



Legislation Details (With Text)

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Title: Capital Improvement Plan Update and Financial Planning Model

PURPOSE: To present to the Board of Aldermen the updated Capital Improve Plan (CIP) for FY 2018-19 through FY 2022-23 and a Financial Planning Model.

Indexes:

Code sections:

Attachments: 1. ATTACHMENT A: CIP Resolution for Adoption, 2. ATTACHMENT B: UPDATED CIP DOCUMENT FY 2018-19 THROUGH FY2022-23

Date	Ver.	Action By	Action	Result
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TITLE:

Capital Improvement Plan Update and Financial Planning Model

PURPOSE: To present to the Board of Aldermen the updated Capital Improve Plan (CIP) for FY 2018-19 through FY 2022-23 and a Financial Planning Model.

DEPARTMENT: Town Manager and Finance

CONTACT INFORMATION: David Andrews, 919-918-7315; Arche McAdoo, 919-918-7439

INFORMATION: The updated CIP for FY 2018-19 through FY 2022-23 (Attachment B) emphasizes the completion of current projects rather than initiation of new projects. The Town has 15 capital projects underway that total \$25.4 million. The largest project is the 203 S. Greensboro Street project at \$15.6 million. This is a joint development between the Town and Orange County to develop facility to house the Orange County Southern Branch Library, Town administrative offices, and other possible uses. The County is expected to contribute \$6.0 million and the Town anticipates debt financing of \$9.0 million.

The total amount of the updated CIP is \$32.3 million. In addition to current projects, included in this amount is \$6.8 million for street re-surfacing (\$1.5 million); vehicle and equipment replacement (\$2.5 million); and infrastructure projects such as sidewalks, bike ways, etc. (\$2.8 million).

In the past capital projects for storm water management have been included in the General Fund. With the formation of a Storm Water Utility Enterprise Fund, funding for storm water capital projects are expected to be paid from the Enterprise Fund. Less than a million dollars is expected to be needed for storm water capital projects over the next five years. Beyond the five year window, it's estimated that an additional \$4.3 million will be needed.

Finance staff have worked with First Tryon Advisors to develop a financial planning model to forecast the

impact of proposed funding for capital projects on the General Fund. David Cheatwood and Charlie Shoemaker will present the interactive planning model developed by First Tryon Advisors for the Town.

FISCAL & STAFF IMPACT: The CIP will required an additional \$6.8 million over the next five years. The CIP does not appropriate funding for capital projects. Rather, capital projects are funded by the Board of Aldermen through the adoption of a Capital Project Ordinance or in the annual General Fund budget.

RECOMMENDATION: That the Board of Aldermen approve the attached resolution to accept the CIP for FY 2018-19 through FY 2022-23 (Attachment A).