

Town of Carrboro

MARCH 3, 1911

Adopted

CAPITAL IMPROVEMENT PROGRAM



*Fiscal Year 2006-2007
through
Fiscal Year 2011-2012*

TOWN OF CARRBORO, NORTH CAROLINA
CAPITAL IMPROVEMENT PROGRAM
FY2006-2007 THROUGH FY2011-2012

BOARD OF ALDERMEN

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Diana McDuffee, Mayor Pro-Tempore
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TOWN MANAGER

Steven E. Stewart

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Anita Jones-McNair, Recreation and Parks Director
George Seiz, Public Works Director
Andy Vogel, Information and Technology Manager
Roy Williford, Planning Director
J. Patrick Childs, Budget and Purchasing Administrator, CIP Coordinator

Thanks to Jeff Kleaveland, Planning Department, for his assistance.

A Message from the Manager

December 1, 2005

Dear Mayor and Board of Aldermen,

It is with pleasure that I submit to you the Adopted FY06-07 Capital Improvements Program (CIP) that updates last year's comprehensive revision of the town's capital needs. As mentioned in previous updates, this Capital Improvement Program is simply a plan that serves as 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. Capital plans from previous decades are filled with projects that never made it past the planning process. 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.

Through a methodical review of the town's capital inventory and needs, staff again prioritized and ranked projects within a six-year time frame based upon numerous criteria that considered public health and safety, legal mandates, project timing and linkages, economic impact, maintaining current level of service, improving access, service improvement, service addition, community support and long-term plans, and efficiency. A snapshot of unfunded town needs identified during this capital planning process is presented in the Appendix on page 3.5.

The CIP includes short and long-term maintenance and other operational requirements for planned projects. Provisions will be made for adequate maintenance of the capital plant and equipment and for their orderly rehabilitation and replacement within available revenue and budgetary limits. Capital purchases including vehicles and equipment that exceed \$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 lease-purchase schedule within the CIP document is based upon criteria established in the vehicle replacement policy. For the vehicles, the Public Works Department will make every effort to evaluate whether there are suitable hybrids or alternative fuel vehicles available before purchasing non-hybrids or non-alternative vehicles.

Also, this update marks the first year Information Technology is included as a separate project. For this first year, all Information Technology projects with costs equal to or greater than \$15,000 are included on the Information Technology Schedule. In the past, these Information Technology projects have been reviewed primarily as a part of the annual budget process. Since Information Technology is a major portion of the annual budget and impacts how the town does business, planning for IT needs through the CIP will only enhance decision-making in this area. In fact, this may be another area in which Carrboro is leading the way.

There is really only one new project contained in this update—the Gary Road Storm Sewer Replacement. Weaver Street Reconstruction, while new to the update, is a project that had been on hold until the completion of the Downtown Circulation Study. These are explained in further detail on pages 2.14 and 2.15.

FY06-07 Capital Improvements Plan - Overview

The Adopted Capital Improvements Plan (CIP) totals \$37,889,431. Approximately \$22,768,024 of the \$37.8 million total will be funded through debt financing instruments such as general obligation bonds and installment financings. Of the total debt to be financed, \$4,808,600 represents in-

stallment 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's is largely attributable to updated construction figures for the Northern Area Fire Substation and Public Works Facility; increased costs of street resurfacing, sidewalks, park maintenance, and Martin Luther King, Jr. Park; and the inclusion of the Information Technology Schedule as well as the Weaver Street Reconstruction and Gary Road Storm Sewer Replacement projects.

Many of the projects identified in the CIP reflect ongoing operational needs that directly affect service delivery provided by town departments or reflect infrastructure project efforts that are currently underway. For instance, maintaining our streets and parks through an annual allocation from the General Fund ensures the orderly replacement and rehabilitation of infrastructure in a timely manner and minimizes additional maintenance costs incurred when infrastructure is in a state of disrepair. Movement on the town's goal of maintaining parking lot space is ongoing with funding planned in FY2007-08 and FY2009-10.

The implementation of the sidewalk plan, construction of the Northern Area Fire Substation, 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.

In regards to the Northern Area Fire Substation and the Public Works Facility, the town hired MHAworks Architects of Chapel Hill to provide cost estimates for these two projects. One caveat worth mentioning at this time is that estimates for the Fire Substation are deemed more accurate than the estimates for the Public Works Facility since the Fire Substation is slated to begin in FY2006-07 while the Public Works Facility is scheduled to get underway in FY2011-12 and Beyond.

The sidewalk and greenways plan emanates from a desire by residents to have a walkable community that provides for safe and convenient transit through means other than single-occupancy vehicles. Carrboro residents voted to fund a comprehensive sidewalk plan with general obligation bonds. The sidewalk plan honors various needs assessments, including the Carrboro Vision 2020 long-range comprehensive plan that identifies a commitment to implementing a pedestrian network plan. With the bond referendum having passed, the town will continue prioritizing the placement of sidewalks on the 59 percent of town-maintained streets that currently do not have sidewalks. The Board, at its regular meeting on January 13, 2004, adopted a list of sidewalks and set aside greenway planning and construction funds for Bolin and Morgan Creeks to be addressed in the first of three anticipated phases of bond financing over the next six years. The first bond issue will total approximately \$1.8 million dollars. These projects are described in greater detail within the CIP document.

Martin Luther King, Jr. Park is also considered a primary service initiative that is important to residents. In September 2004, the Board of Aldermen approved the funding to complete the park's master plan. The master plan has been completed. This project is moved ahead one year from FY2007-08 to FY2008-09 to follow the construction and operational implementation of the Fire Substation.

Also included is the continuation of the annual General Fund allocation for park maintenance and replacement that will provide for much needed perennial maintenance needs on a consistent basis. This concept, modeled after the town's street resurfacing funding program, offsets costs such as field maintenance, Anderson Dam repairs, court resurfacing, and refurbishment of the Wilson Park restroom facilities. Maintaining parks in a preventive manner reduces the safety and liability concerns that result when infrastructure is in a state of disrepair.

Some of the Information Technology needs identified in this CIP include online and touchstone recreation program registration capability, a record management system for the Inspections Division, Police Department records management system, and the eGov Initiative. Each of these projects will impact how we do business. The eGov initiative, for instance, will provide online resident service requests and post request tracking and update the status of the request. This service will be offered 24 hours a day, seven days a week and will be offered through the town's website.

With limited resources, it is clear that some envisioned projects will remain unfunded in the near future. The unfunded projects primarily address administrative facility needs, parks and recreation facility needs, and road improvements (listed in Section III—Appendix). One such project involves Town Hall renovations identified in the facilities use study conducted in 1995. Town Hall, originally constructed in 1930, needs considerable renovations to maintain its usefulness and accommodate future space needs. Additionally, it will be difficult to add any new projects to this list due to fiscal constraints.

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. 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, 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 tax impact of the CIP (shown on page 3.4) is significant 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.

One final word about the model and how costs are estimated and forecast in this CIP. *MHAworks* Architects estimates a 20 percent escalation for the two years until bidding for the Fire Substation and a 40 percent escalation for the six years until bidding for the Public Works Facility. Where applicable, all other projects and purchases including vehicles and equipment and personnel costs are based upon a 5 percent inflation factor. Also, lease-purchase financing for vehicles and equipment assumes a five-year term while installment financing for all other projects is structured using a 15-year term. For both lease-purchase scenarios, the CIP estimates a four percent interest rate in FY2005-06 and increases the rate a quarter percentage point every year through FY2011-2012 with a final interest rate of 5.5 percent. Similarly, GO Bond financing assumes a 20-year term starting with a five percent interest rate in FY05-06 and increasing a quarter percentage point each year through FY2011-12 with an ending interest rate of 6.5 percent. Our financing assumptions are based upon consultation with staff at the North Carolina Local Government Commission.

The systematic and comprehensive manner, in which staff, the community, and the Board assesses the town's needs as presented in the Adopted CIP enables informed and conscious choices about the town's many needs in light of limited resources. I look forward to implementing the projects adopted in the CIP and ultimately bringing to life the vision of our residents and the Board.

Sincerely,

Steven Stewart
Town Manager

Carrboro Capital Improvement Plan
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***SUMMARY OF CAPITAL IMPROVEMENT PLAN
PROJECT EXPENDITURES AND OPERATING IMPACT***

The Capital Improvement Program

Projects submitted through the Capital Improvement Program (CIP) differ from the annual operating expenses primarily in that they are of a high dollar threshold (more than \$100,000); large in size; and irregular in frequency. Also, they involve the development of assets that last for many years. Major capital decisions tend to have a fiscal and operational impact more extensive 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 capital improvements plan. The vehicle replacement schedule enumerated in the lease-purchase schedule within the CIP document is based on criteria established in the recently implemented town vehicle replacement policy. Also, Information Technology projects with costs equal to or greater than \$15,000 are evaluated, prioritized and included in the Information Technology Schedule in the CIP.

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 revision 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 improvement projects for the next six years based on the previous capital improvement plans, community needs assessments, and on 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.

CIP Document Organization

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 program, 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

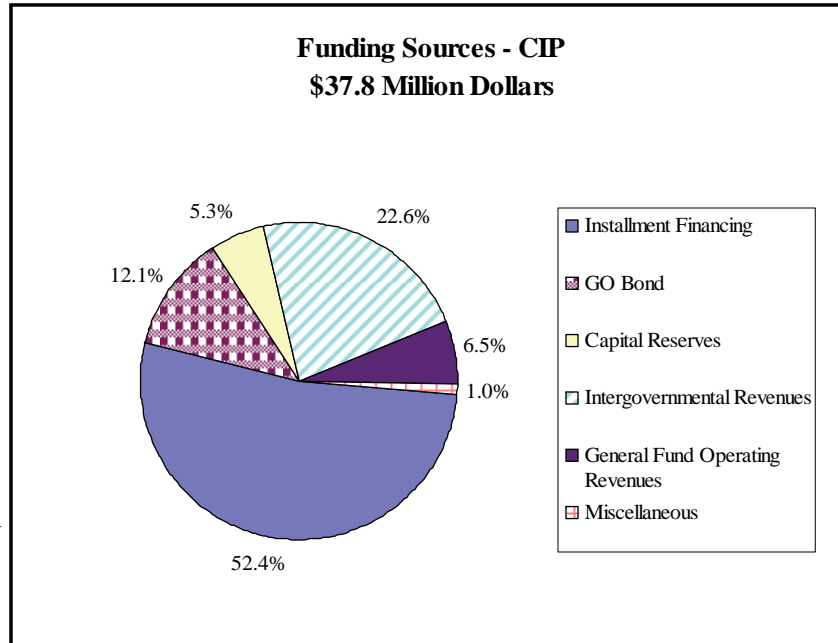
This section describes each project individually, identifies various components of expenditures and revenue. The expenditure categories used are described below:

- *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 installment financing. The graph below illustrates the revenue stream needed to finance the town's CIP. Approximately, 65 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. The town has used installment financing to fund short-term vehicle and equipment purchases and for land and facilities.
- *General Obligation Bonds*: This is a form of debt financing that requires voter approval. The ability to get funds follows a bond referendum. This is the strongest form of security that a local government can pledge for debt, its full faith and credit, making the debt general obligation. Debt payments for GO bonds generally have twenty-year terms.
- *Capital Reserves*: Capital reserve funds are created to set aside funds for any purposes for which a local government 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 to 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 directly from the town’s General Fund for 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.

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. Figures, with the exception of operating impact, are adjusted for inflation.

Projects	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECTS	OPERATING IMPACT	FTEs
Street Resurfacing	\$ 82,639	\$ 120,000	\$ -	\$ 400,000	\$ -	\$ 441,000	\$ -	\$ 486,000	\$ 1,529,639	\$ -	0.0
Northern Area Fire Substation	\$ -	\$ 187,922	\$ 1,587,765	\$ 749,138	\$ -	\$ -	\$ -	\$ -	\$ 2,524,825	\$ 707,443	15.0
Sidewalks	\$ 189,975	\$ 1,863,407	\$ -	\$ 1,533,000	\$ -	\$ 1,172,238	\$ 5,175,000	\$ 2,080,000	\$ 12,013,620	\$ -	0.0
Park Maintenance and Repair	\$ -	\$ 12,020	\$ 170,300	\$ 89,000	\$ 38,000	\$ 231,000	\$ 7,000	\$ 14,000	\$ 561,320	\$ -	0.0
Town Parking Lots	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ 500,000	\$ -	0.0
Public Works Facility	\$ 756,486	\$ 10,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,932,501	\$ 9,699,501	\$ 7,300	0.0
Greenways	\$ -	\$ 50,000	\$ -	\$ 670,000	\$ -	\$ 737,500	\$ -	\$ -	\$ 1,457,500	\$ -	0.0
Martin Luther King, Jr. Park	\$ 593,784	\$ -	\$ -	\$ -	\$ 1,266,701	\$ 286,311	\$ -	\$ -	\$ 2,146,796	\$ 94,875	2.0
Weaver Street Reconstruction	\$ -	\$ -	\$ -	\$ 98,000	\$ 511,000	\$ -	\$ -	\$ -	\$ 609,000	\$ -	0.0
Gary Road Storm Sewer Replacement	\$ -	\$ -	\$ -	\$ 84,000	\$ -	\$ -	\$ -	\$ -	\$ 84,000	\$ -	0.0
Equipment/Vehicle Lease-Purchase	\$ 500,280	\$ 1,345,700	\$ 873,200	\$ 570,000	\$ 791,990	\$ 480,490	\$ 447,620	\$ 299,600	\$ 5,308,880	\$ -	0.0
Information Technology	\$ -	\$ -	\$ 404,050	\$ 354,700	\$ 157,900	\$ 115,700	\$ 129,000	\$ 293,000	\$ 1,454,350	\$ 85,000	0.0
Total Projects	\$ 2,123,164	\$ 3,589,563	\$ 3,035,315	\$ 4,797,838	\$ 2,765,591	\$ 3,714,239	\$ 5,758,620	\$ 12,105,101	\$ 37,889,431	\$ 894,618	17.0
OPERATING BUDGET EFFECTS											
Funding Source	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL FUNDING	% of Funding	
Installment Financing	\$ 1,530,766	\$ 1,544,136	\$ 2,460,965	\$ 1,569,138	\$ 2,058,691	\$ 1,016,801	\$ 447,620	\$ 9,232,101	\$ 19,860,218	52.4%	
GO Bond	\$ 161,428	\$ 1,451,834	\$ -	\$ 1,667,000	\$ -	\$ 1,319,738	\$ -	\$ -	\$ 4,600,000	12.1%	
Capital Reserves	\$ 111,186	\$ 193,417	\$ -	\$ 498,000	\$ 292,000	\$ 441,000	\$ -	\$ 486,000	\$ 2,021,603	5.3%	
Intergovernmental Revenues	\$ -	\$ 276,900	\$ -	\$ 536,000	\$ -	\$ 590,000	\$ 5,108,700	\$ 2,054,357	\$ 8,565,957	22.6%	
General Fund Operating Revenues	\$ 40,784	\$ 23,720	\$ 574,350	\$ 527,700	\$ 414,900	\$ 346,700	\$ 202,300	\$ 332,643	\$ 2,463,097	6.5%	
Miscellaneous	\$ 279,000	\$ 99,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,556	1.0%	
Total Funding	\$ 2,123,164	\$ 3,589,563	\$ 3,035,315	\$ 4,797,838	\$ 2,765,591	\$ 3,714,239	\$ 5,758,620	\$ 12,105,101	\$ 37,889,431	100.0%	
OPERATING BUDGET EFFECTS											
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT		
Personnel Costs	\$ -	\$ -	\$ -	\$ 614,068	\$ -	\$ 61,483	\$ -	\$ -	\$ 675,551		
Operating and Maintenance	\$ -	\$ -	\$ 51,120	\$ 111,495	\$ 14,320	\$ 6,690	\$ -	\$ 7,300	\$ 190,925		
Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,142	\$ -	\$ -	\$ 28,142		
Total Operating Costs	\$ -	\$ -	\$ 51,120	\$ 725,563	\$ 14,320	\$ 96,315	\$ -	\$ 7,300	\$ 894,618		
Minus New Revenues*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Net Operating Effect	\$ -	\$ -	\$ 51,120	\$ 725,563	\$ 14,320	\$ 96,315	\$ -	\$ 7,300			
New Personnel (FTE)	0.0	0.0	0.0	15.0	0.0	2.0	0.0	0.0	17.0		

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 in accordance with a pavement evaluation study performed by the Institute of Transportation and Research and Education.

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 miles of streets are resurfaced every two years. The town currently

maintains 34.12 miles of paved roads. A two-year bid cycle reduces administrative time and reduces construction cost with the increased quantities.

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 annual allocation from the General Fund to support the timely and orderly repair of the town's streets.

Operating Impact

Not applicable.

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction	\$ 82,639	\$ 120,000	\$ -	\$ 400,000	\$ -	\$ 441,000	\$ -	\$ 486,000	\$ 1,529,639
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ 82,639	\$ 120,000	\$ -	\$ 400,000	\$ -	\$ 441,000	\$ -	\$ 486,000	\$ 1,529,639
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves	\$ 82,639	\$ 120,000	\$ -	\$ 400,000	\$ -	\$ 441,000	\$ -	\$ 486,000	\$ 1,529,639
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - <i>Payment in Lieu</i>									\$ -
Total Funding	\$ 82,639	\$ 120,000	\$ -	\$ 400,000	\$ -	\$ 441,000	\$ -	\$ 486,000	\$ 1,529,639
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 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

Northern Area Fire Substation

Project Description

To accommodate anticipated growth in the Northern Transition Area and to ensure adequate and effective fire coverage, a fire substation is proposed for this area. The land is scheduled to be purchased or leased in FY2005-06 to allow construction to begin in the following year. In the current fiscal year, the Town hired MHAworks Architects to conduct a budget evaluation of this project. The figures in the table are taken from their evaluation.

Define Problem

Construction of a fire substation is needed in the Northern Transition Area to maintain appropriate fire coverage in this fast growing area.

Project Alternatives

There are no good alternatives at this time. In order to continue to provide adequate fire protection and emergency medical response in the future, it will be necessary to add this substation. In the meantime, excellent mutual aid agreements with the New Hope Volunteer Fire Department and the Town of Chapel Hill

Fire Department ensure appropriate coverage.

Recommended Solution

To accommodate anticipated growth in the Northern Transition Area and to ensure continued adequate and effective fire coverage, a fire substation is proposed for this area.

Operating Impact

Once the substation is fully operational, it will require a minimum of 15 firefighter positions and miscellaneous operating costs including uniforms, utilities, and departmental supplies.

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng		\$ 187,922							\$ 187,922
Land/ROW									\$ -
Construction			\$ 1,587,765						\$ 1,587,765
Equip/Furnishing				\$ 354,000					\$ 354,000
Other									\$ -
Contingencies				\$ 395,138					\$ 395,138
TOTAL	\$ -	\$ 187,922	\$ 1,587,765	\$ 749,138	\$ -	\$ -	\$ -	\$ -	\$ 2,524,825
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing		\$ 187,922	\$ 1,587,765	\$ 749,138	\$ -				\$ 2,524,825
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ 187,922	\$ 1,587,765	\$ 749,138	\$ -	\$ -	\$ -	\$ -	\$ 2,524,825
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Personnel Costs				\$ 614,068					\$ 614,068
Operating and Maintenance				\$ 93,375					\$ 93,375
Capital Outlays					\$ -				\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ 707,443	\$ -	\$ -	\$ -	\$ -	\$ 707,443
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ 707,443	\$ -	\$ -	\$ -	\$ -	\$ 707,443
New Personnel (FTE)				15.0					15.0

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 recently voted to use general obligation bond funds to finance a comprehensive sidewalk construction project. In conjunction with state agencies and developers, the Board has crafted a plan to finance

sidewalk construction with three anticipated bond issues over a period of six years provided the town's fiscal position and the economy remain healthy. The list of sidewalks funded in the first phase of bond financing in FY04-05 was prioritized by the Board of Aldermen. Sidewalks that have been identified for financing in future years have not been prioritized by the Board at this time.

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 with commercial centers, parks, schools and similar activity centers. Suitable urban roadways are needed to handle and sustain the development of the town and region 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. In FY03-04, sidewalk improvements were completed along Hillsborough Road (\$2,970,003). There are two road improvements in the future whereby the town plans sidewalks – Smith Level Road (FY10-11) and Old Fayetteville Road (FY11-12).

Project Alternatives

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

PROJECT COST ESTIMATES										
Elements	ACTUAL		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	TOTAL
	6/30-05								AND	PROJECT
Planning/Arch/Eng	\$ 188,547	\$ 195,742	\$ -					\$ 1,825,000	\$ 30,000	\$ 2,239,289
Land/ROW		\$ 1,639,093	\$ -					\$ 600,000	\$ 300,000	\$ 2,539,093
Construction		\$ -	\$ -	\$ 1,533,000	\$ -	\$ 1,172,238	\$ 2,750,000	\$ 1,750,000		\$ 7,205,238
Equip/Furnishing										\$ -
Other	\$ 1,428	\$ 28,572								\$ 30,000
Contingencies										\$ -
TOTAL	\$ 189,975	\$ 1,863,407	\$ -	\$ 1,533,000	\$ -	\$ 1,172,238	\$ 5,175,000	\$ 2,080,000	\$	\$ 12,013,620
FUNDING SOURCES										
Revenue Source			FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	TOTAL
									AND	PROJECT
Installment Financing										\$ -
GO Bond	\$ 161,428	\$ 1,441,834			\$ 1,533,000	\$ -	\$ 1,172,238	\$ -		\$ 4,308,500
Capital Reserves	\$ 28,547	\$ 73,417								\$ 101,964
Intergovernmental Revenues		\$ 236,900	\$ -				\$ 5,108,700	\$ 2,054,357		\$ 7,399,957
General Fund Operating Revenues		\$ 11,700	\$ -				\$ 66,300	\$ 25,643		\$ 103,643
Miscellaneous - Payment in Lieu		\$ 99,556								\$ 99,556
Total Funding	\$ 189,975	\$ 1,863,407	\$ -	\$ 1,533,000	\$ -	\$ 1,172,238	\$ 5,175,000	\$ 2,080,000	\$	\$ 12,013,620
OPERATING BUDGET EFFECTS										
Elements			FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	TOTAL
									AND	PROJECT
Personnel Costs										\$ -
Operating and Maintenance										\$ -
Capital Outlays										\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Minus New Revenues*</i>										\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)										0.0

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. The majority of streets in Carrboro do not have sidewalks (59 percent).

Operating Impact

The construction of new sidewalks will impact the town's operating budget in proportion to the amount of sidewalks constructed by town work crews. Additional sidewalk facilities will produce an increase in sidewalk maintenance costs.

Park Maintenance and Replacement Fund

Project Description

Providing for an annual allocation for park maintenance and replacement will provide for much needed perennial maintenance requirements on a consistent basis. This concept, modeled after the town's street resurfacing funding program, will offset costs such as

field maintenance, court resurfacing, and refurbishment of the Wilson Park restroom 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 rehabilitation 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. Court resurfacing for park tennis courts and basketball courts are needed every five to seven years. Ongoing contingency funds of \$7,000 per year are requested to fund small park repairs as needed.

Project Alternatives

Continue to budget when needed and continue to pursue funding for needs until 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 when facilities are in a state of disrepair.

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction		\$ 12,020	\$ 163,300	\$ 82,000	\$ 31,000	\$ 224,000			\$ 512,320
Equip/Furnishing									\$ -
Other									\$ -
Contingencies			\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 14,000	\$ 49,000
TOTAL	\$ -	\$ 12,020	\$ 170,300	\$ 89,000	\$ 38,000	\$ 231,000	\$ 7,000	\$ 14,000	\$ 561,320
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues		\$ 12,020	\$ 170,300	\$ 89,000	\$ 38,000	\$ 231,000	\$ 7,000	\$ 14,000	\$ 561,320
Miscellaneous - <i>Payment in Lieu</i>									\$ -
Total Funding	\$ -	\$ 12,020	\$ 170,300	\$ 89,000	\$ 38,000	\$ 231,000	\$ 7,000	\$ 14,000	\$ 561,320
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 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

Park Maintenance and Replacement Fund, continued

The following table shows a summary of the park maintenance projects:

Wilson Park Bathroom Facility	\$ 154,000
Anderson Basketball Court Resurfacing	\$ 6,000
Carr Basketball Court Resurfacing	\$ 3,300
Repair Contingency	\$ 7,000
	FY06-07 \$ 170,300
Wilson Park Tennis Court Resurfacing	\$ 12,000
Anderson Dam Repair	\$ 27,500
Anderson & Wilson Bleacher Replacement	\$ 42,500
Repair Contingency	\$ 7,000
	FY07-08 \$ 89,000
Anderson Multi-Purpose Field Renovation	\$ 31,000
Repair Contingency	\$ 7,000
	FY08-09 \$ 38,000
Lights at the Multi-Purpose Field	\$ 70,000
Anderson Park Bathroom Facility	\$ 154,000
Repair Contingency	\$ 7,000
	FY09-10 \$ 231,000
All Other Years, Repair Contingency	\$ 7,000

Town Parking Lots

Project Description

This project will satisfy the need to maintain public parking in the downtown to support the commercial business district while maintaining 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. Other alternatives including parking decks have been consid-

ered 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. The problem is that as the 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. If the town owned the lots, which it does not, this would not be an issue. The current lots are leased

with a 90-day clause that would allow either the lessee or the lessor to terminate the contract without penalty. The town only pays the annual town and county tax assessment levied on the properties. The owners could earn a great deal more money if they were to develop or sale the parking lot properties.

If the Town does not buy the property now, the properties will only become more expensive and more unaffordable 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 without concern for 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 \$7,000 per space to develop.

Recommended Solution

Continue to pursue purchase of the parking lots.

Operating Impact

The operating budget impact will be the ongoing maintenance and upkeep once the lots are paved. The lots are currently maintained as gravel lots at this time and therefore should not immediately cost the town more in maintenance and upkeep.

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ -		\$ -	\$ 250,000		\$ 250,000			\$ 500,000
Land/ROW	\$ -								\$ -
Construction									\$ -
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ 500,000
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ -		\$ -	\$ 250,000		\$ 250,000			\$ 500,000
GO Bond									\$ -
Capital Reserves	\$ -								\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - <i>Payment in Lieu</i>									\$ -
Total Funding	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ 500,000
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)									0.0

Public Works Facility

Project Description

A new facility is needed to move the Public Works Department from its current location which is located within a designated flood plain. In addition, a more modern structure is needed to improve operations and provide adequate storage. Recently, the town hired MHAworks Architects to develop a budget evaluation for this project.

Define Problem

Located on 2.5 acres, approximately 40 percent of the current public works facility is

located within a designated flood plain. Indications are that new federal regulations for stormwater will require the relocation of the facility outside the flood plain within eight years. The Public Works Director also projects that the department has outgrown the current facility and has reached maximum storage capacity. Due to the inadequacy of the facility, the town must leave pieces of equipment and vehicles unprotected from the elements of the weather.

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 recent purchase of approximately 23 acres off of Old NC 86. Construction of the facility is included in FY11-12 and Beyond.

Operating Budget

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

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 4,355							\$ 1,073,145	\$ 1,077,500
Land/ROW	\$ 751,881								\$ 751,881
Construction		\$ -						\$ 7,469,356	\$ 7,469,356
Equip/Furnishing								\$ 290,000	\$ 290,000
Other	\$ 250	\$ 5,000						\$ -	\$ 5,250
Contingencies		\$ 5,514						\$ 100,000	\$ 105,514
TOTAL	\$ 756,486	\$ 10,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,932,501	\$ 9,699,501
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ 756,486	\$ 10,514						\$ 8,932,501	\$ 9,699,501
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - <i>Payment in Lieu</i>									\$ -
Total Funding	\$ 756,486	\$ 10,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,932,501	\$ 9,699,501
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance								\$ 7,300	\$ 7,300
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,300	\$ 7,300
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,300	\$ 7,300
New Personnel (FTE)									0.0

Greenways

Project Description

The objective of this project is to provide a system of trails along major creeks in Carrboro's Planning Area, 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 development of these trails 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, then the 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 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. Other phases of greenway trails have been proposed but are currently unfunded.

Operating Impact

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

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng		\$ 50,000		\$ 70,000					\$ 120,000
Land/ROW									\$ -
Construction				\$ 600,000		\$ 737,500			\$ 1,337,500
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ 50,000	\$ -	\$ 670,000	\$ -	\$ 737,500	\$ -	\$ -	\$ 1,457,500
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond		\$ 10,000		\$ 134,000		\$ 147,500		\$ -	\$ 291,500
Capital Reserves									\$ -
Intergovernmental Revenues		\$ 40,000		\$ 536,000		\$ 590,000			\$ 1,166,000
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ 50,000	\$ -	\$ 670,000	\$ -	\$ 737,500	\$ -	\$ -	\$ 1,457,500
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 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

Martin Luther King, Jr. Park

Project Description

In November 1999, the Town of Carrboro 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 to serve as the consultant to design 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 Aldermen approved the park design and officially named the park Martin Luther King, Jr. Park.

Define Problem

A neighborhood park should be located in 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

The Recreation and Parks Comprehensive Master Plan recommends a mini-park on Pathway Drive primarily because the town owns dedicated land in the area. The park, however, would only accommodate a quarter-mile service radius and facilities would be limited.

Recommended Solution

Develop a neighborhood park on Hillsborough Road.

Operating Impact

The Public Works Department will need to hire two (2) full-time positions and seasonal help to maintain the park. Mowers and other supplies will be needed to maintain the park grounds.

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng	\$ 40,067				\$ 121,351	\$ 47,718	\$ -		\$ 209,136
Land/ROW	\$ 552,700								\$ 552,700
Construction									\$ -
Equip/Furnishing									\$ -
Other	\$ 1,017								\$ 1,017
Contingencies					\$ 1,145,350	\$ 238,593	\$ -		\$ 1,383,943
TOTAL	\$ 593,784	\$ -	\$ -	\$ -	\$ 1,266,701	\$ 286,311	\$ -	\$ -	\$ 2,146,796
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ 274,000		\$ -	\$ -	\$ 1,266,701	\$ 286,311	\$ -	\$ -	\$ 1,827,012
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues	\$ 40,784								\$ 40,784
Miscellaneous - Payment in Lieu	\$ 279,000								\$ 279,000
Total Funding	\$ 593,784	\$ -	\$ -	\$ -	\$ 1,266,701	\$ 286,311	\$ -	\$ -	\$ 2,146,796
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Personnel Costs						\$ 61,483	\$ -		\$ 61,483
Operating and Maintenance						\$ 5,250	\$ -		\$ 5,250
Capital Outlays						\$ 28,142	\$ -		\$ 28,142
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,875	\$ -	\$ -	\$ 94,875
Minus New Revenues*				\$ -					\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,875	\$ -	\$ -	\$ 94,875
New Personnel (FTE)						2.0			2.0

Lease-Purchase Schedule for Vehicles and Equipment

Project Description

The town's fiscal policy and practices are such that provisions will be made 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 will make every effort to evaluate 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. For FY06-07, however, a generator is requested for the Century Center to enable emergency operations to continue in the event of a natural disaster.

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction									\$ -
Equip/Furnishing	\$ 500,280	\$ 1,345,700	\$ 873,200	\$ 570,000	\$ 791,990	\$ 480,490	\$ 447,620	\$ 299,600	\$ 5,308,880
Other									\$ -
Contingencies									\$ -
TOTAL	\$ 500,280	\$ 1,345,700	\$ 873,200	\$ 570,000	\$ 791,990	\$ 480,490	\$ 447,620	\$ 299,600	\$ 5,308,880
FUNDING SOURCES									
Revenue Source	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing	\$ 500,280	\$ 1,345,700	\$ 873,200	\$ 570,000	\$ 791,990	\$ 480,490	\$ 447,620	\$ 299,600	\$ 5,308,880
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ 500,280	\$ 1,345,700	\$ 873,200	\$ 570,000	\$ 791,990	\$ 480,490	\$ 447,620	\$ 299,600	\$ 5,308,880
OPERATING BUDGET EFFECTS									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minus New Revenues*									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)									0.0

Lease-Purchase Schedule, continued

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

Fiscal Year 2006-2007		
replacement	Patrol Vehicles (6)	\$ 156,000
replacement	Police Investigations vehicle - 1999 Chevy Lumina / # 168	\$ 25,200
replacement	Police K9 truck / 1997 Ford Ranger	\$ 20,000
replacement	Fire Department (Fire Chief) - 1999 Ford Expedition / #981	\$ 45,500
replacement	L&G/ 1997 Ford Pickup Truck 4 door / #24	\$ 30,500
replacement	L&G/ 1995 Ford Pickup truck / #90	\$ 27,000
replacement	Streets / 1993 LeeBoy motor grader / #62	\$ 96,000
replacement	Streets / 1995 Intntl. dump truck (w. plow and hydr.plumb.) / #36	\$ 88,000
replacement	Fleet Maint. / 1995 Ford Pickup Truck / #10	\$ 27,000
addition	Emergency generator for Century Center	\$ 133,000
addition	Solid Waste / Heil Multi-Pack on Crane Carrier chassis	\$ 225,000
	TOTAL	\$ 873,200
Fiscal Year 2007-2008		
replacement	Police patrol vehicles (6)	\$ 163,800
replacement	Fire Department (Deputy Fire Chief) / 1999 Ford Explorer / #983	\$ 35,500
addition	Streets, 1 ton Dump Truck	\$ 34,700
replacement	Streets / 1995 Intntl. dump truck / #37	\$ 69,900
replacement	L&G/ 1999 Ford Dump Truck / #26	\$ 35,000
replacement	L&G/ 1997 Ford pickup truck / #25	\$ 28,500
replacement	Solid Waste / Crane Carrier rear loader / # 46	\$ 169,000
replacement	Fleet Maintenance / 2000 Chevy Impala / #009	\$ 33,600
	TOTAL	\$ 570,000
Fiscal Year 2008-2009		
replacement	Police patrol vehicles (6)	\$ 171,990
replacement	Fire Department (Fire Marshal) / 2000 Ford Explorer / #984	\$ 37,300
replacement	Police investigations vehicle / 2001 Chevy Blazer / # 188	\$ 27,000
replacement	L&G/ 1987 Case Tractor / #45	\$ 40,500
replacement	Solid Waste / 1998 Ford truck / #47	\$ 29,900
replacement	Solid Waste / 1999 Volvo Front loader / #50	\$ 193,200
replacement	Solid Waste / 2001 Volvo Front Loader / #56	\$ 193,200
replacement	Streets / 1996 Ford truck, 1-ton utility / #38	\$ 36,000
replacement	Streets / 1995 LeeBoy Roller / # 39	\$ 33,000
replacement	Planning / 1999 Ford F-150 pickup truck / #137	\$ 29,900
	TOTAL	\$ 791,990

Lease-Purchase Schedule, continued

Fiscal Year 2009-2010		
replacement	Police patrol vehicles (6)	\$ 180,590
replacement	Police / 2001 Ford Crown Vic / #190	\$ 28,400
replacement	Police investigations vehicle / 2002 Chevy Impala / #193	\$ 28,100
replacement	Police investigation vehicle / 2002 Chevy Impala / #199	\$ 28,100
replacement	Public Works (Administration) / 1999 Ford Explorer / #001	\$ 40,300
replacement	Public Works / 1999 Ford F-150 / #14	\$ 27,700
replacement	Solid Waste / 2001 Chevrolet boom truck / #57	\$ 92,100
replacement	Planning and Zoning / 2001 Chevy Blazer / # 135	\$ 27,600
replacement	Planning and Zoning / 1999 Ford F-150 / # 136	\$ 27,600
	TOTAL	\$ 480,490
Fiscal Year 2010-2011		
Replacement	Police patrol vehicles (6)	\$ 189,620
Replacement	Police investigations vehicle / 2003 Chevy Impala / #197	\$ 29,200
Replacement	Police investigations vehicle / 2003 Chevy Impala / #198	\$ 29,200
Replacement	Police (safety officer) / 2003 Chevy Impala / #982	\$ 29,200
Replacement	Recreation / 2001 Ford Ranger truck / #015	\$ 26,400
Replacement	Recreation / 2001 Ford F-150 truck / #016	\$ 30,700
Replacement	L&G / 2001 Chevy 4 dr. truck / #003	\$ 36,500
Replacement	Streets / 2001 Dodge Ram utility truck / #042	\$ 43,000
Replacement	Streets / 2001 Dodge Ram 4x4 pickup truck / #043	\$ 33,800
	TOTAL	\$ 447,620
Fiscal Year 2011-2012		
Replacement	Fleet Maintenance / 2004 Ford Taurus / #004	\$ 29,900
Replacement	Solid Waste / 2004 Automated Refuse Truck	\$ 205,000
Replacement	Police / 2004 Jeep Liberty / #054	\$ 34,000
Replacement	Police investigations vehicle / 2004 Chevy Impala / #204	\$ 30,700
	TOTAL	\$ 299,600

Weaver Street Reconstruction

Project Description

The Weaver Street Reconstruction project runs from East Main Street to North Greensboro Road and from North Greensboro Road to West Main Street. Phase I of the project involves installation and adjustment of all utilities. Phase II is the removal and reconstruction of pavement and curb and gutter and the installation of new sidewalk.

Define Problem

In 2000, it was determined that due to 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 and gutter would be necessary. Plans were put on hold in 2000 pending completion of the Downtown Vision Report. It was anticipated that suggested improvements from this report such as decorative street lights, benches, etc. could be incorporated into the project. 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 Circulation Study was being discussed in early 2003 and subsequently a resolution was adopted in April 2003 which recommended

the reexamination of the Weaver Street Reconstruction Project when the Downtown Circulation Study was to be completed. The Downtown Circulation Study was completed in 2005.

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. The project still needs to be reviewed and a determination made as to what suggestions from the Downtown Vision Report and Downtown Circulation study need to be incorporated into the project.

Operating Impact

The original cost of the project in 2003 was approximately \$400,000 and has been inflated five percent per year out to FY2008-2009 for an estimated construction cost of \$511,000. The project still needs to be reviewed and a determination made as to what suggestions from the Downtown Vision Report and the Downtown Circulation study need to be incorporated into the project. Any of the suggestions previously discussed (decorative lighting, benches, wider sidewalks) could greatly impact the project cost.

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng				\$ 98,000					\$ 98,000
Land/ROW									\$ -
Construction					\$ 511,000				\$ 511,000
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 98,000	\$ 511,000	\$ -	\$ -	\$ -	\$ 609,000
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installation Financing									\$ -
GO Bond									\$ -
Capital Reserves				\$ 98,000	\$ 292,000				\$ 390,000
Intergovernmental Revenues									\$ -
General Fund Operating Revenues					\$ 219,000				\$ 219,000
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ -	\$ -	\$ 98,000	\$ 511,000	\$ -	\$ -	\$ -	\$ 609,000
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 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

Gary Road Storm Sewer Replacement

Project Description

This project calls for the removal and replacement of an existing corrugated metal culvert that runs under Gary Road at the intersection with Keith Road. The road surface will need to be open cut, the existing pipe removed, and new reinforced concrete pipe installed.

rusted and is need of replacement within the next couple of years.

Operating Impact

Not applicable.

Project Alternatives

None.

Recommended Solutions

It is recommended that the project be completed in FY2007-2008.

Define Problem

The existing corrugated metal culvert is badly

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng				\$ 14,000					\$ 14,000
Land/ROW									\$ -
Construction				\$ 70,000					\$ 70,000
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ -	\$ -	\$ 84,000	\$ -	\$ -	\$ -	\$ -	\$ 84,000
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues				\$ 84,000					\$ 84,000
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ -	\$ -	\$ 84,000	\$ -	\$ -	\$ -	\$ -	\$ 84,000
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 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

Information Technology Schedule

Project Description

In the past, Information Technology projects have been reviewed primarily as a part of the annual budget process. This update marks the first year Information Technology is included on its own as a separate project. For this first year, all 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. In addition, 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.

When information technology is not updated or replaced on a consistent schedule, excessive downtime 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.

Project Alternatives

The town should provide for the maintenance and upgrade of information technology to ensure efficient and effective service delivery.

Recommended Solution

The town should provide for the maintenance and upgrade of information technology to ensure efficient and effective service delivery.

Operating Impact

Operating Impact

Fiscal Year 2006-07 includes the greatest operating impact as a result of the Police Department records management system, Police mobile data terminals, the records management system for the Inspections Division, and the eGov Initiative. Operating impacts in the following years are the result of the online and touchstone recreation program registration capability, the main phone system upgrade, and additional Police mobile data terminals.

PROJECT COST ESTIMATES									
Elements	ACTUAL 6/30-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction									\$ -
Equip/Furnishing			\$ 404,050	\$ 354,700	\$ 157,900	\$ 115,700	\$ 129,000	\$ 293,000	\$ 1,454,350
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ -	\$ 404,050	\$ 354,700	\$ 157,900	\$ 115,700	\$ 129,000	\$ 293,000	\$ 1,454,350
FUNDING SOURCES									
Revenue Source		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Installation Financing									\$ -
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues			\$ 404,050	\$ 354,700	\$ 157,900	\$ 115,700	\$ 129,000	\$ 293,000	\$ 1,454,350
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ -	\$ 404,050	\$ 354,700	\$ 157,900	\$ 115,700	\$ 129,000	\$ 293,000	\$ 1,454,350
OPERATING BUDGET EFFECTS									
Elements		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance			\$ 51,120	\$ 18,120	\$ 14,320	\$ 1,440			\$ 85,000
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ 51,120	\$ 18,120	\$ 14,320	\$ 1,440	\$ -	\$ -	\$ 85,000
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ 51,120	\$ 18,120	\$ 14,320	\$ 1,440	\$ -	\$ -	\$ 85,000
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:

<u>Fiscal Year 2006-2007</u>	Project Costs	Operating Effects
Police Mobile Data Terminals	\$ 64,050	\$ 16,120
Record Management System for Inspections Division	\$ 27,000	\$ 5,000
Police Department Records Management System	\$ 250,000	\$ 25,000
eGov Initiative	\$ 20,000	\$ 5,000
IT Server Replacement	\$ 43,000	\$ -
TOTAL	\$ 404,050	\$ 51,120
<u>Fiscal Year 2007-2008</u>		
Updated Aerial Photography	\$ 15,000	\$ -
Police Mobile Data Terminals	\$ 97,700	\$ 4,320
Online and Touchtone Recreation Program Registration Capability	\$ 79,000	\$ 9,800
Main Phone System Upgrade	\$ 120,000	\$ 4,000
IT Server Replacement	\$ 43,000	\$ -
TOTAL	\$ 354,700	\$ 18,120
<u>Fiscal Year 2008-2009</u>		
Police Mobile Data Terminals	\$ 114,900	\$ 4,320
Main Phone System Upgrade	\$ -	\$ 10,000
IT Server Replacement	\$ 43,000	\$ -
TOTAL	\$ 157,900	\$ 14,320
<u>Fiscal Year 2009-2010</u>		
Police Mobile Data Terminals	\$ 72,700	\$ 1,440
IT Server Replacement	\$ 43,000	\$ -
TOTAL	\$ 115,700	\$ 1,440
<u>Fiscal Year 2010-2011</u>		
Police Mobile Data Terminals	\$ 86,000	\$ -
IT Server Replacement	\$ 43,000	\$ -
TOTAL	\$ 129,000	\$ -
<u>Fiscal Year 2011-12</u>		
Updated Aerial Photography	\$ 15,000	\$ -
Police Mobile Data Terminals	\$ 86,000	\$ -
IT Server Replacement	\$ 43,000	\$ -
TOTAL	\$ 144,000	\$ -
<u>Beyond Fiscal Year 2011-12</u>		
Updated GIS Planimetrics	\$ 20,000	\$ -
Police Mobile Data Terminals	\$ 86,000	\$ -
IT Server Replacement	\$ 43,000	\$ -
TOTAL	\$ 149,000	\$ -

APPENDIX

Impact of Capital Improvement Plan on Operating Budget and the Town's Fiscal Health

The CIP planning process includes a financial analysis and narrative on the impact of the CIP on the town's financial condition and includes an analysis of debt burden, debt service and other operational costs, and tax rate impact. Debt ratios are monitored by the Local Government Commission and credit rating industries and provide information on the town's fiscal health.

Credit rating firms, in assessing a town's financial condition, review the debt ratios. Currently, the town holds a credit rating of A+ with Standard and Poors and a grade of 81 with the North Carolina Municipal Council. These are considered very favorable ratings, particularly for municipalities similar to Carrboro.

The CIP actually proposes spending and borrowing \$37.8 million dollars to fund projects over a six-year period and the debt analyses that follow project the impact of borrowing. Where applicable, projects and purchases including vehicles and equipment are based upon a five percent inflation factor. Lease-purchase financing for vehicles and equipment assumes a five-year term while lease-purchase financing for all other projects is structured using a 15-year term. For both lease-purchase scenarios, we estimate a four percent interest rate in FY2005-06 and increase the rate a quarter percentage point every year through FY2011-12 with a final interest rate of 5.5 percent. Similarly, GO Bond financing assumes a 20-year term starting with a five-percent interest rate in FY05-06 and increasing a quarter percentage point each year through FY2011-12 with an ending interest rate of 6.5 percent. All financing assumptions are based upon consultation with staff at the North Carolina Local Government Commission. In addition, the amounts needed to finance capital projects via cash (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 to support its capital improvements and equipment and vehicle replacements.

Credit rating firms analyze the ability of governments to measure 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 unit's debt capacity is debt expressed in terms of assessed or market valuation. The town has embraced a fiscal policy on debt management that promotes using an objective and analytical approach to determine the amount of debt to be considered for authorization and issuance. The town compares its debt ratios to its peer population group as identified by the Local Government Commission (LGC) as a reference point to assess debt burden and ability to pay. The peer group, identified by the LGC, is based on municipalities with populations of 10,000 to 24,999. The LGC categorizes the following two debt ratios of each jurisdiction as being low, average, or high. The town will strive to avoid the

“high” debt burden. The spreadsheet beginning on page 3.3 reviews the impact of financing projects in the CIP.

For municipalities comparable to Carrboro in FY2003-04, the average debt-to-assessed valuation ratio was .335 percent; a high level is considered 1.603 percent. Carrboro has very little bonded debt, having used primarily installment debt financing to purchase land and facilities over the past seven years and thus has an average debt ratio when compared to peer jurisdictions. The debt-to-assessed valuation ratio for Carrboro will peak at approximately 0.92 percent in FY06-07. Overall, however, the town’s debt is far below the legal limit in the NC General Statutes (GS 159-55) that limits net debt to eight percent (8 %) or less of a local government’s total property valuation. That legal margin, based on the June 30, 2005 audited valuation, is \$92,205,523.

Debt service can be a major part of a government’s fixed costs, and its increase may indicate excessive debt and fiscal strain; credit firms consider debt exceeding 20 percent of operating revenues as a potential problem. Ten percent is considered acceptable. As depicted, the town’s debt service as a percentage of the operating budget declines to around 2.0 percent without assuming additional debt. Debt services hovers in the 10 percent range with the operating budget growing at 3 percent plus debt service incurred from additional debt.

Debt can also be monitored on a per capita basis, which is generally useful for communities that do not rely heavily on property taxes and that cannot easily compute a substitute revenue base for comparison. This is an indicator that is monitored by the Local Government Commission and credit industry agencies as a measure of debt burden. The town’s per capita debt increases to \$731 per capita. The average for comparable jurisdictions is \$250 per capita; \$1,412 per capita is considered a high ratio amongst the peer jurisdictions.

In summary, the debt ratios, while increasing at times, do not come close to the “high” debt burden as currently measured by the Local Government Commission. The more significant impact of the CIP is the tax rate increases that are seen over the next five years should the town pursue all of the projects. The fiscal analysis reveals the difficulty the town has sustaining large capital improvements on a tax base that has limited diversity and commercial base.

- i. “Evaluating Financial Condition, A Handbook for Local Government,” ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 75
- ii. “Evaluating Financial Condition, A Handbook for Local Government,” ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 83
- iii. Evaluating Financial Condition, A Handbook for Local Government,” ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 81

Summary Table of the Impact of CIP on Debt Ratios

DEBT SERVICE COSTS	FY02-03	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
Total GO Debt	\$ 213,847	\$ 188,434	\$ 162,161	\$ 115,843	\$ 112,325	\$ 108,824	\$ 105,289	\$ 26,701		
Total Installment Purchase Debt, Long Term	\$ 349,142	\$ 374,693	\$ 357,894	\$ 412,585	\$ 415,107	\$ 388,044	\$ 384,404	\$ 380,658	\$ 376,965	\$ 373,272
Total Installment Purchase Debt, General Fund Veh/Eqp	\$ 608,128	\$ 492,441	\$ 662,652	\$ 634,594	\$ 480,580	\$ 308,727	\$ 308,727	\$ 308,727	\$ 30,486	\$ -
CURRENT DEBT SERVICE OBLIGATIONS	\$ 1,171,117	\$ 1,055,568	\$ 1,182,707	\$ 1,163,022	\$ 1,008,012	\$ 805,595	\$ 798,420	\$ 716,086	\$ 407,451	\$ 373,272
DEBT SERVICE COSTS, ADDITIONAL DEBT SERVICE, RECOMMENDED IN CIP										
GO Debt Service Costs	\$ -	\$ -	\$ -	\$ -	\$ 161,326	\$ 157,293	\$ 328,295	\$ 319,678	\$ 456,231	\$ 443,655
Installment Purchase Debt Service Costs, Long Term	\$ -	\$ -	\$ -	\$ -	\$ 269,315	\$ 262,582	\$ 255,849	\$ 426,418	\$ 443,934	\$ 431,450
Installment Purchase Debt Service Costs, General Fund Veh/Eqp	\$ -	\$ -	\$ -	\$ -	\$ 189,471	\$ 313,721	\$ 487,151	\$ 592,847	\$ 691,759	\$ 568,789
<i>FUTURE DEBT SERVICE, RECOMMENDED CIP</i>	\$ -	\$ -	\$ -	\$ -	\$ 620,112	\$ 733,596	\$ 1,071,295	\$ 1,338,943	\$ 1,591,924	\$ 1,443,894
TOTAL DEBT SERVICE OBLIGATIONS, EXISTING & RECOMMENDED	\$ 1,171,117	\$ 1,055,568	\$ 1,182,707	\$ 1,163,022	\$ 1,628,124	\$ 1,539,191	\$ 1,869,715	\$ 2,055,029	\$ 1,999,375	\$ 1,817,166
TOTAL DEBT (OUTSTANDING PRINCIPAL)										
GO Bond, Long Term Debt (includes authorized but unissued bonds)	\$ 737,250	\$ 5,175,393	\$ 5,033,536	\$ 4,931,679	\$ 4,749,158	\$ 4,566,638	\$ 4,300,768	\$ 4,110,648	\$ 3,880,648	\$ 3,650,648
Installment Purchase, Long Term Debt	\$ 3,596,030	\$ 3,386,258	\$ 3,756,827	\$ 3,481,141	\$ 3,199,216	\$ 2,933,630	\$ 2,661,506	\$ 2,382,207	\$ 2,095,647	\$ 1,801,548
Installment Purchase, General Fund Veh/Eqp	\$ 635,751	\$ 657,373	\$ 509,469	\$ 1,234,168	\$ 833,455	\$ 583,070	\$ 315,158	\$ 28,492		
	\$ 4,969,031	\$ 9,219,024	\$ 9,299,831	\$ 9,646,988	\$ 8,781,829	\$ 8,083,338	\$ 7,277,432	\$ 6,521,347	\$ 5,976,295	\$ 5,452,196
ADDITIONAL DEBT (OUTSTANDING PRINCIPAL):										
GO Bond, Long Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Purchase, Long Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 4,409,515	\$ 4,241,194	\$ 4,056,205	\$ 3,767,683	\$ 3,462,494	\$ 3,157,305
Installment Purchase, General Fund Veh/Eqp	\$ -	\$ -	\$ -	\$ -	\$ 683,729	\$ 969,066	\$ 1,316,204	\$ 1,263,732	\$ 1,079,068	\$ 863,300
FUTURE OUTSTANDING PRINCIPAL	\$ -	\$ -	\$ -	\$ -	\$ 5,093,244	\$ 5,210,260	\$ 5,372,409	\$ 5,031,415	\$ 4,541,562	\$ 4,020,605
TOTAL OUTSTANDING PRINCIPAL, EXISTING & RECOMMENDED	\$ 4,969,031	\$ 9,219,024	\$ 9,299,831	\$ 9,646,988	\$ 13,875,073	\$ 13,293,598	\$ 12,649,841	\$ 11,552,762	\$ 10,517,857	\$ 9,472,801
Population - Based upon Five Year Plan	17,240	17,585	17,585	18,437	18,990	19,560	20,147	20,751	21,374	22,015
Projected Assessed Valuation - Based upon Five Year Plan	\$ 1,072,172,079	\$ 1,128,465,441	\$ 1,152,569,042	\$ 1,373,733,504	\$ 1,505,753,924	\$ 1,565,984,081	\$ 1,628,623,444	\$ 1,688,882,511	\$ 1,739,548,986	\$ 1,774,339,966
WITHOUT ADDITIONAL DEBT										
Projected Budget - 3% growth w/o additional long-term debt only	\$ 13,370,429	\$ 14,180,075	\$ 15,131,383	\$ 16,446,835	\$ 16,939,810	\$ 16,890,353	\$ 17,097,268	\$ 16,993,312	\$ 16,485,642	\$ 15,862,916
ESTIMATED RATIOS										
% Outstanding Principal to Assessed Valuation	0.463%	0.817%	0.807%	0.702%	0.583%	0.516%	0.447%	0.386%	0.344%	0.307%
% Debt Svc to Total Budget	8.76%	7.44%	7.82%	7.07%	5.95%	4.77%	4.67%	4.21%	2.47%	2.35%
Debt Per Capita	\$ 288	\$ 524	\$ 529	\$ 523	\$ 462	\$ 413	\$ 361	\$ 314	\$ 280	\$ 248
WITH ADDITIONAL DEBT										
Projected Budget + Additional Debt Service	\$ 13,370,429	\$ 14,180,075	\$ 15,131,383	\$ 16,446,835	\$ 17,370,451	\$ 17,753,788	\$ 18,570,750	\$ 19,257,095	\$ 19,717,503	\$ 20,066,838
ESTIMATED RATIOS										
% Outstanding Principal to Assessed Valuation	0.46%	0.82%	0.81%	0.70%	0.92%	0.85%	0.78%	0.68%	0.60%	0.53%
% Debt Svc to Total Budget	8.76%	7.44%	7.82%	7.07%	9.37%	8.67%	10.07%	10.67%	10.14%	9.06%
Debt Per Capita	\$ 288	\$ 524	\$ 529	\$ 523	\$ 731	\$ 680	\$ 628	\$ 557	\$ 492	\$ 430
DEBT RATIOS: PEER POPULATION (10,000-24,999), FY03-04										
Outstanding Principal (Debt) as % of Assessed Valuation	HIGH	AVERAGE	LOW							
	1.603%	0.335%	1.603%							
Outstanding Principal (Debt) Per Capita	\$ 1,412	\$ 250	\$ -							
CREDIT RATING INDUSTRY STANDARD:										
Debt Service as a % of the Operating Budget	BUDGET STRAIN	ACCEPTABLE								
	20%	10%	\$ -							

Potential Tax Rate Impact of the CIP

The chart below illustrates the potential tax rate impact of the CIP. Committing to an aggressive capital improvement program will require significant increases in debt service and operating costs that will largely be funded through property taxes, one of the few significant revenue streams that is directly under control of local jurisdictions. This fact, compounded with the fact that the town's tax base is largely comprised of residential property, constrains the ability of the town to diversify its revenue stream. Increased debt service costs for the construction of the future Northern Area fire substation occurs in FY07-08. Additional debt service for sidewalk construction contributes to the possible tax increase estimated for FY07-08. Also, the Northern Area fire

substation becomes operational in that year. Again, sidewalks represent significant spending increases in FY09-10 and FY10-11. The programming of the Public Works facility in FY11-12 and Beyond explains much of the increase in the tax rate in the FY11-12 column.

The potential impact on the property tax rate 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.

	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
ADDITIONAL DEBT SERVICE, LONG TERM	\$ -	\$ 430,641	\$ 389,311	\$ 576,969	\$ 663,762	\$ 869,771	\$ 871,412
ADDITIONAL PAY-AS-YOU-GO (CASH, GENERAL FUND)							
Street Resurfacing	\$ -	\$ 50,000	\$ 50,000	\$ 70,500	\$ 70,500	\$ 93,000	\$ 93,000
Park Maintenance Fund	\$ -	\$ 170,300	\$ 89,000	\$ 38,000	\$ 231,000	\$ 7,000	\$ 14,000
Weaver Street Reconstruction		\$ 73,000	\$ 73,000	\$ 73,000			
Gary Road Storm Sewer		\$ 42,000	\$ 42,000				
Information Technology		\$ 404,050	\$ 354,700	\$ 157,900	\$ 115,700	\$ 129,000	\$ 293,000
Side walks	\$ -	\$ -		\$ -	\$ -	\$ 66,300	\$ 25,643
TOTAL PAY-AS-YOU GO, GENERAL FUND	\$ -	\$ 739,350	\$ 608,700	\$ 339,400	\$ 417,200	\$ 295,300	\$ 425,643
OPERATING IMPACT OF CAPITAL PROJECTS							
Northern Area Fire Substation	\$ -		\$ 707,443				
Public Works Facility							\$ 7,300
Information Technology		\$ 51,120	\$ 18,120	\$ 14,320	\$ 1,440		
Martin Luther King, Jr. Park						\$ 94,875	
TOTAL OPERATING IMPACT, GENERAL FUND	\$ -	\$ 51,120	\$ 725,563	\$ 14,320	\$ 1,440	\$ 94,875	\$ 7,300
TOTAL ADDITIONAL FUNDS NEEDED	\$ -	\$ 1,221,111	\$ 1,723,574	\$ 930,689	\$ 1,082,402	\$ 1,259,946	\$ 1,304,355
TAX RATE PER PENNY (PROJECTED)	\$ 135,235	\$ 147,549	\$ 153,451	\$ 159,589	\$ 165,494	\$ 170,459	\$ 173,868
TAX RATE IMPACT	N/A	\$ 8.28	\$ 11.23	\$ 5.83	\$ 6.54	\$ 7.39	\$ 7.50

Unfunded Projects

Town Hall Renovations

Town Hall, originally constructed in 1930, 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.

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 Morgan 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 Branch (Bolin Creek at Hogan Farms to Eubanks Road).

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.

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 Davie Road, Deer and Lisa Streets, and 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.

Estes Drive to NC86

This is a state road improvement project that is currently

UNFUNDED PROJECTS		
PROJECT	PROJECT COSTS	LOCAL SHARE
Town Hall Renovations	\$ 3,405,000	\$ 3,405,000
Outdoor Swimming Pool	\$ 5,368,079	\$ 5,368,079
Greenways	\$ 3,224,950	\$ 3,224,950
Gymnasium	\$ 4,167,557	\$ 4,167,557
Local Road Improvements	\$ 908,847	\$ 454,424
Estes Drive to NC86 - 3 lanes	\$ 6,950,000	\$ -
Roberson St. Improvements	\$ 405,840	\$ 405,840
TOTAL	\$ 24,430,273	\$ 17,025,850

unfunded in the North Carolina Department of Transportation's (NCDOT) Transportation Improvement Program (TIP). It is assumed that the University's plan to develop the Horace William Tract (now called Carolina North) as an extension of the UNC-Chapel Hill's campus affects the current arrangement of Estes Drive. The town had planned to contribute a local match (20 percent) to fund the creation of sidewalks along Estes Drive at the time of the road improvements. The Board of Aldermen has elected to proceed with the sidewalk construction along Estes Drive using bond funds recently approved by the community.

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.