ 2,499,010	\$ 2,447,951	\$ 2,511,706	\$ 2,511,706
CAPITAL RESERVE									
STREET RESURFACING		\$ 100,650	\$ 499,350	\$ 331,700	\$ 331,700	\$ 365,750	\$ 365,750	\$ 411,000	\$ 411,000
PARK MAINTENANCE FUND		\$ 184,455	\$ 99,907	\$ 89,743	\$ 414,991	\$ 138,600	\$ 100,800	\$ 128,000	\$ 128,000
WEAVER STREET RECONSTRUCTION		\$ -	\$ 370,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SIDEWALKS ROGERS RD AND SMITH LEVEL/CULBRETH ROADS		\$ -	\$ 143,823	\$ 207,000	\$ -	\$ -	\$ -	\$ -	\$ -
INFORMATION TECHNOLOGY		\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL RESERVE CASH ALLOCATION FOR FUTURE PROJECTS		\$ 300,105	\$ 1,113,197	\$ 628,443	\$ 746,691	\$ 504,350	\$ 466,550	\$ 539,000	\$ 539,000
OPERATING IMPACT OF CIP PROJECTS									
INFORMATION TECHNOLOGY		\$ -	\$ 3,700	\$ 1,500	\$ 1,500	\$ 15,000	\$ -	\$ -	\$ -
MARTIN LUTHER KING, JR. PARK		\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
GREENWAYS		\$ -	\$ -	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ -
PARK MAINTENANCE		\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -
PUBLIC WORKS FACILITY		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ 7,500
TOTAL OPERATING IMPACT OF CIP PROJECTS		\$ -	\$ 3,700	\$ 98,500	\$ 3,500	\$ 15,000	\$ -	\$ 7,500	\$ 7,500
GRAND TOTAL COSTS FOR CIP IMPLEMENTATION		\$ 2,226,740	\$ 3,276,000	\$ 3,342,919	\$ 3,169,447	\$ 3,018,360	\$ 2,914,501	\$ 3,058,206	\$ 3,058,206
LESS FUNDS ALREADY SET ASIDE IN CAPITAL RESERVE/DESIGNATED FUND BALANCE									
DIFFERENCE FROM PRIOR FISCAL YEAR		\$ (714,733)	\$ 734,776	\$ 373,858	\$ 33,528	\$ (151,087)	\$ (103,859)	\$ 143,705	\$ 143,705
REVENUE PER PENNY OF TAX		\$ 185,277	\$ 191,762	\$ 198,473	\$ 205,420	\$ 212,610	\$ 220,051	\$ 227,753	\$ 227,753
TAX RATE EQUIVALENT (CENTS) FOR BOTH CIP INFRASTRUCTURE AND OPERATING COSTS		N/A	3.83	1.88	0.16	(0.71)	(0.47)	0.63	0.63

Unfunded Projects

Bicycle and Pedestrian Improvements

The 2005 Downtown Circulation Study has identified opportunities to add more off-road connections and upgrade the on-road system of bike paths in Carrboro. The Bel Arbor Multi-Use Path (Phipps and Simpson Street to Bel Arbor Lane), which is part of the Town's 2006 Parks and Recreation Master Plan is included in this study. The S. Greensboro Sidewalk (between Old Pittsboro Rd. and the eastbound ramp from NC 54 Bypass) remains unfunded at this time. The construction of the sidewalk along Estes Drive is a continuing dilemma with the absence of bike lanes, the need to obtain right-of-way along a state –maintained road, high construction costs and a future NCDOT road project along the same corridor. This project is #13 on the regional priority list of the State Transportation Improvement Program. It is prudent to coordinate with NCDOR on a project that would include bike lanes and cost-sharing on sidewalks that would reduce local funding requirements. The Town will continue to evaluate alternatives such as the possible Pleasant Drive-Estes Park connection.

Greenways

The Town's Comprehensive Parks and Recreation Master Plan has adopted a greenways plan as one of its elements. These greenways will provide opportunities to provide a system of trails along major creeks in Carrboro's Planning Area and to coordinate these improvements to link with existing and planned trails in Chapel Hill and Orange County and to link neighborhoods and park facilities. The Board of Aldermen is planning to fund the Mor-

gan Creek Greenway and a portion of the Bolin Creek Greenway from Estes Drive to Hogan Farm with bond funding approved in the November 2003 referendum. However, several greenway projects remain unfunded at this time, largely due to the anticipated timing of the projects being beyond the six years being reviewed in the CIP. These greenways include: Sunset Creek Branch (Bolin Creek at Horace Williams to Sunset Bolin Creek); Bolin Creek from Hogan Farm to Union Grove Church Road; and Jones Creek (Bolin Creek to Twin Creeks); BPW/Westbrook and Tripp Farm to Seawell School Road.

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.

UNFUNDED PROJECTS
Bicycle/Pedestrian Improvements
Greenways
Gymnasium
Local Road Improvements
Outdoor Swimming Pool
Roberson St. Improvements
Town Hall Renovations

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.

Town Hall Renovations

Town Hall, originally constructed in 1920/21, 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.