

FISCAL YEAR 2024-29 CAPITAL PLAN

FINANCE COMMITTEE WORKSHOP

BUDGET AND PERFORMANCE MANAGEMENT DEPARTMENT
JUNE 1, 2023



AGENDA



1 - Current Capital Environment

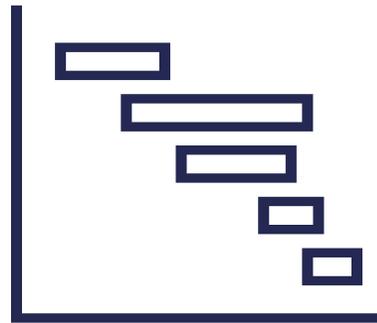


2 - Proposed Capital Improvement Plan



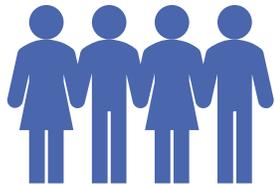
3 - Unfunded Capital Needs

AGENDA

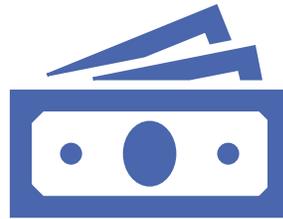


**Current Capital
Environment**

CURRENT ENVIRONMENT



Staff vacancies



Higher costs



Supply chain delays

CAPITAL PROJECT PRIORITIZATION

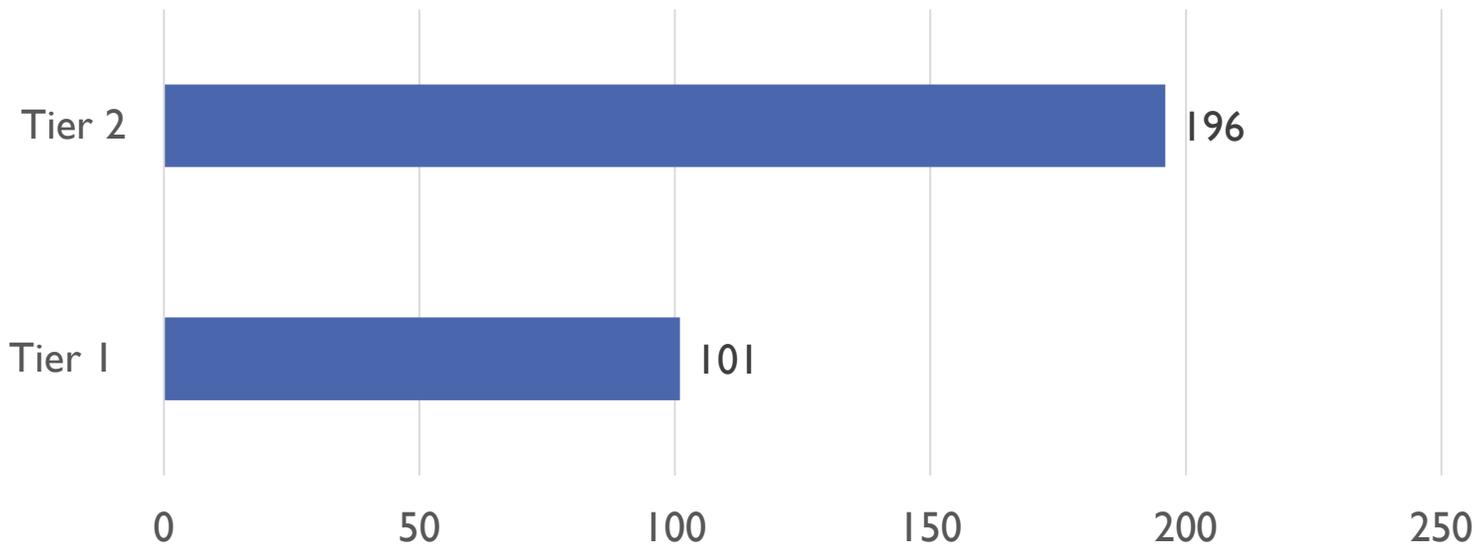
Tier 1 – Key Work Items or projects designated as a high priority by the City Manager

Tier 2 – Projects that are currently funded but are a lower priority

Tier 3 - Unfunded project requests from staff/City Council

	Number of Projects	Total Budget
Tier 1	101	\$211.5 Million
Tier 2	196	\$141.4 Million
Totals	297	\$352.9 Million

Number of Projects By Tier



CURRENT CAPITAL PROJECTS

(INCLUDES "HOLDING POTS")

INFORMATION FROM FEBRUARY 2023
COMMITTEE OF THE WHOLE MEETING

STRATEGIES TO MOVE US FORWARD

- Council Resolution
 - All new requests for projects and planning efforts to be approved Council
- Evaluating Staff Resources
 - Reviewing opportunities to use external professional services
 - Compensation study to recruit and retain - included in proposed FY 2023-24 Operating Budget
- Prioritizing Current Projects
 - During capital planning phase of budget development
 - Exemption for capital maintenance emergent issues

AGENDA



Proposed FY 2024-2029 Capital Improvement Plan

CAPITAL PLAN INTRODUCTION

Six-Year Plan

- First year appropriates capital expenditures for that budget year
- Subsequent five years show projected/planned expenditures

Funds Major, Non-Recurring Expenditures

- Construction, purchase or major renovations of buildings, streets, etc.
- Purchase of land for redevelopment, right-of-way, or sites associated with buildings
- Stimulation of economic development

PROPOSED FY 2024-29 CAPITAL PLAN PRIORITIES

Addresses most urgent maintenance needs

- Critical infrastructure maintenance
- Maintenance and improvements for quality-of-life assets

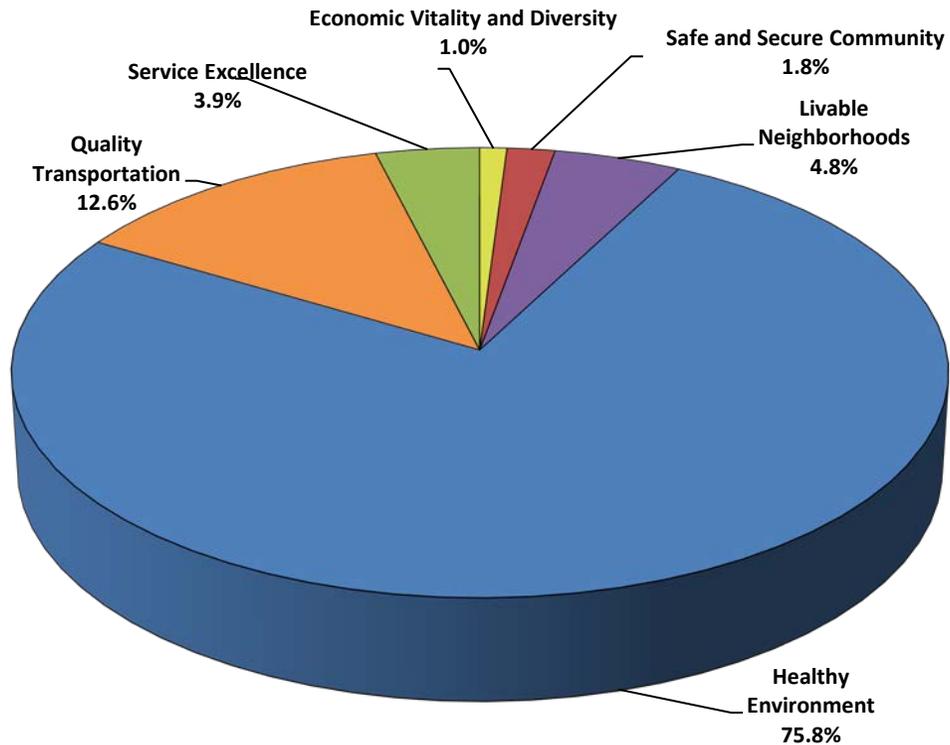
Addresses strategic plan priorities

- Green Infrastructure Improvements

Development of additional capital improvements

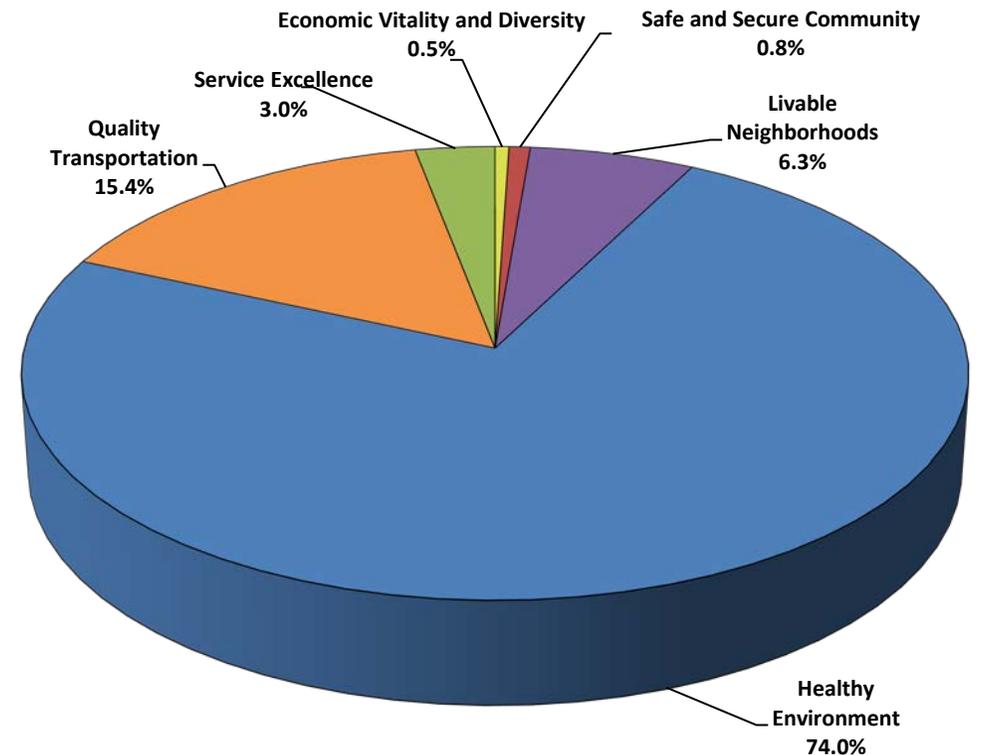
- Unfunded needs
- Future bond referendum

PROPOSED 2024-29 CAPITAL PLAN EXPENDITURES BY SERVICE AREA



Budget Year 2023-2024

Total: \$97,183,830



Six-Year Summary 2024-2029

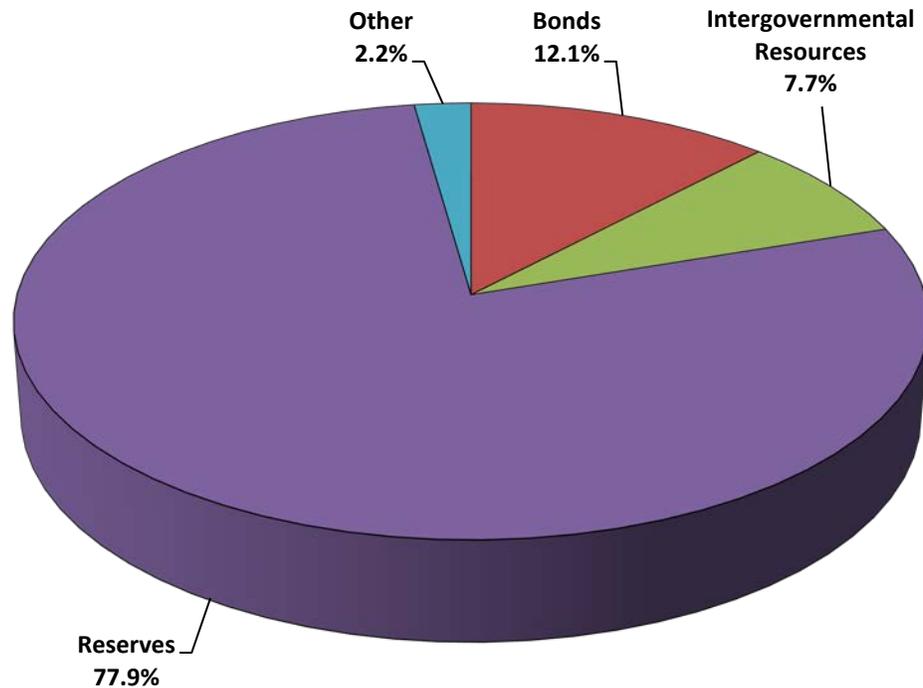
Total: \$426,784,190

PROPOSED 2024-29 CAPITAL PLAN - OVERVIEW

EXPENDITURE TOTALS BY STRATEGIC FOCUS AREA

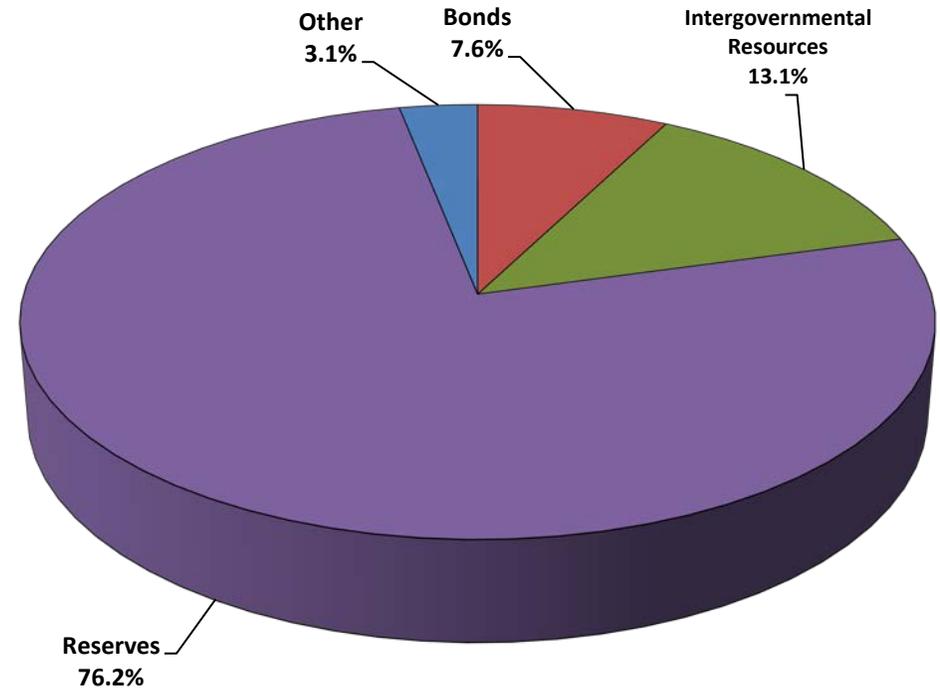
	Budget Year FY 23-24	Planning Year FY 24-25	Planning Year FY 25-26	Planning Year FY 26-27	Planning Year FY 27-28	Planning Year FY 28-29	Six-Year Total
Economic Vitality and Diversity	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$2,250,000
Safe and Secure Community	1,771,000	0	830,000	0	840,000	0	3,441,000
Livable Neighborhoods	4,706,940	2,296,200	8,311,200	1,796,200	7,841,200	1,796,200	26,747,940
Healthy Environment	73,660,000	37,390,000	49,931,000	44,014,000	65,450,000	45,465,000	315,910,000
Quality Transportation	12,215,890	11,119,030	11,124,190	10,069,210	10,437,110	10,594,820	65,560,250
Service Excellence	3,830,000	1,570,000	2,765,000	1,180,000	2,530,000	1,000,000	12,875,000
Total Proposed Expenditures:	\$97,183,830	\$52,625,230	\$73,211,390	\$57,309,410	\$87,348,310	\$59,106,020	\$426,784,190

PROPOSED 2024-29 CAPITAL PLAN FUNDING SOURCES



Budget Year 2023-2024

Total: \$97,183,830



Six-Year Summary 2024-2029

Total: \$426,784,190

PROPOSED 2024-29 CAPITAL PLAN - OVERVIEW

FUNDING SOURCE TOTALS BY TYPE

	Budget Year FY 23-24	Planning Year FY 24-25	Planning Year FY 25-26	Planning Year FY 26-27	Planning Year FY 27-28	Planning Year FY 28-29	Six-Year Total
Two-Thirds Bonds	\$11,780,000	\$0	\$10,650,000	\$0	\$10,215,000	\$0	\$32,645,000
General Fund Balance	1,578,300	0	0	0	0	0	1,578,300
NC Municipal Leasing Corp	1,600,000	1,820,000	1,710,000	1,430,000	1,950,000	1,250,000	9,760,000
Motor Vehicle Privilege Tax	585,400	585,400	585,400	585,400	585,400	585,400	3,512,400
Powell Bill	2,111,080	2,111,080	2,111,080	2,111,080	2,111,080	2,111,080	12,666,480
NC Dept of Transportation	809,600	0	0	0	0	0	809,600
Federal Transit Admin/WSTA	2,919,810	8,422,550	6,427,710	7,372,730	5,240,630	7,898,340	38,281,770
CDBG/HOME/Housing Finance Assistance Fund	2,139,640	2,296,200	1,796,200	1,796,200	1,796,200	1,796,200	11,620,640
Stormwater Fund	3,250,000	1,740,000	2,581,000	7,324,000	6,340,000	4,500,000	25,735,000
Water and Sewer Fund	69,500,000	34,850,000	47,350,000	36,100,000	40,350,000	40,350,000	268,500,000
Solid Waste Disposal Fund	910,000	800,000	0	590,000	18,760,000	615,000	21,675,000
TOTAL PROPOSED FUNDING SOURCES	\$97,183,830	\$52,625,230	\$73,211,390	\$57,309,410	\$87,348,310	\$59,106,020	\$426,784,190

PROPOSED CAPITAL BUDGET HIGHLIGHTS

USE OF GENERAL FUND BALANCE (\$1.58 MILLION)

Unassigned Fund Balance

Supplemental Pay	\$2,234,690
One-Time Studies	700,000
One-Time Capital	1,578,300
Subtotal	\$4,512,990

- HRIS Implementation Study (\$250,000)
- Sustainable Fleet Study (\$250,000)
- Compensation/Classification Study (\$200,000)

Assigned ARPA Fund Balance

Supplemental Pay	\$3,000,000
Grant Monitoring	215,630
BEAR (Year 2)	200,000
Subtotal	\$3,415,630

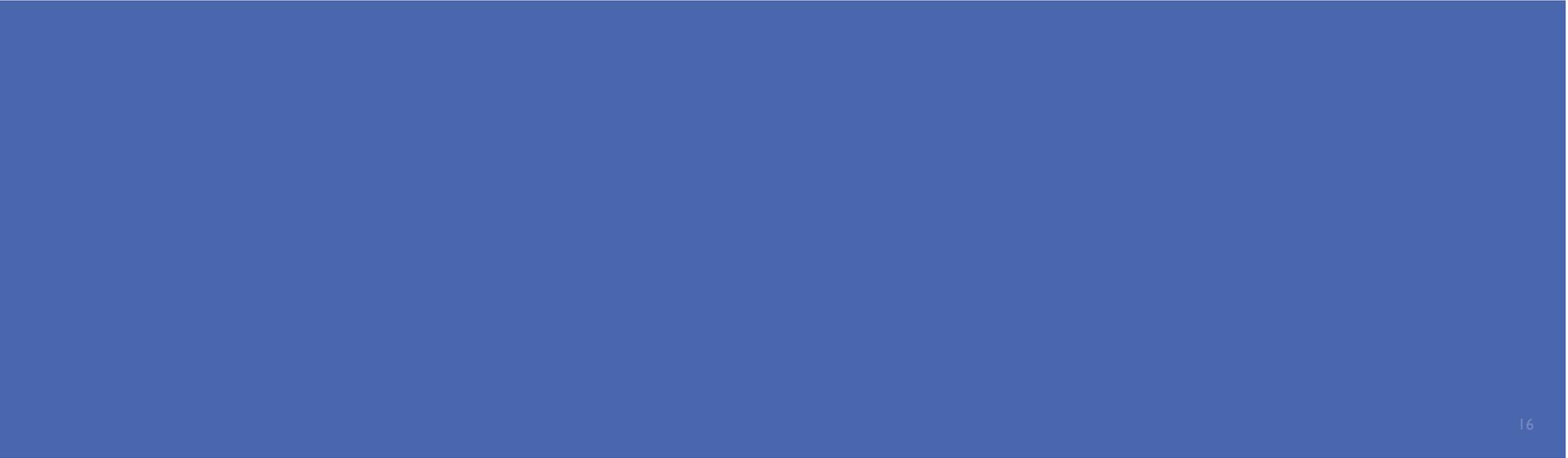
- Recreation Security Improvements (\$624,800)
- Hanes Park Track (\$300,000)
- Overdale/Southdale Gap Funding (\$232,500)
- Fire Station Fuel Tanks (\$231,000)
- Fire Station Air Compressor (\$190,000)

GRAND TOTAL **\$7,928,620**



PROJECTS BY FOCUS AREA AND DEPARTMENT

SUMMARIES OF SELECTED PROJECTS AND CATEGORIES



PROPOSED FY 2023-24 PROJECT HIGHLIGHTS

Economic Vitality and Diversity Projects	Amount
Parking Deck Renovations - 6th/Cherry/Trade Elevator Modernizations	\$750,000
Benton Capital Renovations	250,000
Total:	\$1,000,000

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Safe and Secure Community Projects	Amount
Fire Station Fuel Tank Replacement	\$231,000
Fire Station 3 Breathing Apparatus Air Compressor	190,000
Police District Stations Security Improvements Phase I	1,050,000
Public Safety Facility Renewal	300,000
Total:	\$1,771,000

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Safe and Secure Community Projects	Amount
Fire Station Fuel Tank Replacement	\$231,000
Fire Station 3 Breathing Apparatus Air Compressor	190,000
Police District Stations Security Improvements Phase I	1,050,000
Public Safety Facility Renewal	300,000
Total:	\$1,771,000

POLICE DISTRICT STATIONS SECURITY IMPROVEMENTS PHASE I FY 2023-24

Provides funding for security improvements at all three district stations:

- Bullet-proof glass
- Cameras
- Gates
- Access-controlled doors

FY 2023-24 Budget Amount: \$1,050,000

Potential future phases will be identified once Phase I is complete.

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Livable Neighborhoods Projects	Amount
Hanes Park Track Improvements	\$300,000
Historic Bethabara Building Improvements	400,000
Park Security Improvements	624,800
Recreation and Parks Department Facilities Renewal	200,000
Recreation Facility Lighting Renovations	550,000
Reynolds Park Golf Course Improvements	400,000
Rupert Bell Field Irrigation System	92,500
Total:	\$2,567,300

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Livable Neighborhoods Projects	Amount
Hanes Park Track Improvements	\$300,000
Historic Bethabara Building Improvements	400,000
Park Security Improvements	624,800
Recreation and Parks Department Facilities Renewal	200,000
Recreation Facility Lighting Renovations	550,000
Reynolds Park Golf Course Improvements	400,000
Rupert Bell Field Irrigation System	92,500
Total:	\$2,567,300

PARK SECURITY IMPROVEMENTS

FY 2023-24

Provides funding for security cameras at 23 park/swimming pool locations:

- Cameras and hardware
- Data and electrical wiring
- Network hardware and ability to share data with Real-Time Crime Center

FY 2023-24 Budget Amount: \$624,800

Estimated \$27,100 per location

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Quality Transportation Projects	Amount
Bridge Maintenance	\$1,800,000
Bridge Replacement Design	290,000
CBD Wireless Radio and Infrastructure Upgrade	150,000
Greenway Development	-56,050
Overdale / Southdale Road Infrastructure Improvements	2,200,000
Salem Creek Greenway Gorge Flooding Reconstruction	1,012,000
Sidewalk Maintenance / New Sidewalk Construction	146,350
Street Resurfacing Projects	3,611,080

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PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Quality Transportation Projects	Amount
Bridge Maintenance	\$1,800,000
Bridge Replacement Design	290,000
CBD Wireless Radio and Infrastructure Upgrade	150,000
Greenway Development	-56,050
Overdale / Southdale Road Infrastructure Improvements	2,200,000
Salem Creek Greenway Gorge Flooding Reconstruction	1,012,000
Sidewalk Maintenance / New Sidewalk Construction	146,350
Street Resurfacing Projects	3,611,080

(Continued)

STREET RESURFACING - FY 2023-24

Funding Source	Amount
FY 2023 LOBs	\$4,500,000
FY 2024 Powell Bill	2,111,080
FY 2024 2/3 Bonds	1,500,000
Existing Project Balances	500,000
Total:	\$8,611,080

FY 2024-25 Planned Amount: \$2,111,080

FY 2025-26 Planned Amount: \$3,611,080

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Quality Transportation Projects - Continued	Amount
Traffic Calming Projects	\$146,350
Traffic Safety Projects	-183,600
Traffic Signal Installation - Murray Road / Becks Church Road	180,000
Total:	\$9,296,080

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Service Excellence Projects	Amount
City Yard Brine System Replacement	\$500,000
General Government Facility Renewal	1,480,000
Green Infrastructure Improvements	500,000
Communication Network Expansion	350,000
Infrastructure Improvements	650,000
Security Camera Infrastructure	150,000
Telephone Maintenance and System Upgrade Planning	200,000
Total:	\$3,830,000

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

General Government Projects	Amount
City Yard Brine System Replacement	\$500,000
General Government Facility Renewal	1,480,000
Green Infrastructure Improvements	500,000
Communication Network Expansion	350,000
Infrastructure Improvements	650,000
Security Camera Infrastructure	150,000
Telephone Maintenance and System Upgrade Planning	200,000
Total:	\$3,830,000

GREEN INFRASTRUCTURE IMPROVEMENTS - FY 2023-24

Will be used for the implementation of sustainable improvements at City facilities:

- Electric vehicle charging stations
- Solar photovoltaic panels
- Facility lighting upgrades

FY 2023-24 Budget Amount: \$500,000

FY 2025-26 Planned Amount: 500,000

FY 2027-28 Planned Amount: 500,000

Six-Year Total: \$1,500,000

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Healthy Environment Projects	Amount
Archie Elledge Wastewater Treatment Lagoon Repairs	\$40,000,000
Collection System Improvement Program	15,000,000
Distribution System Improvement Program	10,000,000
Other Water/Sewer Projects	4,500,000
Stormwater Infrastructure Improvements	3,250,000
Solid Waste Disposal Projects	910,000
Total:	\$73,660,000

PROPOSED FY 2023-24 PROJECT HIGHLIGHTS - CONTINUED

Healthy Environment Projects	Amount
Archie Elledge Wastewater Treatment Lagoon Repairs	\$40,000,000
Collection System Improvement Program	15,000,000
Distribution System Improvement Program	10,000,000
Other Water/Sewer Projects	4,500,000
Stormwater Infrastructure Improvements	3,250,000
Solid Waste Disposal Projects	910,000
Total:	\$73,660,000

ARCHIE ELLEDGE WASTEWATER TREATMENT PLANT LAGOON REPAIRS - FY 2023-24

Provides funding for major renovations or replacement of the wastewater lagoons at the Archie Elledge Wastewater Treatment Plant:

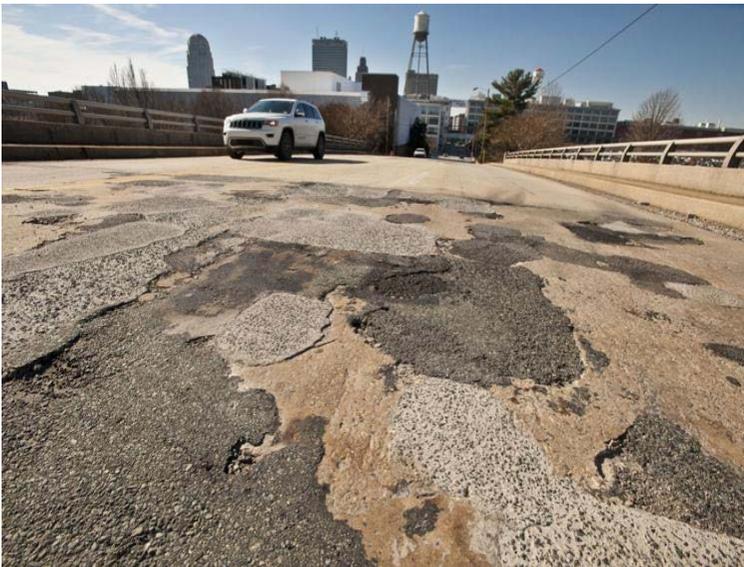
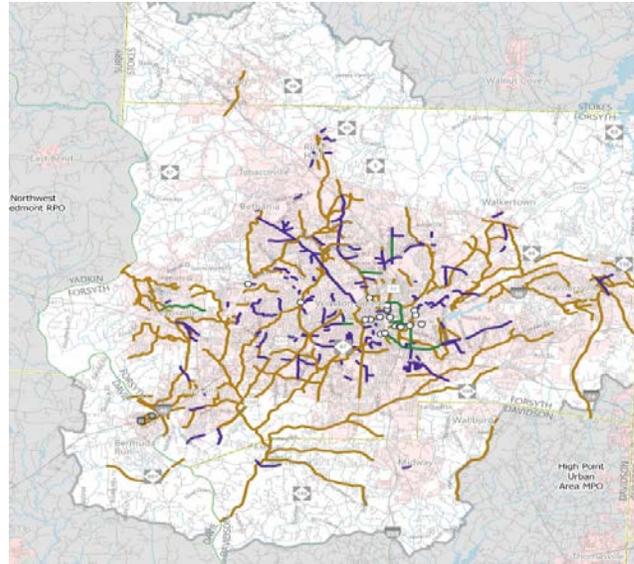
- Will bring existing facility up to current regulatory standards
- Currently evaluating if design should include process for future nutrient removal requirements

FY 2023-24 Budget Amount: \$40,000,000

AGENDA



Unfunded Capital Needs



Housing Vision



Total = 406 Units / 5 Phases
Mix BR sizes 1-5 BR
Mixed Income

Cleveland Avenue Homes
(Phases II, III, IV & V)

Brown School Site
(Phase I)

1BR: 31 units
2BR: 24 units

UNFUNDED CAPITAL REQUESTS

**Pictures above for representative purposes only*

UNFUNDED CAPITAL REQUESTS

EXPENDITURE TOTALS BY STRATEGIC FOCUS AREA

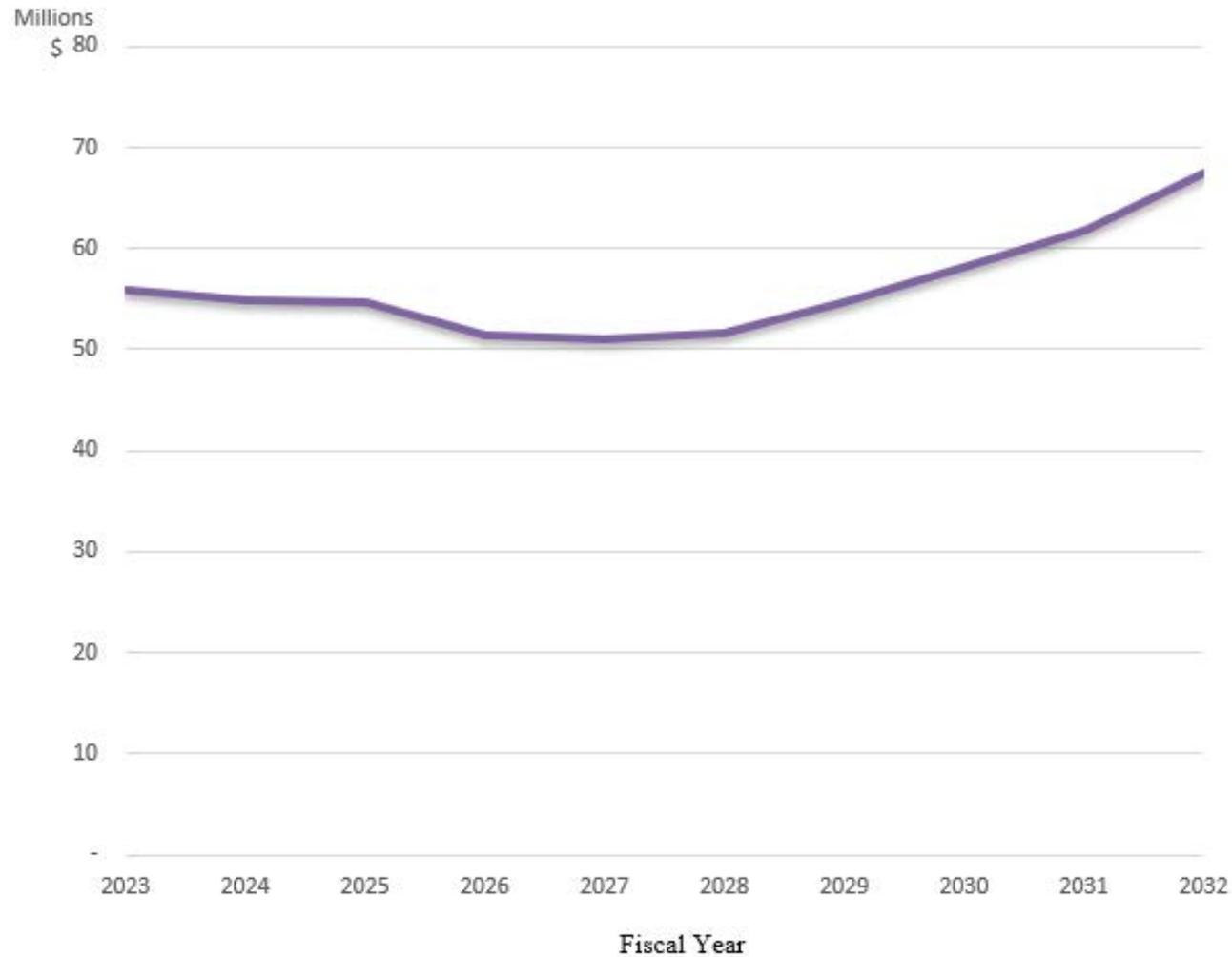
Strategic Focus Area	Total Six-Year Unfunded Request
Quality Transportation	\$1,055,723,330
Safe and Secure Community	80,750,000
Livable Neighborhoods	140,500,000
Economic Vitality and Diversity	80,170,000
Service Excellence	4,200,000
TOTAL UNFUNDED PROJECT NEEDS	\$1,360,868,330

UNFUNDED CAPITAL REQUESTS BY PROJECT TYPE

PROJECT	UNFUNDED AMOUNT
Sidewalk Construction and Repair	\$509,223,000
Road Improvement Projects	307,875,010
Street Resurfacing	167,056,180
Affordable Housing	85,500,000
Fire Stations and Public Safety Facilities	80,275,000
Economic Development	57,000,000
Recreation and Parks Improvements	55,000,000

PROJECT	UNFUNDED AMOUNT
Other Road/Bike/Pedestrian Projects	30,769,140
WSTA Facility Improvements	28,500,000
Fairgrounds Improvements	23,170,000
Bridge Replacements	12,300,000
Other (City Yard/General Govt)	4,200,000
TOTAL UNFUNDED PROJECT REQUESTS	\$1,360,868,330

Debt Service Fund Reserves



DEBT SERVICE
FUND CASH
FLOW
PROJECTION

DEBT INFORMATION

- General Obligation (GO) debt AAA rated by rating agencies
- Credit rating review noted several metrics that could affect future issuances
 - Examples:
 - Direct Net Debt per Capita
 - Full Value per Capita
 - Direct Net Debt to Tax Base
- Recommendation not to authorize additional debt until fall of 2026
 - Does not affect GO or LOBs debt already approved
 - Does not affect upcoming two-thirds bonds or equipment debt
 - Uses proprietary modeling for multi-year debt scenarios

“Slightly elevated debt position relative to peers”

“Income and wealth metrics are below [triple A] medians”



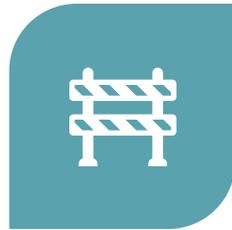
AFFORDABLE
HOUSING



PUBLIC SAFETY
FACILITIES



ECONOMIC
DEVELOPMENT



OTHER
TRANSPORTATION
INFRASTRUCTURE

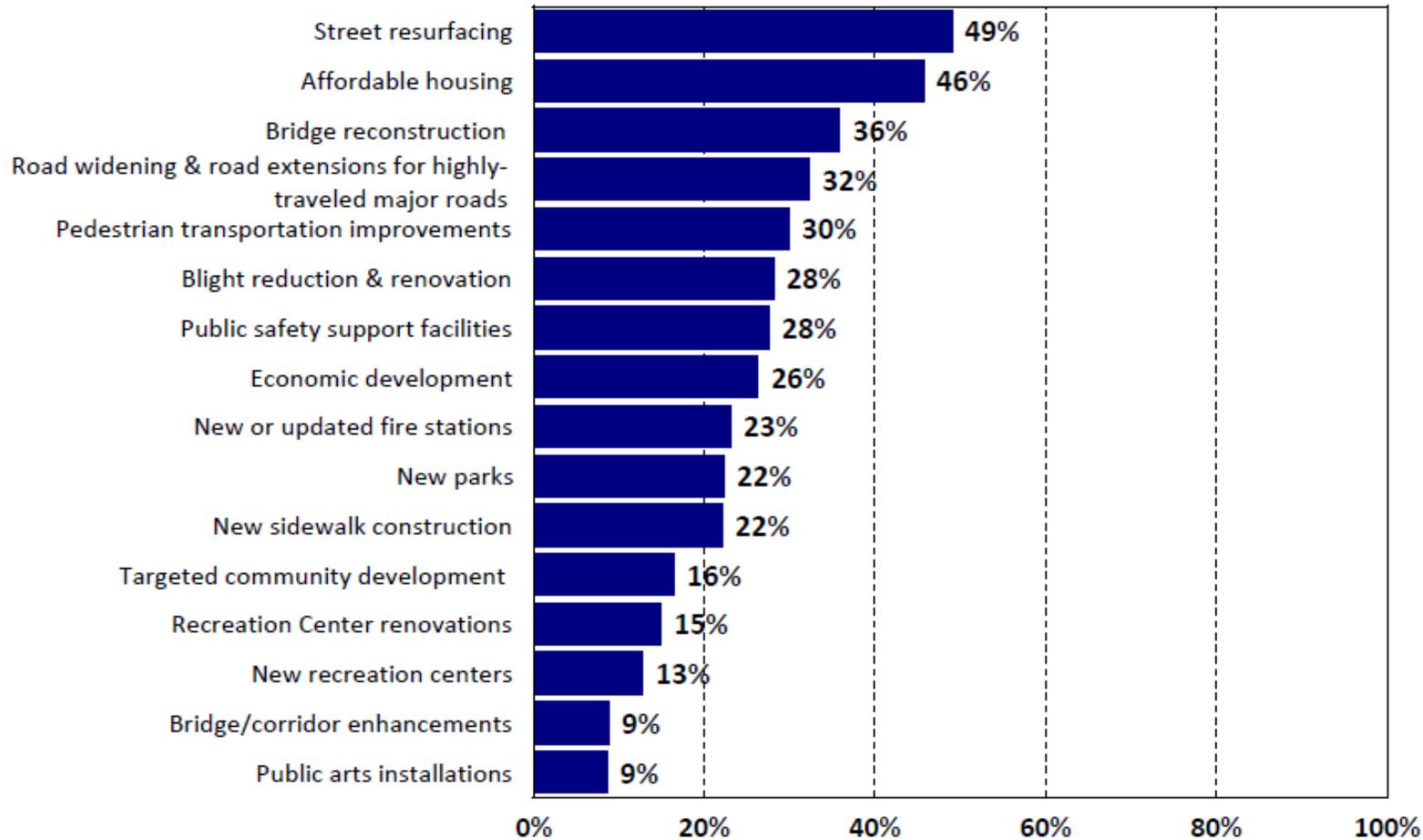


STREET
RESURFACING

POTENTIAL 2026 GO BOND REFERENDUM PRIORITIES

Q3. Capital Projects for Which Residents Would Support a Tax Increase

by percentage of respondents (multiple choices could be made)



RESIDENT
SURVEY
RESULTS

SUPPORT FOR
CAPITAL
INVESTMENT

ADDITIONAL STEPS IN PROJECT PRIORITIZATION



CAPITAL PLAN IMPLEMENTATION

Limit New Projects to Focus on Identified and Funded Priorities

- Complete current projects
- Re-prioritizing funding from close-outs or low-level tier 2 projects

Future Planning Efforts

- Maintaining contingencies and fund balances for inflation buffer
- Align future capital investments to strategic and long-term plans



**BUDGET AND PERFORMANCE
MANAGEMENT DEPARTMENT**

Scott Tesh, Director