

TOWN OF CARRBORO, NORTH CAROLINA
CAPITAL IMPROVEMENTS PROGRAM
FY2007-2008 THROUGH FY2012-2013

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Thanks to Roy Williford, Planning Department, for the cover design.

Carrboro Capital Improvements Plan

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A Message from the Manager

November 14, 2006

Dear Mayor and Board of Aldermen,

It is with pleasure that I submit to you the Recommended FY07-08 Capital Improvements Program (CIP) that updates last year's comprehensive revision of the town's capital needs. The FY07-08 CIP reflects the movement from years of capital planning and land purchases to project action and thus estimated project budgets are in a stage of continual change as projects are close to fruition or are underway. This annual CIP is unique in that it really is a view at one point in time as costs are and will continue to be refined in the near future for various projects including sidewalks, greenways, the fire substation, parking lots, and the reconstruction of Weaver Street.

As mentioned in previous updates, this Capital Improvements 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. 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 view of unfunded town needs identified during this capital planning process is presented in the Appendix on page 3.5. The unfunded projects primarily address administrative facility needs, parks and recreation needs, and road improvements. One previously noted unfunded need, Estes Drive to NC86, has been dropped from the list as it is no longer part of the State Transportation Improvement Plan (TIP).

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. For the vehicles, the Public Works Department will also make every effort to evaluate department vehicle requests for appropriate size and economy and will assess whether there are suitable hybrids or alternative fuel vehicles available before purchasing non-hybrids or non-alternative vehicles.

Other smaller changes have been made to the CIP that actually refine what is presented as a capital cost or need. For example, two sidewalk projects on Old Fayetteville Road and Smith Level Road involve sidewalk enhancements requested by the Town that will require a local match. Previously, the CIP recorded the estimated state and local costs of the projects which are being performed by the North Carolina Department Of Transportation (NCDOT). The CIP has been changed to reflect the local share remitted to NCDOT upon their completion of the project. In effect, the CIP is reduced by \$7,255,000 as a result of this change. Another subtle change is the refinement of what information technology costs are recorded in the CIP versus what is requested through the annual operating budget process. The focus of the CIP is to identify significant technology improvements that have not been previously funded whereas the annual operating budget assumes the responsibility for replacement and maintenance costs of various computer hardware and software.

FY07-08 Capital Improvements Plan - Overview

The Recommended Capital Improvements Plan (CIP) totals \$31,929,191. Approximately \$25,645,003, or 80.3%, of the \$31.9 million total is or will be funded through debt financing instruments such as general obligation bonds and installment financings. Of the total debt to be financed, \$4,870,000 represents installment financing needed to maintain the town's rolling stock and equipment for day-to-day operations. The increase in vehicle costs is primarily due to the recommendation to purchase two new vehicles for fire service needs including an aerial fire truck and a rescue/brush truck.

The overall CIP budget has decreased \$5,960,240, primarily due to removing state revenues for road improvements and for budgeting replacement servers and mobile data terminals (MDTs) as part of the operating budget rather than the CIP. There are, however, numerous projects that show cost increases. Increases are largely attributable to updated construction estimates for Weaver Street Reconstruction (\$486,000), construction of Martin Luther King, Jr. park (\$80,115), and Gary Road Storm Sewer Replacement projects (\$6,000). Increased costs are also estimated for the Northern Area Fire Substation (\$224,878) due to increases in architectural fees and anticipated costs for cabling, fire department software, and phone system.

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. The Weaver Street Reconstruction project, while it has increased significantly in terms of construction costs, does not project land right-of-way costs at this time given the original intent of this project was to reconstruct the road way and not widen it. The exact nature of this project will require future board discussion before proceeding. The planned purchase of parking lots in the downtown area is in need of future discussion as recommended by the RTS economic development study.

Projects	Total Cost 07-08	FY06 CIP 06-07	Difference
Gary Road Storm Sewer	\$ 90,000	\$84,000	\$6,000
Greenways	\$ 1,457,500	\$1,457,500	\$0
Martin Luther King, Jr. Park	\$ 2,226,911	\$2,146,796	\$80,115
Northern Area Fire Substation	\$ 2,749,703	\$2,524,825	\$224,878
Park Maintenance and Repair	\$ 637,290	\$561,320	\$75,970
Public Works Facility	\$ 9,699,501	\$9,699,501	\$0
Sidewalks	\$ 4,891,183	\$12,013,620	-\$7,122,437
Street Resurfacing	\$ 1,447,000	\$1,529,639	-\$82,639
Town Parking Lots	\$ 500,000	\$500,000	\$0
Weaver Street Reconstruction	\$ 1,095,000	\$609,000	\$486,000
Information Technology	\$ 943,965	\$1,454,350	-\$510,385
Equipment/Vehicle Lease-Purchase	\$ 6,191,138	\$5,308,880	\$882,258
Total Projects	\$31,929,191	\$37,889,431	-\$5,960,240

The implementation of the sidewalk plan, construction of the Northern Area Fire Substation, reconstruction of Weaver Street, 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, Downtown Traffic Circulation Study, and the recent economic development assessment, and various master plans for parks and recreation and greenways.

In regards to the Northern Area Fire Substation, the Town has hired an architect and will soon be looking to a public input process on the building design. 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 and greenways as time and costs permit. The town plans to issue bond anticipation notes until the spending on sidewalks reaches the amount authorized by the voters (\$4,600,000) or any lesser amount that the Board of Aldermen desires. The Board will revisit these plans on December 5, 2006.

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 implementation is recommended to be delayed until FY10-11 following the construction and operational implementation of the Fire Substation and the issuance of bonds for sidewalks and greenways in order to minimize any potential impact or ballooning effect on the potential tax burden.

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. The Park Maintenance and Repair project, in the recommended CIP, delays some projects by one fiscal year and identifies several new park needs, including a dog fence, tennis court resurfacing for Anderson Park, and renovation of a multi-purpose field (Field #4) in Anderson Park, increasing cost estimates by \$75,970 over the previous year CIP.

While the overall Information Technology (IT) needs show a decrease over the previous year, the IT needs identified in this CIP include online and touchstone recreation program registration capability, completion of MDT installations in all police cars; planned GIS aerial photography every five years, and a more recent introduction to the town's technology needs: fiber alongside traffic light fiber. This project, estimated at \$200,000, takes advantage of work planned by NCDOT in 2011 to connect many of the existing traffic signals in the Carrboro/Chapel Hill area with multi-mode fiber optics. NCDOT is offering to place fiber purchased by the Town alongside the fiber that they will be putting in place for the traffic signals at a much reduced cost. This fiber-optic network could be used for unknown future town needs to connect different areas of Town, provide for greater wireless coverage, possibly offering connectivity between and for businesses and more. This setup could also possibly provide a high bandwidth link between Town Hall and the future fire substation as well.

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 affect 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.

The systematic and comprehensive manner, in which staff, the community, and the Board assesses the town's needs as presented in the Recommended CIP enables informed and conscious choices about the town's many needs in light of limited resources. 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 Stewart
Town Manager

SES/LBR

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

The Capital Improvements 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 CIP. 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 (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 replacement 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 the previous capital 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 short-fall 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 Document Organization

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

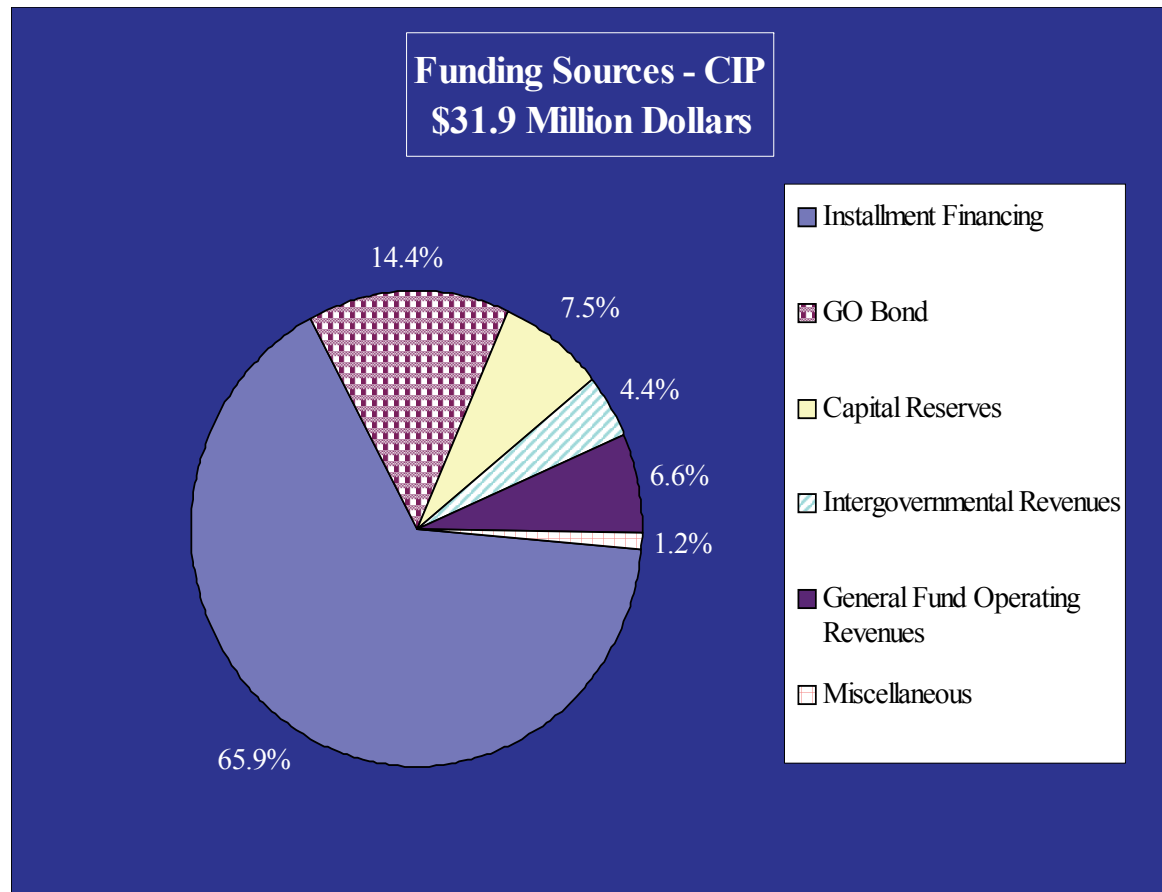
such as general obligation bonds or installment financing. The graph below illustrates the revenue stream needed to finance the town’s CIP. Approximately, 65 percent of the CIP is financed through debt, requiring revenue to support debt payments.

Below is a list of the types of funding:

- *Installment Financing:* This is a debt fi-

nancing 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.

Projects	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECTS	OPERATING IMPACT	FTEs
Street Resurfacing	\$ -	\$ 120,000	\$ 400,000	\$ -	\$ 441,000	\$ -	\$ 486,000	\$ -	\$ 1,447,000	\$ -	0.0
Northern Area Fire Substation	\$ -	\$ 220,000	\$ 1,587,765	\$ 941,938	\$ -	\$ -	\$ -	\$ -	\$ 2,749,703	\$ 851,855	15.0
Sidewalks	\$ 618,647	\$ 1,092,093	\$ 1,000,000	\$ 866,000	\$ 1,222,500	\$ 66,300	\$ -	\$ 25,643	\$ 4,891,183	\$ -	0.0
Park Maintenance and Repair	\$ 19,020	\$ 22,320	\$ 177,300	\$ 93,100	\$ 77,050	\$ 234,500	\$ 7,000	\$ 7,000	\$ 637,290	\$ -	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	\$ 595,336	\$ 914	\$ -	\$ -	\$ -	\$ 1,330,035	\$ 300,626	\$ -	\$ 2,226,911	\$ 99,618	2.0
Weaver Street Reconstruction	\$ -	\$ -	\$ 219,000	\$ 876,000	\$ -	\$ -	\$ -	\$ -	\$ 1,095,000	\$ -	0.0
Gary Road Storm Sewer Replacement	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ -	0.0
Equipment/Vehicle Lease-Purchase	\$ -	\$ 1,321,138	\$ 1,610,000	\$ 925,000	\$ 939,000	\$ 428,000	\$ 503,000	\$ 465,000	\$ 6,191,138	\$ -	0.0
Information Technology	\$ -	\$ 371,415	\$ 169,000	\$ 85,350	\$ 83,200	\$ 200,000	\$ 15,000	\$ 20,000	\$ 943,965	\$ 67,450	0.0
Total Projects	\$ 1,989,489	\$ 3,208,394	\$ 5,253,065	\$ 4,707,388	\$ 2,762,750	\$ 3,246,335	\$ 1,311,626	\$ 9,450,144	\$ 31,929,191	\$ 1,026,223	17.0
OPERATING BUDGET EFFECTS											
Funding Source	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL FUNDING	% of Funding	
Installment Financing	\$ 1,030,486	\$ 1,551,652	\$ 3,197,765	\$ 2,116,938	\$ 939,000	\$ 2,008,035	\$ 803,626	\$ 9,397,501	\$ 21,045,003	65.9%	
GO Bond	\$ 1,086,000	\$ 144,000	\$ 1,000,000	\$ 1,000,000	\$ 1,222,500	\$ 147,500	\$ -	\$ -	\$ 4,600,000	14.4%	
Capital Reserves	\$ 132,632	\$ 120,000	\$ 661,000	\$ 560,000	\$ 441,000	\$ -	\$ 486,000	\$ -	\$ 2,400,632	7.5%	
Intergovernmental Revenues	\$ 9,334	\$ 273,591	\$ -	\$ 536,000	\$ -	\$ 590,000	\$ -	\$ -	\$ 1,408,925	4.4%	
General Fund Operating Revenues	\$ 73,056	\$ 394,649	\$ 394,300	\$ 494,450	\$ 160,250	\$ 500,800	\$ 22,000	\$ 52,643	\$ 2,092,148	6.6%	
Miscellaneous	\$ 290,629	\$ 91,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,483	1.2%	
Total Funding	\$ 2,622,137	\$ 2,575,746	\$ 5,253,065	\$ 4,707,388	\$ 2,762,750	\$ 3,246,335	\$ 1,311,626	\$ 9,450,144	\$ 31,929,191	100.0%	
						\$ -					
OPERATING BUDGET EFFECTS											
Elements	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT		
Personnel Costs	\$ -	\$ 63,075	\$ 188,572	\$ 367,365	\$ -	\$ -	\$ 64,557	\$ -	\$ 683,569		
Operating and Maintenance	\$ -	\$ 78,318	\$ 107,048	\$ 109,167	\$ 5,760	\$ -	\$ 5,512	\$ 7,300	\$ 313,105		
Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,549	\$ -	\$ 29,549		
Total Operating Costs	\$ -	\$ 141,393	\$ 295,620	\$ 476,532	\$ 5,760	\$ -	\$ 99,618	\$ 7,300	\$ 1,026,223		
<i>Minus New Revenues*</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Net Operating Effect	\$ -	\$ 141,393	\$ 295,620	\$ 476,532	\$ 5,760	\$ -	\$ -	\$ 7,300	\$ 1,026,223		
New Personnel (FTE)	0.0	5.0	5.0	5.0	0.0	0.0	2.0	0.0	17.0		
*NOTE: The imbalance in revenues and expenditures for FY05-06 and FY06-07 reflect timing differences. In FY05-06, the Town received bond-related funding for sidewalks for which expenditures continue through FY06-07. Also, some sidewalk projects rely on reimbursement-based funding received following project expenditures.											

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 37 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.

Expenditures	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction	\$ -	\$ 120,000	\$ 400,000		\$ 441,000		\$ 486,000		\$ 1,447,000
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ 120,000	\$ 400,000	\$ -	\$ 441,000	\$ -	\$ 486,000	\$ -	\$ 1,447,000
FUNDING SOURCES									
Revenue Source	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves	\$ -	\$ 120,000	\$ 400,000		\$ 441,000		\$ 486,000	\$ -	\$ 1,447,000
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ 120,000	\$ 400,000	\$ -	\$ 441,000	\$ -	\$ 486,000	\$ -	\$ 1,447,000
OPERATING BUDGET EFFECTS									
Elements	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 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 leased in FY2006-07 to allow construction to begin in the following year. In the current fiscal year, the Town hired Stewart Cooper Newell Architects for the design and construction management of the new fire station. The Fire Substation budget has been modified from the previous year to acknowledge the recent architectural contract and increased technology costs.

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.

Expenditures	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng		\$ 220,000							\$ 220,000
Land/ROW									\$ -
Construction			\$ 1,587,765						\$ 1,587,765
Equip/Furnishing				\$ 546,800					\$ 546,800
Other									\$ -
Contingencies				\$ 395,138					\$ 395,138
TOTAL	\$ -	\$ 220,000	\$ 1,587,765	\$ 941,938	\$ -	\$ -	\$ -	\$ -	\$ 2,749,703
FUNDING SOURCES									
Revenue Source	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Installment Financing		\$ 220,000	\$ 1,587,765	\$ 941,938	\$ -				\$ 2,749,703
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ 220,000	\$ 1,587,765	\$ 941,938	\$ -	\$ -	\$ -	\$ -	\$ 2,749,703
OPERATING BUDGET EFFECTS									
Elements	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Personnel Costs		\$ 63,075	\$ 188,572	\$ 367,365					\$ 619,012
Operating and Maintenance		\$ 38,278	\$ 91,878	\$ 102,687					\$ 232,843
Capital Outlays					\$ -				\$ -
Total Operating Costs	\$ -	\$ 101,353	\$ 280,450	\$ 470,052	\$ -	\$ -	\$ -	\$ -	\$ 851,855
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ 101,353	\$ 280,450	\$ 470,052	\$ -	\$ -	\$ -	\$ -	\$ 851,855
New Personnel (FTE)		5.0	5.0	5.0					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, in 2003, 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 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 occasion by the board and is updated as construction is completed and costs are known. Currently, the Town is underway with its first round of sidewalk construction including sidewalks along S. Greensboro St., Hanna St., Bolin Forest Drive, Quail Roost, Lisa Drive, Lloyd St., Fowler St., Williams St, and Jones Ferry Road. A second round of sidewalks has been designed and will move into construction phase sometime in the upcoming year.

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. There are two road improvements in the future whereby the town plans sidewalks – Smith Level Road (FY10-11) and Old Fayetteville Road (FY12-13). Estimated NCDOT share for constructing these two projects is estimated

Expenditures	ACTUAL							FY12-13	TOTAL
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND	PROJECT
Planning/Arch/Eng	\$ 290,082	\$ 110,878							\$ 400,960
Land/ROW									\$ -
Construction	\$ 293,357	\$ 894,265	\$1,000,000	\$ 866,000	\$ 1,222,500	\$ 66,300		\$ 25,643	\$ 4,368,065
Equip/Furnishing									\$ -
Other	\$ 35,208	\$ 28,261							\$ 63,469
Contingencies		\$ 58,689							\$ 58,689
TOTAL	\$ 618,647	\$1,092,093	\$1,000,000	\$ 866,000	\$ 1,222,500	\$ 66,300	\$ -	\$ 25,643	\$ 4,891,183
FUNDING SOURCES									
Revenue Source	ACTUAL							FY12-13	TOTAL
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND	PROJECT
Installment Financing									\$ -
GO Bond	\$ 1,086,000	\$ 134,000	\$1,000,000	\$ 866,000	\$ 1,222,500				\$ 4,308,500
Capital Reserves	\$ 132,632	\$ -							\$ 132,632
Intergovernmental Revenues	\$ 9,334	\$ 233,591							\$ 242,925
General Fund Operating Revenues	\$ 11,700	\$ -				\$ 66,300		\$ 25,643	\$ 103,643
Miscellaneous - Payment in Lieu	\$ 11,629	\$ 91,855							\$ 103,483
Total Funding	\$ 1,251,295	\$ 459,445	\$1,000,000	\$ 866,000	\$ 1,222,500	\$ 66,300	\$ -	\$ 25,643	\$ 4,891,183
OPERATING BUDGET EFFECTS									
Elements	ACTUAL							FY12-13	TOTAL
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND	PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Minus New Revenues*</i>									\$ -
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Personnel (FTE)									0.0

at \$7,255,000.

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. 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.

Expenditures	ACTUAL							FY12-13		TOTAL PROJECT
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND		
Planning/Arch/Eng									\$ -	
Land/ROW									\$ -	
Construction	\$ 12,020	\$ 15,320	\$ 170,300	\$ 86,100	\$ 70,050	\$ 227,500			\$ 581,290	
Equip/Furnishing									\$ -	
Other									\$ -	
Contingencies	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 56,000	
TOTAL	\$ 19,020	\$ 22,320	\$ 177,300	\$ 93,100	\$ 77,050	\$ 234,500	\$ 7,000	\$ 7,000	\$ 637,290	
FUNDING SOURCES										
Revenue Source								FY12-13		TOTAL PROJECT
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND			
Installment Financing									\$ -	
GO Bond									\$ -	
Capital Reserves									\$ -	
Intergovernmental Revenues									\$ -	
General Fund Operating Revenues	\$ 19,020	\$ 22,320	\$ 177,300	\$ 93,100	\$ 77,050	\$ 234,500	\$ 7,000	\$ 7,000	\$ 637,290	
Miscellaneous - Payment in Lieu									\$ -	
Total Funding	\$ 19,020	\$ 22,320	\$ 177,300	\$ 93,100	\$ 77,050	\$ 234,500	\$ 7,000	\$ 7,000	\$ 637,290	
OPERATING BUDGET EFFECTS										
Elements								FY12-13		TOTAL PROJECT
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND			
Personnel Costs									\$ -	
Operating and Maintenance									\$ -	
Capital Outlays									\$ -	
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Minus New Revenues*									\$ -	
Net Operating Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New Personnel (FTE)									0.0	

Park Maintenance and Replacement Fund, continued

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

Dog Fence Renovation	\$ 10,000
Anderson Park Tennis Resurfacing	\$ 6,300
Wilson Park Bathroom Facility	\$ 154,000
Repair Contingency	\$ 7,000
FY07-08	\$ 177,300
Wilson Park Tennis Court Resurfacing	\$ 12,600
Anderson Dam Repair	\$ 28,875
Anderson & Wilson Bleacher Replacement	\$ 44,625
Repair Contingency	\$ 7,000
FY08-09	\$ 93,100
Anderson Park Baseball Field (#4) Renovation	\$ 37,500
Anderson Multi-Purpose Field Renovation	\$ 32,550
Repair Contingency	\$ 7,000
FY09-10	\$ 77,050
Lights at the Anderson Park Multi-Purpose Field	\$ 73,500
Anderson Park Bathroom Facility	\$ 154,000
Repair Contingency	\$ 7,000
FY10-11	\$ 234,500
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. The recent Regional Technology Strategies (RTS) report that

assesses Carrboro's economic development needs, recommends allowing for more adequate parking downtown and recommends that a more comprehensive study of downtown parking 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. 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 \$16,000 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 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.

Expenditures	ACTUAL							FY12-13 AND BEYOND	TOTAL PROJECT
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12		
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								FY12-13 AND BEYOND	TOTAL PROJECT
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12			
Installation Financing	\$ -			\$ 250,000		\$ 250,000			\$ 500,000
GO Bond									\$ -
Capital Reserves	\$ -								\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ 500,000
OPERATING BUDGET EFFECTS									
Elements								FY12-13 AND BEYOND	TOTAL PROJECT
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12			
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. This project budget was estimated in the previous fiscal year with the help of MHAworks Architects. Given the uncertain timeline for construction, no attempt has been made to project cost increases in the current year CIP.

Define Problem

Located on 2.5 acres, approximately 40 percent of the current public works facility is located within a designated flood plain. 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 FY12-13 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.

Expenditures	ACTUAL							FY12-13 AND BEYOND		TOTAL PROJECT
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13		
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								FY12-13 AND BEYOND		TOTAL PROJECT
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13			
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								FY12-13 AND BEYOND		TOTAL PROJECT
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13			
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	

Greenway Trails

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.

Expenditures	ACTUAL							FY12-13 AND BEYOND		TOTAL PROJECT
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12			
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								FY12-13 AND BEYOND		TOTAL PROJECT
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12				
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								FY12-13 AND BEYOND		TOTAL PROJECT
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12				
Personnel Costs									\$ -	
Operating and Maintenance									\$ -	
Capital Outlays									\$ -	
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Minus New Revenues*									\$ -	
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.

Expenditures	ACTUAL						FY12-13 AND BEYOND		TOTAL PROJECT
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12		
Planning/Arch/Eng	\$ 41,619	\$ 914				\$ 127,418	\$ 50,104	\$ 220,055	
Land/ROW	\$ 552,700							\$ 552,700	
Construction								\$ -	
Equip/Furnishing								\$ -	
Other	\$ 1,016							\$ 1,016	
Contingencies						\$ 1,202,617	\$ 250,522	\$ 1,453,139	
TOTAL	\$ 595,336	\$ 914	\$ -	\$ -	\$ -	\$ 1,330,035	\$ 300,626	\$ 2,226,911	
FUNDING SOURCES									
Revenue Source							FY12-13 AND BEYOND		TOTAL PROJECT
Installment Financing	\$ 274,000		\$ -	\$ -		\$ 1,330,035	\$ 300,626	\$ -	\$ 1,904,661
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues	\$ 42,336	\$ 914							\$ 43,250
Miscellaneous - Payment in Lieu	\$ 279,000								\$ 279,000
Total Funding	\$ 595,336	\$ 914	\$ -	\$ -	\$ -	\$ 1,330,035	\$ 300,626	\$ -	\$ 2,226,911
OPERATING BUDGET EFFECTS									
Elements							FY12-13 AND BEYOND		TOTAL PROJECT
Personnel Costs							\$ 64,557		\$ 64,557
Operating and Maintenance							\$ 5,512		\$ 5,512
Capital Outlays							\$ 29,549		\$ 29,549
Total Operating Costs	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 99,618	\$ -	\$ 99,618
Minus New Revenues*				\$ -					\$ -
Net Operating Effect	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ 99,618
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. Two new vehicles, an aerial fire truck and a rescue/brush truck have been added to the fleet maintenance schedule as the result of a more thorough review of fire apparatus.

Expenditures	ACTUAL							FY12-13	TOTAL
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND	PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction									\$ -
Equip/Furnishing		\$1,321,138	\$1,610,000	\$ 925,000	\$ 939,000	\$ 428,000	\$ 503,000	\$ 465,000	\$ 6,191,138
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$1,321,138	\$1,610,000	\$ 925,000	\$ 939,000	\$ 428,000	\$ 503,000	\$ 465,000	\$ 6,191,138
FUNDING SOURCES									
Revenue Source	ACTUAL							FY12-13	TOTAL
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND	PROJECT
Installment Financing	\$ -	\$1,321,138	\$1,610,000	\$ 925,000	\$ 939,000	\$ 428,000	\$ 503,000	\$ 465,000	\$ 6,191,138
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues									\$ -
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$1,321,138	\$1,610,000	\$ 925,000	\$ 939,000	\$ 428,000	\$ 503,000	\$ 465,000	\$ 6,191,138
OPERATING BUDGET EFFECTS									
Elements	ACTUAL							FY12-13	TOTAL
	6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	AND BEYOND	PROJECT
Personnel Costs									\$ -
Operating and Maintenance									\$ -
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Minus New Revenues*</i>									\$ -
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 2007-2008			
Replacement	Police	Patrol Vehicles (7)	\$ 189,000
Replacement	Fire	Mid size SUV-Replace Vehicle #983	\$ 36,000
Replacement	Fire	Aerial Truck and Apparatus-#971	\$ 920,000
Replacement	Public Works	L&G-Dump Truck - replace #26	\$ 39,000
Replacement	Public Works	L&G-Pickup Truck-replace #25	\$ 21,000
Replacement	Public Works	Streets-Dump Truck-replace vehicle #37	\$ 120,000
Replacement	Public Works	Solid Waste-Rear Loader-replace vehicle # 46	\$ 240,000
Replacement	Public Works	Fleet Maintenance-Small pick up-replace #11	\$ 15,000
Replacement	Public Works	Supervision-Small pick up	\$ 15,000
Replacement	Public Works	Building Maintenance-Small pick up-replace #13	\$ 15,000
		TOTAL	\$ 1,610,000
Fiscal Year 2008-2009			
Replacement	Police	Patrol Vehicles (4)	\$ 116,000
Replacement	Police	Investigations Vehicle - replace vehicle # 188	\$ 27,000
Replacement	Fire	4X4 Brush Truck-Replace #985	\$ 260,000
Replacement	Fire	Mid size SUV-replace vehicle #984	\$ 38,000
Addition	Fire	Mid size SUV-for the new Shift Commander	\$ 38,000
Replacement	Public Works	Administration - mis size SUV - replace vehicle #001	\$ 32,000
Replacement	Public Works	L&G - replace Tractor #45	\$ 25,000
Replacement	Public Works	Solid Waste - full size pick up - replace vehicle #47	\$ 20,000
Replacement	Public Works	Solid Waste - front end loader - replace vehicle #50	\$ 215,000
Replacement	Public Works	Central Svcs - pick up - replace #14	\$ 25,000
Addition	Public Works	Streets, 1-ton Dump Truck	\$ 40,000
Replacement	Public Works	Streets - utility truck - replace vehicle #38	\$ 40,000
Replacement	Public Works	Streets-replace roller #39	\$ 33,000
Replacement	Inspections	Small Pickup Truck - replace vehicle #137	\$ 16,000
Addition	IT	Small Pickup Truck/Van	\$ 16,000
		TOTAL	\$ 925,000

Lease-Purchase Schedule, continued

Fiscal Year 2009-2010			
Replacement	Police	Patrol Vehicles (4)	\$ 124,000
Replacement	Police	Patrol Vehicle, replace #190	\$ 29,000
Replacement	Police	Investigations Vehicle - replace #193	\$ 29,000
Replacement	Fire	Pumper Truck-replaces #934	\$ 620,000
Replacement	Public Works	Fleet Maintenance-Hybrid Sedan-replace vehicle #009	\$ 25,000
Replacement	Public Works	Solid Waste - boom truck - replace #57	\$ 93,000
Replacement	Inspections	Small Pick up - replace # 136	\$ 19,000
		TOTAL	\$ 939,000
Fiscal Year 2010-2011			
Replacement	Police	Patrol Vehicles (6)	\$ 198,000
Replacement	Police	Investigations Vehicles (2)- replace #197 & #198	\$ 66,000
Replacement	Fire	Sedan - replaces #982	\$ 27,000
Replacement	Public Works	L&G - Full Size Truck - replace #003	\$ 25,000
Replacement	Rec & Parks	Small Pick up - replace #015	\$ 21,000
Replacement	Rec & Parks	Full SizePick up - replace #016	\$ 24,000
Replacement	Public Works	Streets - utility truck - replace #042	\$ 44,000
Replacement	Public Works	Streets - pickup - replace #043	\$ 23,000
Replacement	Planning	Mid size SUV - replace #135	\$ 36,000
		TOTAL	\$ 428,000
Fiscal Year 2011-2012			
Replacement	Police	Patrol Vehicles (6)	\$ 210,000
Replacement	Police	Investigations - replace #204	\$ 35,000
Replacement	Police	Chief - replace #203	\$ 38,000
Replacement	Public Works	Solid Waste - fully automated - replace #54	\$ 220,000
		TOTAL	\$ 503,000
Fiscal Year 2012-2013			
Replacement	Police	Patrol Vehicles (5)	\$ 185,000
Replacement	Public Works	Streets - tractor/side arm mower - replace #044	\$ 60,000
Replacement	Public Works	Solid Waste - replace #56	\$ 220,000
		TOTAL	\$ 465,000

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. 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.

Expenditures	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng			\$ 219,000						\$ 219,000
Land/ROW									\$ -
Construction				\$ 876,000					\$ 876,000
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ -	\$ 219,000	\$ 876,000	\$ -	\$ -	\$ -	\$ -	\$ 1,095,000
FUNDING SOURCES									
Revenue Source		FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves			\$ 219,000	\$ 560,000					\$ 779,000
Intergovernmental Revenues									\$ -
General Fund Operating Revenues				\$ 316,000					\$ 316,000
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ -	\$ 219,000	\$ 876,000	\$ -	\$ -	\$ -	\$ -	\$ 1,095,000
OPERATING BUDGET EFFECTS									
Elements		FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 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

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.

Define Problem

The existing corrugated metal culvert is badly

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

Project Alternatives

None.

Recommended Solutions

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

Operating Impact

Not applicable.

Expenditures	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng			\$ 15,000						\$ 15,000
Land/ROW									\$ -
Construction			\$ 75,000						\$ 75,000
Equip/Furnishing									\$ -
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000
FUNDING SOURCES									
Revenue Source		FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves			\$ 42,000						\$ 42,000
Intergovernmental Revenues									\$ -
General Fund Operating Revenues			\$ 48,000						\$ 48,000
Miscellaneous - <i>Payment in Lieu</i>									\$ -
Total Funding	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000
OPERATING BUDGET EFFECTS									
Elements		FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 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. Last year Information Technology was included on its own as a separate project for the first time. 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 marks the purchase of the Police Department records management system, Police and Fire mobile data terminals, and the eGov Initiative. Operating impacts in the following years are the result of the online and touchstone recreation program registration capability, additional Police mobile data terminals, support for GIS, and purchase of fiber outlay along traffic signal fiber. This project, estimated at \$200,000, takes advantage of work planned by NCDOT in 2011 to connect many of the existing traffic signals in the Carrboro/Chapel Hill area with multi-mode fiber optics.

NCDOT is offering to place fiber purchased by the Town alongside the fiber that they will be putting in place for the traffic signals at a much reduced cost. This fiber-optic network could be used for unknown future town needs to connect different areas of Town, provide for greater wireless coverage, possibly offering connectivity between and for businesses and more. This setup could also possibly provide a high bandwidth link between Town Hall and the future fire substation as well.

Expenditures	ACTUAL 6/30-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Planning/Arch/Eng									\$ -
Land/ROW									\$ -
Construction									\$ -
Equip/Furnishing		\$ 371,415	\$ 169,000	\$ 85,350	\$ 83,200	\$ 200,000	\$ 15,000	\$ 20,000	\$ 943,965
Other									\$ -
Contingencies									\$ -
TOTAL	\$ -	\$ 371,415	\$ 169,000	\$ 85,350	\$ 83,200	\$ 200,000	\$ 15,000	\$ 20,000	\$ 943,965
FUNDING SOURCES									
Revenue Source		FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Installment Financing									\$ -
GO Bond									\$ -
Capital Reserves									\$ -
Intergovernmental Revenues									\$ -
General Fund Operating Revenues		\$ 371,415	\$ 169,000	\$ 85,350	\$ 83,200	\$ 200,000	\$ 15,000	\$ 20,000	\$ 943,965
Miscellaneous - Payment in Lieu									\$ -
Total Funding	\$ -	\$ 371,415	\$ 169,000	\$ 85,350	\$ 83,200	\$ 200,000	\$ 15,000	\$ 20,000	\$ 943,965
OPERATING BUDGET EFFECTS									
Elements		FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 AND BEYOND	TOTAL PROJECT
Personnel Costs									\$ -
Operating and Maintenance		40040	\$ 15,170	\$ 6,480	\$ 5,760	\$ -	\$ -	\$ -	\$ 67,450
Capital Outlays									\$ -
Total Operating Costs	\$ -	\$ 40,040	\$ 15,170	\$ 6,480	\$ 5,760	\$ -	\$ -	\$ -	\$ 67,450
Minus New Revenues*									\$ -
Net Operating Effect	\$ -	\$ 40,040	\$ 15,170	\$ 6,480	\$ 5,760	\$ -	\$ -	\$ -	\$ 67,450
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 2007-2008</u>		
Updated Aerial Photography	\$ 15,000	\$ -
PD & FD Mobile Data Terminals	\$ 65,700	\$ 4,320
Online and Touchtone Recreation Program Registration Capability	\$ 83,000	\$ 10,600
Traffic Counters and Software	\$ 5,300	\$ 250
TOTAL	\$ 169,000	\$ 15,170
<u>Fiscal Year 2008-2009</u>		
PD & FD Mobile Data Terminals	\$ 85,350	\$ 6,480
TOTAL	\$ 85,350	\$ 6,480
<u>Fiscal Year 2009-2010</u>		
PD & FD Mobile Data Terminals	\$ 83,200	\$ 5,760
TOTAL	\$ 83,200	\$ 5,760
<u>Fiscal Year 2010-2011</u>		
Fiber Alongside Traffic Light Fiber	\$ 200,000	
TOTAL	\$ 200,000	\$ -
<u>Fiscal Year 2011-12</u>		
Updated Aerial Photography	\$ 15,000	\$ -
TOTAL	\$ 15,000	\$ -
<u>Fiscal Year 2012-13</u>		
Updated GIS Planimetrics	\$ 20,000	\$ -
TOTAL	\$ 20,000	\$ -
<u>Beyond Fiscal Year 2012-13</u>		
TOTAL		\$ -

APPENDIX

Impact of Capital Improvements 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. 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 \$31.9 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 and GO Bond financing assumes a 20-year term. For all debt scenarios, we estimate a five percent interest rate in FY2006-07 and FY2007-08 and increase the rate a one-half percentage point every year through FY2011-12 with a final interest rate of 7.0 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 moni-

tor. 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 FY2004-05, the average debt-to-assessed valuation ratio was .353 percent; a high level is considered 1.503 percent. Carrboro has 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 0.84 percent in FY07-08. 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, 2006 audited valuation, is \$104,939,270.

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 \$676 per capita in FY07-08. The average for comparable jurisdictions is \$272 per capita; \$1,416 per capita is considered a high ratio amongst the peer jurisdictions.

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. The Town will maintain this ratio at or below 12%, considering this to be a moderate level of debt.

As depicted, the town's debt service as a percentage of the operating budget reaches 10.03 percent in FY11-12 and begins to decline, staying within the 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 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 potential property tax burden that may occur over the next five years should the town pursue all of the projects recommended for funding in the CIP. The fiscal analysis reveals the challenges and choices the town makes in 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

	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
DEBT SERVICE COSTS							
CURRENT DEBT SERVICE OBLIGATIONS	\$ 1,133,323	\$ 1,077,155	\$ 1,020,102	\$ 929,788	\$ 672,846	\$ 373,272	\$ 369,610
FUTURE DEBT SERVICE, RECOMMENDED CIP	\$ -	\$ 445,749	\$ 1,011,484	\$ 1,260,376	\$ 1,719,982	\$ 2,060,369	\$ 1,776,520
TOTAL DEBT SERVICE OBLIGATIONS, CURRENT & RECOMMENDED	\$ 1,133,323	\$ 1,522,904	\$ 2,031,586	\$ 2,190,164	\$ 2,392,828	\$ 2,433,641	\$ 2,146,130
TOTAL DEBT (OUTSTANDING PRINCIPAL)							
CURRENT OUTSTANDING PRINCIPAL	\$ 9,710,001	\$ 8,889,623	\$ 8,048,645	\$ 7,261,339	\$ 6,465,648	\$ 6,171,548	\$ 5,869,737
FUTURE OUTSTANDING PRINCIPAL	\$ -	\$ 3,999,129	\$ 4,816,206	\$ 4,255,988	\$ 5,609,048	\$ 4,897,210	\$ 4,379,954
TOTAL OUTSTANDING PRINCIPAL, CURRENT & RECOMMENDED	\$ 9,710,001	\$ 12,888,752	\$ 12,864,851	\$ 11,517,327	\$ 12,074,695	\$ 11,068,758	\$ 10,249,692
Population - Based upon Five Year Plan	18,500	19,055	19,627	20,215	20,822	21,447	22,090
Projected Assessed Valuation - Based upon Five Year Plan	\$ 1,483,245,466	\$ 1,527,742,830	\$ 1,573,575,115	\$ 1,620,782,368	\$ 1,669,405,839	\$ 1,702,793,956	\$ 1,736,849,835
WITHOUT ADDITIONAL DEBT							
Projected Budget - 3% growth w/o additional long-term debt only + CIP PAYG	\$ 17,256,315	\$ 19,036,923	\$ 20,410,620	\$ 21,100,192	\$ 21,855,412	\$ 21,766,789	\$ 21,169,804
ESTIMATED RATIOS							
% Outstanding Principal to Assessed Valuation	0.65%	0.58%	0.51%	0.45%	0.39%	0.36%	0.34%
% Debt Svc to Total Budget	6.57%	5.66%	5.00%	4.41%	3.08%	1.71%	1.75%
Debt Per Capita	\$ 525	\$ 467	\$ 410	\$ 359	\$ 311	\$ 288	\$ 266
WITH ADDITIONAL DEBT							
Projected Budget + Additional Debt Service + CIP PAYG and Operating Impact Costs	\$ 17,256,315	\$ 20,496,412	\$ 22,497,044	\$ 22,939,514	\$ 24,468,073	\$ 24,275,553	\$ 23,493,282
ESTIMATED RATIOS							
% Outstanding Principal to Assessed Valuation	0.65%	0.84%	0.82%	0.71%	0.72%	0.65%	0.59%
% Debt Svc to Total Budget	6.57%	7.43%	9.03%	9.55%	9.78%	10.03%	9.14%
Debt Per Capita	\$ 525	\$ 676	\$ 655	\$ 570	\$ 580	\$ 516	\$ 464
DEBT RATIOS: PEER POPULATION (10,000-24,999), FY04-05	HIGH	AVERAGE	LOW				
Outstanding Principal (Debt) as % of Assessed Valuation	1.503%	0.353%	0.008%				
Outstanding Principal (Debt) Per Capita	\$ 1,416	\$ 272	\$ -				
CREDIT RATING INDUSTRY STANDARD:	BUDGET	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 illustrates the potential impact of the CIP on the Town's annual operating budget. This impact is calculated in terms of tax rate equivalent which is 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 due to CIP needs. This formula does not take into account the natural growth or decline in the annual revenue stream which consists of numerous revenues other than property tax, such as sales tax, grant revenues, and local user fees. Nor does this chart address ongoing operational needs that are cited in the annual operating budget process but are unrelated to the CIP.

Committing to an aggressive capital improvement program will require significant increases in debt service costs associated with financing large multi-year projects and will require significant annual cash appropriations to pay for smaller capital projects where financing is not an appropriate alternative and to pay for staffing and other operating needs once capital projects are completed. These costs will be largely funded through property taxes, one of the few significant revenue streams that are directly under the 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. A notable dynamic reflected in this chart is the increased cost of funding the priorities stated in the CIP – building a fire substation beginning in FY07-08 while increasing the staffing capacity in preparation for the completion of the building in FY08-09; continuing with sidewalk construction with the intention of beginning full debt service payments in FY10-11 on the entire \$4,600,000 approved by voters in November 2003; and moving forward with plans to build the Martin Luther King, Jr. neighborhood park on Hillsborough Road in FY10-11. 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 decreased funding needs in the last two years of the CIP as needs are funded and completed and existing debt is retired or paid off.

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.

	\$ ISSUE	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
CURRENT DEBT SERVICE		\$ 1,283,984	\$ 1,035,318	\$1,020,102	\$ 929,788	\$ 672,846	\$ 373,272	\$ 369,610
CIP PROJECTS RECOMMENDED, NOT YET FUNDED								
DEBT SERVICE COSTS - GENERAL OBLIGATION BONDS	\$ ISSUE	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
GO SIDEWALK AND GREENWAY DEBT SERVICE, FUTURE	\$ 4,600,000	\$ -	\$ 85,175	\$ 123,369	\$ 134,718	\$ 506,000	\$ 492,200	\$ 478,400
INSTALLMENT FINANCING DEBT SERVICE, FUTURE	\$ 4,880,364	\$ -	\$ -	\$ 318,539	\$ 342,050	\$ 331,967	\$ 569,506	\$ 551,274
FUTURE VEHICLE/EQP INSTALLMENT DEBT SERVICE, FY07-08CIP	\$ 4,870,000		\$ 360,574	\$ 569,576	\$ 783,608	\$ 882,015	\$ 998,663	\$ 746,846
TOTAL DEBT SERVICE, CURRENT AND FUTURE		\$ 1,283,984	\$ 1,481,067	\$ 2,031,586	\$ 2,190,164	\$ 2,392,828	\$ 2,433,641	\$ 2,146,130
STREET RESURFACING		\$ 175,000	\$ 225,000	\$ 220,500	\$ 220,500	\$ 243,000	\$ 243,000	n/a
PARK MAINTENANCE FUND		\$ 7,000	\$ 177,300	\$ 93,100	\$ 77,050	\$ 234,500	\$ 7,000	\$ 7,000
WEAVER STREET RECONSTRUCTION		\$ 73,000	\$ 316,000	\$ 316,000	\$ -	\$ -	\$ -	\$ -
GARY ROAD STORM SEWER		\$ 42,000	\$ 48,000	\$ -	\$ -	\$ -	\$ -	\$ -
INFORMATION TECHNOLOGY		\$ 149,752	\$ 169,000	\$ 85,350	\$ 83,200	\$ 200,000	\$ 15,000	\$ 20,000
SIDEWALKS		\$ -	\$ -	\$ -	\$ -	\$ 66,300	\$ -	\$ 25,643
TOTAL CASH ALLOCATION FOR FUTURE CAPITAL PROJECTS (CAPITAL RESERVE)		\$ 446,752	\$ 935,300	\$ 714,950	\$ 380,750	\$ 743,800	\$ 265,000	\$ 52,643
FIRE SUBSTATION (including IT needs for Fire Station #2)		\$ 100,902	\$ 381,802	\$ 863,013	\$ 906,164	\$ 951,472	\$ 999,046	\$1,048,998
MARTIN LUTHER KING, JR. PARK		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,618	\$ 104,599
INFORMATION TECHNOLOGY - GENERAL		\$ 40,040	\$ 57,212	\$ 66,553	\$ 75,640	\$ 79,422	\$ 83,393	\$ 87,563
TOTAL OPERATING IMPACT OF CIP PROJECTS		\$ 140,942	\$ 439,014	\$ 929,566	\$ 981,804	\$1,030,895	\$1,182,057	\$1,241,160
GRAND TOTAL COSTS FOR CIP IMPLEMENTATION		\$ 1,871,678	\$ 2,855,381	\$ 3,676,102	\$ 3,552,718	\$ 4,167,523	\$ 3,880,699	\$ 3,439,934
DIFFERENCE FROM PRIOR FISCAL YEAR		N/A	\$ 983,703	\$ 820,721	\$ (123,383)	\$ 614,805	\$ (286,824)	\$ (440,765)
REVENUE PER PENNY OF TAX		\$ 145,436	\$ 151,253	\$ 157,304	\$ 163,596	\$ 170,140	\$ 176,945	\$ 184,023
TAX RATE EQUIVALENT (CENTS)		N/A	6.50	5.22	(0.75)	3.61	(1.62)	(2.40)

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 Rainbow and Dove Streets. These roads need to be widened to include curb and gutter. They also in some cases would need a stormwater

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
Roberson St. Improvements	\$ 405,840	\$ 405,840
TOTAL	\$ 17,480,273	\$ 17,025,850

swale section. However, no citizen petitions have come forward and the projects currently remain unfunded.

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.