

BOARD OF ALDERMEN

ITEM NO. F(5)

AGENDA ITEM ABSTRACT MEETING DATE: January 15, 2013

TITLE: Presentation of Capital Improvements Program Update

DEPARTMENT: Management Services	PUBLIC HEARING: YES ___ NO <u>X</u>
ATTACHMENTS: Attachment A: Resolution Accepting Report Attachment B: Capital Improvements Plan for FY 2013-14 through 2018-19	FOR INFORMATION CONTACT: David L. Andrews, Town Manager Arche L. McAdoo, Management Services Sandra Svoboda, Management Services

PURPOSE:

This item is to present to the Board of Aldermen the annual update of the Capital Improvements Program (CIP) for FY 2013-14 through FY 2018-19.

INFORMATION:

The six-year CIP is a planning tool that is updated annually to reflect changes in priorities and needs. It provides the Board an opportunity to review and make suggestions or changes. The CIP planning process seeks to forecast or plan for capital improvement needs necessary to deliver services to the community and at the same time maintain the Town's positive financial position. Projects are funded in the annual operating budget or through project ordinances adopted by the Board.

The CIP proposed for FY 2013-14 through FY 2018-19 totals \$40.3 million. This is an increase of \$696,506 over the prior year. Current projects total \$10.7 million (26.7%) and \$21.4 million or 53.3% are proposed for new projects. To comply with mandated storm water management rules and regulations, the Town will be required to spend roughly \$1.0 million (2.4%) over the next four years. The proposed cost for vehicles and equipment is \$6.8 million (17.1%) over the next six years.

This year, the CIP plan reflects the completion of the Weaver Street Reconstruction and 20 sidewalks covering 4.06 miles. Four more sidewalk projects are under design, under construction or anticipated to begin construction in FY 2012-13 for another 3.08 miles. The Wilson Park Multi-Use Path section of the Bolin Creek Greenway is under construction and should be completed in FY 2012-13. Preliminary engineering for the second phase of Bolin Creek and Morgan Creek is underway with construction expected to begin by summer of 2013. The updated CIP also continues the road resurfacing program, as well as maintaining the vehicle and equipment replacement schedule.

Construction of Town parking lots, new public works facility, and Martin Luther King, Jr. Park continue to be deferred to the outer years. Because the Master Plan for Martin Luther King, Jr. Park approved by the Board in 2004 needs to be updated, this is proposed to be undertaken in FY 2013-14 with construction proposed for FY 2016-17.

Roughly 70% of the funding for the CIP will be from general obligation bond (\$4.6 million) and installment financing (\$23.7 million) debt. Twenty nine percent or \$6.9 million of the installment financing will be to maintain the Town's rolling stock and equipment.

FISCAL IMPACT:

As noted in the section of the CIP on "Impact on Town's Overall Financial Condition and Operating Budget", the overall per capita debt ratio resulting from the proposed additional debt will exceed the average of \$395 for towns similarly sized, but remain below the high level of \$1,168 for each year.

Debt service as a percentage of the Town's projected operating budget is projected to be less than 10% each year. In terms of the operating budget, debt service will increase from \$1.2 million to \$2.2 million in FY 2016-17. The need for Capital Reserve Fund resources for future projects is estimated to increase from \$764,102 in FY 2012-13 to over \$2.0 million in FY 2015-16.

STAFF RECOMMENDATION:

The Board is requested to review the attached recommended CIP and make suggestions or changes, and adopt the attached resolution.