

CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

Capital Budget Process

The Capital Improvement Program (CIP) is a six-year financing plan for infrastructure improvements, facility construction and improvement, and equipment acquisition. The City's emphasis on long-range capital improvement planning focuses attention on the current and future needs of the community and on balancing those needs with the City's fiscal resources.

The CIP is updated annually based on input from City Council, the public and City staff. The FY 2010-11 CIP is influenced by a number of other planning processes, including the City's long-range Strategic Operating Plan, the Unified Development Ordinance, the Parks & Recreation Master Plan, the Pedestrian Thoroughfare Plan, and the Parking Study.

The annual capital budget process begins in the fall before departments begin work on their operating budgets. Departments submit a list of CIP requests to the Budget & Research Office. Budget & Research then reviews all requests, including projects that had been tentatively scheduled in previous years' CIPs, and makes recommendations to the City Manager and the management team. Following the City Manager's review, the CIP is then submitted to the City Council for approval along with the City's annual operating budget. Approval of the CIP commits the City to the first year of capital projects.

In order to be included in the CIP, a capital item or construction project must have a useful life of more than one year and an initial cost of at least \$25,000. All capital items not meeting these criteria are included in the annual operating budget as capital outlay. The one exception to this rule is vehicles. All vehicle purchases, regardless of price, are included in the CIP.

General Capital Reserve Fund

The General Capital Reserve Fund provides funding for all general government capital needs. FY 2010-11 funding is provided by a \$7,867,222 pay-as-you-go contribution from the General Fund, \$1,200,000 in debt proceeds, and \$609,000 from other revenue sources. Major departmental itemized requests are displayed as approved.

Civic Center Capital Fund

The Civic Center Capital Fund includes a \$250,000 transfer from the General fund to fund building maintenance and improvement projects.

Water Resources Fund

CIP items and projects in the Water Resources Operating & Capital Improvement Funds are funded with utility revenues generated by the Water Resources Operating Fund and the capital improvements fee. The FY 2010-11 budget includes \$5.6 million in capital improvement projects. In addition, \$352,000 is budgeted in FY 2010-11 to replace capital equipment.

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SUMMARY OF MAJOR GENERAL CAPITAL PROJECTS

- All of the funding for this year's general capital improvement program will come from pay-as-you-go funding except for the \$1.2 million allocated for the replacement of the fire aerial ladder truck.
- The adopted CIP includes \$1.7 million to fund the replacement of vehicles in the Fire, Police and Public Works Departments. As noted above, \$1.2 million will go toward the replacement of a fire aerial ladder truck that has reached the end of its useful life. The City will borrow money to fund the cost of this purchase. It is estimated that annual debt service costs on this financing will be \$230,000. From the remaining funds designated for vehicle replacement, \$300,000 will be allocated to the Police Department and \$205,000 will go to the Public Works Department.
- The Parks & Recreation CIP includes \$535,000 in funding. \$35,000 will go to meet the City's contractual obligation to provide annual funding for McCormick Stadium maintenance and repairs. The remaining \$500,000 is allocated to high priorities identified in the Parks, Recreation, Cultural Arts Master plan adopted by City Council in 2009. Specific projects for FY 2010-11 include:
 - 1) \$225,000 for the replacement and upgrade of park/facility amenities such as fencing, gates, signage, water fountains, trash receptacles, benches, picnic tables, grills, landscaping, surfacing for playgrounds, etc;
 - 2) \$100,000 to address deferred maintenance at recreation centers;
 - 3) \$100,000 to begin funding improvements at the Nature Center;
 - 4) \$75,000 for land/easement acquisitions along greenway corridors identified in the Greenway Master Plan.
- Due to budget constraints, capital funding for the Civic Center was reduced from \$400,000 to \$250,000 in FY 2009-10. The FY 2010-11 adopted budget continues funding at the \$250,000 level. From this allocation, \$200,000 will go toward improvements in the Civic Center's locker and dressing rooms; \$30,000 will be used for upgrades to the facility lighting and controls; and \$20,000 will go toward renovations in the banquet hall.
- The CIP includes an ongoing contribution of \$952,300 to the Street & Sidewalk Fund for maintenance & repair of existing streets & sidewalks. In addition, the FY 2010-11 adopted CIP continues the \$35,000 annual appropriation for traffic safety projects. The CIP also includes \$143,000 in sidewalk funding from fee-in-lieu-of-sidewalk proceeds that have been collected but not previously budgeted. Also, the City has received notice from NCDOT that steel support beams on the Deaverview Road Bridge are in need of repair and replacement. The adopted CIP includes \$158,000 to fund this project.
- In FY 2009-10, the City received authorization from the State General Assembly to begin transferring up to 5% of Water Fund revenues to the general capital improvement program to fund water-related infrastructure projects. The City transferred the full 5% in FY 2009-10, which provided \$1.66 million in funding. Based on Council direction, 1% of Water Fund revenue will be transferred in FY 2010-11. This 1% transfer will provide an additional \$341,000 in funding, which will be combined with the money transferred in FY 2009-10 to provide total available funding of \$1.9 million which will be used to fund infrastructure improvements along Azalea Road (including widening the road, and installing and replacing the drainage system) and Ridge Avenue.
- The City expects to receive \$125,000 in funding next fiscal year from the technology fee that Council approved at the beginning of FY 2008-09. This fee is applied to all development review permits. Proceeds from this fee are earmarked to fund technology improvements that aid the development review process.

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RELATIONSHIP TO THE ANNUAL OPERATING BUDGET

An important aspect of capital improvement planning is the effect that capital projects have upon the annual operating budget. Most CIP projects in the City of Asheville are funded through annual operating funds, such as the General Fund and the Water Resources Fund. In these instances, the Capital Improvement Program (CIP) and the annual operating budget are directly linked since these projects receive authorization with the adoption of the annual operating budget. Projects funded through debt financing also impact the operating budget through ongoing debt service expenses.

In addition, some completed CIP projects will impact the operating budget through ongoing expenses for staffing and operations. For example, when a new fire station or recreation center is built, the costs of maintaining and staffing the new facility must be funded in the operating budget. Advance knowledge of these costs aids in the budgeting process. Some CIP projects, such as new parking decks, may impact the operating budget by generating additional revenue as well as additional costs. Other projects may create cost savings by reducing annual operating expenses.

The estimated impact of the capital improvement budget on the annual operating budget in FY 2010-11 is \$22.69 million, including debt service costs incurred from the long-term financing of capital projects approved this year and in prior years, and pay-as-you-go financing of current year projects. None of the capital projects approved in the FY 2010-11 budget are expected to add costs to the City's operating budget in future years. The table below summarizes the total impact of the capital budget on the FY 2010-11 operating budget.

Total Impact of Capital Budget on FY 2010-11 Operating Budget	
General Fund CIP Transfer	7,867,222
Water Resources Fund CIP Transfer	5,977,000
Water Resources Fund Debt Service	7,772,305
Water Resources Fund Sullivan Act	341,000
Stormwater Fund Debt Service	240,000
Parking Services Fund Debt Service	<u>500,000</u>
Total	22,697,527

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GENERAL CAPITAL RESERVE FUND SUMMARY

	BUDGET	ADOPTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<i>Revenue Sources:</i>						
General Fund Transfer	8,367,222	7,867,222	8,050,034	8,171,059	8,301,067	8,352,868
Development Srv. Tech. Fee*	--	125,000	125,000	125,000	125,000	125,000
Debt Proceeds**	3,168,018	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000
Water Fund Sullivan Act Funds	87,440	1,820,000	785,000	475,000	1,570,000	340,000
Fee-In-Lieu of Sidewalks	0	143,000	0	0	0	0
Grants & Donations	737,982	0	0	0	0	0
Sewer Project Savings	534,000	0	0	0	0	0
Total Available Funds	12,894,662	11,155,222	9,960,034	9,771,059	10,996,067	9,817,868

	BUDGET	ADOPTED	PLANNING YEARS			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<i>Use of Funds:</i>						
General Debt Service	5,429,922	5,434,922	4,302,734	4,112,059	2,852,067	2,834,868
Fleet Replacement	752,000	1,705,000	1,527,000	1,441,000	1,631,000	1,910,000
Facility & Equipment Maintenance	568,000	0	208,000	383,000	283,000	258,000
Technology Improvements	335,000	125,000	275,000	300,000	325,000	240,000
Parks & Recreation	2,365,000	535,000	575,000	625,000	675,000	550,000
Land Purchases	250,000	0	0	0	0	0
Civic Center	250,000	250,000	300,000	400,000	400,000	400,000
Street & Sidewalks/Traffic Imp.	987,300	1,288,300	987,300	1,035,000	1,060,000	1,085,000
Sullivan Act Projects	87,440	1,820,000	785,000	475,000	1,570,000	340,000
Annexation Sewer Projects	1,870,000	0	0	0	0	0
Contribution to Capital Reserve	0	0	1,000,000	1,000,000	2,200,000	2,200,000
Total Use of Funds	12,894,662	11,155,222	9,960,034	9,771,059	10,996,067	9,817,868

* Prior to FY 2010-11, the development services technology fee was collected in the General Fund and included in the General Fund transfer amount.

** Debt proceeds of \$1.2 million in FY 2010-11 will be used to finance the replacement of a fire aerial ladder.

CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

<u>PROJECTS</u>	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
<u>Fleet Replacement</u>					
Police	300,000	350,000	400,000	500,000	525,000
Police Armored Response Vehicle				215,000	
Public Works	205,000	350,000	281,000	631,000	600,000
Building Safety		52,000	60,000	60,000	60,000
Parks & Recreation		75,000	100,000	100,000	125,000
Fire*	1,200,000	700,000	600,000	125,000	600,000
Subtotal Fleet Replacement	1,705,000	1,527,000	1,441,000	1,631,000	1,910,000
<u>Facility & Equipment Maintenance</u>					
Police Facility Needs Assessment		150,000			
Municipal Building Repairs			150,000		
Building Security Enhancements			75,000	100,000	75,000
Police In Car Video Cameras				125,000	125,000
Station 1 Maintenance & Repairs			100,000		
Building Maintenance		58,000	58,000	58,000	58,000
Subtotal Facilities/Equipment	0	208,000	383,000	283,000	258,000
<u>Technology Improvements</u>					
Data Security		110,000	30,000	50,000	25,000
Development Review Improvements	125,000	125,000	125,000	125,000	125,000
Data Center Infrastructure		40,000	45,000		
Radio Replacements			100,000	150,000	90,000
Subtotal Technology	125,000	275,000	300,000	325,000	240,000

* Debt proceeds of \$1.2 million in FY 2010-11 will be used to finance the replacement of a fire aerial ladder. The annual debt service on this amount is estimated to \$230,000.

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GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

PROJECTS	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
<u>Civic Center</u>					
Renovate banquet Hall	20,000			65,000	30,000
General Improve.-Painting, Floor Care			25,000	60,000	120,000
Additional Electrical for the Arena					
Facility Improve. - Locker, Dressing Rooms	200,000	150,000			
Seating Replacement and Repairs				100,000	100,000
Upgrade Facility Lighting and Controls	30,000		150,000		
Facility Improvements - VIP Area		50,000		50,000	
Facility Improvements -Meeting Rooms		100,000	150,000		
Replace Elevator Control System					100,000
Replace Sound System			75,000	125,000	
Replace Basketball Portable Goals					50,000
Subtotal Civic Center	250,000	300,000	400,000	400,000	400,000

<u>Streets & Sidewalks/Traffic</u>					
Annual Paving/Maintenance Program	752,300	752,300	795,000	815,000	835,000
Annual Sidewalk Program	200,000	200,000	200,000	200,000	200,000
Deaverview Bridge Repairs	158,000	0	0	0	0
Fee-In-Lieu of Sidewalk Projects	143,000	0	0	0	0
Traffic Safety Projects	35,000	35,000	40,000	45,000	50,000
Subtotal Streets/Sidewalks	1,288,300	987,300	1,035,000	1,060,000	1,085,000

<u>Parks & Recreation</u>					
Urban Trail		50,000		50,000	
Public Art		25,000		25,000	
McCormick Field	35,000	35,000	35,000	35,000	35,000
Recreation Centers Improvments	100,000	100,000	125,000	165,000	100,000
Parks/Facilities Improvement	225,000	200,000	265,000	200,000	215,000
Land Acquisition Parks&Greenways	75,000	25,000	100,000	100,000	100,000
Turf Replacement		25,000	100,000	100,000	100,000
Nature Center Improvements	100,000	115,000			
Subtotal Parks & Recreation	535,000	575,000	625,000	675,000	550,000

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GENERAL CAPITAL RESERVE FUND PROJECT DETAIL

PROJECTS	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
<u>Sullivan Act Projects</u>					
Azalea Road Improvements	1,710,000				
Ridge Avenue	110,000				
Melrose Avenue		335,000			
Norwood/Woodcrest/Innsbrook/Maplewood			225,000		
Old Haw Creek Road		450,000			
Craig Circle			250,000		
South Malvern Hills Area				90,000	
Horizon Hill Road				1,150,000	
King Street				330,000	
Culvern Street					180,000
Iris Street					145,000
South Grove Street					15,000
	1,820,000	785,000	475,000	1,570,000	340,000

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WATER RESOURCES CAPITAL EQUIPMENT SUMMARY

DESCRIPTION	ADOPTED	PLANNING YEARS			
	2010/11	2011/12	2012/13	2013/14	2014/15
1995 DITCH WITCH TRENCHER	85,000				
1984 SINGLE AXLE TRAILER	65,000				
2002 SKID STEER LOADER	85,000				
2002 CHEVY SUBURBAN	25,000				
1999 FORD PICKUP TRUCK	23,000				
2004 CHEVY COLORADO	23,000				
2004 CHEVY COLORADO	23,000				
2003 S10 PICKUP	23,000				
1984 TRENCHER		66,000			
1995 FORD TRUCK PRO PAT		90,000			
1969 BUTLER TANK TRAILER		50,000			
1987 515 FORD TRACTOR		50,000			
2003 DODGE DURANGO		25,000			
1995 FORD TRACTOR 4WD		60,000			
2002 INTERNATIONAL TANDEM		120,000			
1999 NEW HOLLAND TRACTOR		27,500			
2000 CHEVY PICKUP		22,000			
1998 AIR COMPRESSOR		15,000			
2003 S10 PICKUP		21,000			
2003 CHEVY MALIBU		20,000			
2002 JOHN DEER BACK HOE		80,000			
2002 LEEBOY ROLLER			22,000		
2004 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2003 CHEVY MALIBU			22,000		
2005 JEEP LIBERTY			22,000		
2004 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2004 BOBCAT SKID STEER			38,500		
2004 CHEVY SERVICE BODY			35,000		
2005 6X12 TRAILER			10,000		
2005 JEEP LIBERTY			22,000		
2004 CHEVY SERVICE BODY			35,000		
2003 DODGE DURANGO			26,000		
2005 FORD TRUCK F350			35,000		
2005 CHEV. PICKUP S-10			22,000		
2005 JEEP LIBERTY			22,000		
2005 JEEP LIBERTY			22,000		
2005 WSTR TANDEM			122,000		
2005 WESTERN STAR TANDEM			105,000		
2005 FORD TRUCK RANGER				22,000	
1999 FORKLIFT MILLS RIVER				24,200	

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WATER RESOURCES CAPITAL EQUIPMENT SUMMARY

DESCRIPTION	ADOPTED 2010/11	PLANNING YEARS			
		2011/12	2012/13	2013/14	2014/15
2005 FREIGHTLINER PATCH T				176,000	
2007 CUSTOM 20TN TRAILER				16,000	
2004 410G BACKHOE				80,000	
2005 CHEV. TRUCK 1-TON				35,000	
2004 FORD F750 SGL DUMP				70,000	
2004 STERLING LT9500				115,000	
2004 STERLING LT9500				110,000	
2007 CUSTOM 20TN TRAILER					16,000
2005 CHEV. TRUCK 3/4-TON					35,000
2006 HOMESTEADER TRAILER					10,000
2005 FORD TRUCK F350					35,000
2006 CHEVY 2500HD CNG					35,000
2006 INTERNATIONAL 7600 T					105,000
2004 CASE MODEL C60 TRENCHER					13,000
2005 DITCH WITCH TRENCHER					8,100
2005 6X10 TRAILER					10,000
2006 CHEVY 2500HD CNG					38,000
2006 CAROLINA 22TN TRA					15,000
2006 CAROLINA 22TN TRA					15,000
2007 AIR COMPRESSOR					15,000
2006 CAROLINA 22TN TRA					15,000
2006 5X10 TRAILER					10,000
2006 CAROLINA 22TN TRA					15,000
2007 CAROLINA TLR 22 TON					15,000
2007 POLARIS 500 6X6					7,000
2006 FORD F350 SUPERCAB 4X4					35,000
2006 CHEVY COLORADO					21,800
2006 FORD F350 SUPERCAB 4X4					35,000
2006 FORD EXPLORER					32,000
2006 CHEV. PICKUP TRUCK					29,700
2006 FORD F350 SUPERCAB 4X4					35,000
2006 CHEVY COLORADO					22,500
2006 FORD F350 SUPERCAB 4X4					26,400
TOTAL	352,000	646,500	648,500	648,200	649,500

CAPITAL IMPROVEMENT PROGRAM 2010/11 TO 2014/15

WATER RESOURCES CAPITAL IMPROVEMENT FUND SUMMARY

Use of Funds:

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
NC DOT Projects:					
Long Shoals I-26 to 191					569,250
Brevard Rd (Parkway to Long Shoals)					711,489
Brevard Rd (Long Shoals to NC 280)					950,000
I-26 Widening Project	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Distribution Systems Projects:					
Mills River WTP SCADA System	100,000				
Maximo Upgrade	350,000				
Walnut Cove Pump Replacement	200,000	200,000			
Automated Meter Reading (AMR)	1,600,000	1,400,000	1,300,000		
Merrimon Avenue Main Replacement			700,000	700,000	
New Mills Gap Pump Station				800,000	
Additional Water Treatment Plant Capacity				1,000,000	500,000
Distribution System Refurb. & Replacement	500,000	685,000	1,300,000	1,185,000	1,070,000
Affordable Housing Infill Development Incentive	20,000	500,000	500,000	500,000	500,000
Water Storage Tank Maintenance	100,000				
Goodson Cove Reservoir	400,000				
Management Tools / Equipment:					
Rate Study	50,000				
Water Quality Treatment Study	55,000				
Meter Testing	250,000				
New Maintenance Facility		750,000			
Total Use of Funds	5,625,000	5,535,000	5,800,000	6,185,000	6,300,739