

CAPITAL PROGRAM

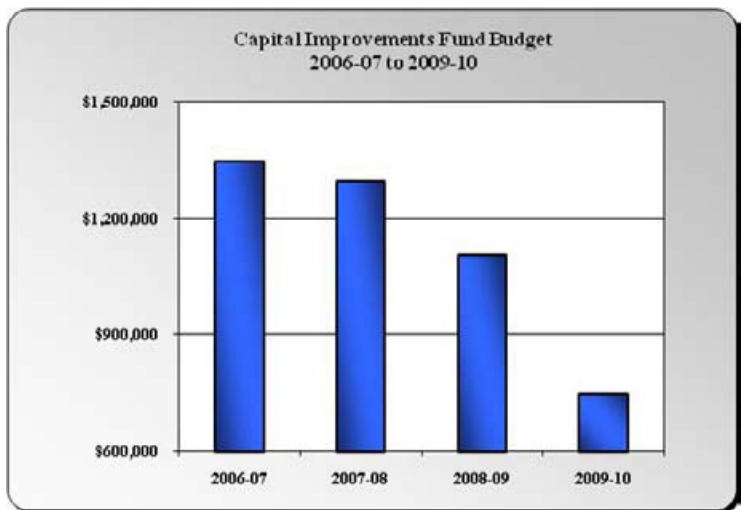
The Capital Program is a 15-year financial plan for the Town's major capital and infrastructure needs. The program identifies capital needs, establishes priorities and identifies potential funding sources.

Key sources for development of the Capital Program include the Facility Condition Assessment completed in 2000, special studies, the Comprehensive Plan, and requests from the Council, citizens and Town staff.

The Capital Program includes projects financed with bond funds, grants or other sources. The Capital Improvements Fund and Capital Reserve Fund are generally funded by annual transfers from the Town's General Fund.

Expenditures in the Capital Improvements and Reserve Funds for 2009-10 are part of the 2009-10 annual budget. All other years are projected expenditures. Proposed funding levels will change in future years as capital programs are refined and the official Town budget is adopted for a given fiscal year.

Funding for the 2009-10 Capital Program decreased from previous years as a result of anticipated revenue constraints.



CAPITAL PROGRAM – MAJOR REVENUE SOURCES

Capital Improvements Program

The Capital Improvements Program is a 15-year plan to fund capital projects that are selected based on a set of priorities and anticipated availability of funding. The program emphasizes projects at Town facilities, with the goal of addressing capital-related problems as they arise in order to avoid more costly repairs in the future. The 2009-10 recommended budget reflects an abbreviated 5-year plan resulting from an anticipated decrease in revenues used for capital improvements.

2003 Bonds

In November 2003, voters approved \$29.36 million in bonds. The bond projects are assigned to five individual categories as follows:

- *Sidewalk and Streets* (\$5.6 million):
 - \$2.6 million for construction of sidewalks on the Town's Sidewalk Priority List and for meeting the local match requirement for programmed State improvements
 - \$350,000 for improvements at pedestrian crossings
 - \$650,000 for neighborhood traffic calming and pedestrian and bicycle safety improvements such as speed humps and raised crosswalks and improved pedestrian and bicycle signage
 - \$2 million for downtown streetscape improvements consistent with the Downtown Streetscape Master Plan adopted by the Town Council in 1993
- *Library Facilities* (\$16.26 million): For expansion of the Town Library on Library Drive
- *Parks and Recreational Facilities* (\$5 million): For greenway construction projects
- *Open Space and Areas* (\$2 million): For open space purchases
- *Energy Efficiency Projects* (\$500,000): For energy efficiency improvements at public buildings and other Town facilities

Stormwater Management Funds

Stormwater Management fees provide funding for the Town's Stormwater Management Department, including capital projects.

Parking Funds

Fees collected from Town-operated on-street and off-street parking areas provide funding for the Parking Services Department, including capital projects.

CAPITAL PROGRAM – MAJOR REVENUE SOURCES

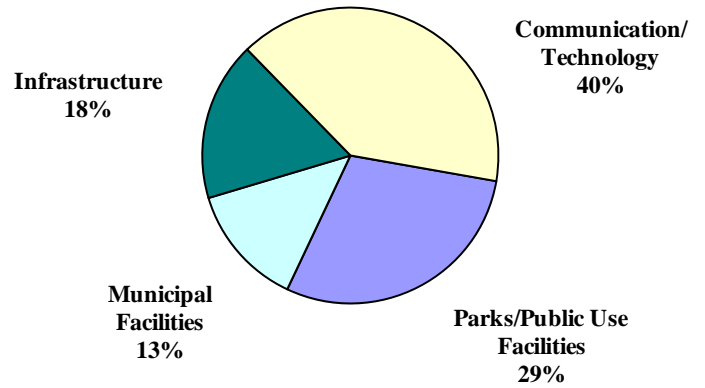
Other Sources

- *Community Development Block Grant (CDBG)*: The Town receives annual federal grants from the U. S. Department of Housing and Urban Development (HUD). The Council approves a general 5-year spending plan to benefit lower-income neighborhoods, and adopts an annual budget for these funds by a capital projects ordinance.
- *Housing Capital Grant*: In fiscal year 1993-94, the Town began receiving an annual entitlement for public housing renovations from the U. S. Department of Housing and Urban Development (HUD).
- *N.C. Department of Transportation (NCDOT)*: For most public transit projects, the Federal Transit Administration provides 80% funding and the NCDOT provides an additional 10% match. For the State's thoroughfare, bikeways and pedestrian programs, the NCDOT funds projects selected from an annual Transportation Improvements Program in which local governments request that the State fund these types of projects in their community. Local requests are considered in a State-wide priority list. Projects are implemented by the NCDOT.
- *Surface Transportation Program (STP)*: The Surface Transportation Program provides flexible funding for projects on Federal-aid highways, including shared use paths and related facilities that may have recreational use, bridge projects on public roads, transit capital projects, and intracity and intercity bus terminals and facilities.
- *American Recovery and Reinvestment Act (ARRA) of 2009*: The American Recovery and Investment Act of 2009 is an economic stimulus package that allocates special Capital Fund Program grants. The Town received funding for fiscal year 2009-10 for repairing and modernizing public housing, including increasing the energy efficiency of units.
- *Gifts*: Occasionally, citizens of Chapel Hill will provide the Town with contributions to be used toward a project for which the citizen holds a special interest.

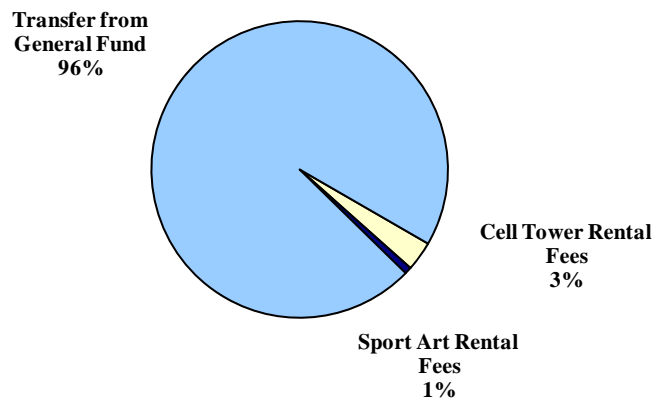
CAPITAL IMPROVEMENTS FUND

The Capital Improvements Fund generally accounts for purchases and construction that can be completed within a single year. It also includes debt service payments for these types of capital projects. Capital Improvements Fund projects are outlined in the Town's 15-year capital budget.

**Capital Improvements Fund
2009-10 Expenditures**



**Capital Improvements Fund
Revenues**



CAPITAL IMPROVEMENTS FUND

BUDGET SUMMARY

The budget for the Capital Improvements Program for 2009-10 totals \$749,000, and includes projects to be completed in the next five years.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget
Municipal Facilities	285,484	256,000	1,150,342	580,707	100,000
Facilities Leased by Others	21,607	-	8,298	8,298	-
Infrastructure	174,502	80,000	145,414	914	130,000
Communication/Technology	102,654	227,000	340,798	133,316	300,000
Parks/Public Use Facilities	1,445,642	544,000	991,240	323,581	219,000
Total	2,029,889	1,107,000	2,636,092	1,046,816	749,000

REVENUES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget
UNC Contribution	60,389	-	-	28,455	-
Cell Tower Rental Fees	73,068	60,000	60,000	60,000	60,000
Rent-Sport Art Gymnasium	13,800	14,000	14,000	14,000	14,000
Interest on Investments	23,863	-	-	10,000	-
Revenue in Lieu	110,750	-	-	65,442	-
Transfer from General Fund	1,120,950	1,033,000	1,103,000	1,103,000	305,000
Appropriated Fund Balance	627,069	-	1,459,092	(234,081)	370,000
Total	2,029,889	1,107,000	2,636,092	1,046,816	749,000

CAPITAL IMPROVEMENTS FUND
DETAIL EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget
MUNICIPAL OPERATIONS FACILITIES					
Town Hall: Replacement of HVAC Units	28,738	-	584,130	440,177	-
General Maintenance	6,225	-	-	-	-
Extraordinary Maintenance, Emergency Repairs	104,094	100,000	107,805	73,030	100,000
Fire Station #2 Capital Maintenance	-	-	98,294	35,500	-
Fire Station #3 Capital Maintenance	20,387	106,000	180,613	2,800	-
Library Capital Maintenance	-	-	49,500	-	-
Police HQ - Capital Maintenance	-	-	80,000	29,200	-
Town Hall & Council Chamber Capital Improvements	-	50,000	50,000	-	-
Financing Payments - Roof Replacements - Town Hall, Fire Stations #2 and #3	126,040	-	-	-	-
Subtotal	285,484	256,000	1,150,342	580,707	100,000
TOWN FACILITIES LEASED BY OTHERS					
Courthouse Renovation or Repair	21,607	-	8,298	8,298	-
Subtotal	21,607	-	8,298	8,298	-
INFRASTRUCTURE					
Jay Street Paving	9,085	-	5,914	914	-
Bikeways	143,243	50,000	57,138	-	-
Path, Trail and Lot Maintenance	-	-	-	-	100,000
Sidewalks	8,490	-	26,527	-	-
Curbs / ADA	13,684	30,000	37,835	-	30,000
Cameron Avenue Railroad Crossing Improvements (Town Share)	-	-	18,000	-	-
Subtotal	174,502	80,000	145,414	914	130,000

***CAPITAL IMPROVEMENTS FUND
DETAIL EXPENDITURES***

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget
COMMUNICATIONS AND TECHNOLOGY					
Traffic Signal Upgrade	90,000	-	76,452	75,876	-
Fiber Optic Network	12,654	227,000	87,346	37,346	300,000
Fire House Mobile & GIS System for Response Units	-	-	100,000	17,158	-
Public Works Vehicle Location & Mobile Data System	-	-	50,000	2,936	-
Aquatics Center Fiber Optics/Security System	-	-	27,000	-	-
Subtotal	102,654	227,000	340,798	133,316	300,000
PARKS AND OTHER PUBLIC USE FACILITIES					
Greenways	12,117	50,000	92,576	38,454	50,000
Sport Arts Building	16,465	14,000	30,686	3,550	14,000
Southern Community Park	-	-	3,230	-	-
Playground Replacement	-	-	-	-	75,000
Homestead Park	-	-	3,856	-	-
A.D. Clark Pool Maintenance	-	-	17,300	-	-
Morgan Creek Greenway Signage	-	-	4,603	-	-
Cemetery Beautification	60,389	20,000	164,900	53,460	20,000
Small Park Improvements	76,991	60,000	133,223	119,041	60,000
Assess/Demo/Replace Light Poles	12,000	400,000	461,000	33,670	-
Parks Maintenance Assessment	12,000	-	18,000	18,000	-
Community Center - Capital Construction Costs	925,860	-	61,866	57,406	-
Financing Payments - Aquatics Center	183,569	-	-	-	-
Financing Payments - Hargraves Renovation	146,251	-	-	-	-
Subtotal	1,445,642	544,000	991,240	323,581	219,000
TOTALS	2,029,889	1,107,000	2,636,092	1,046,816	749,000

CAPITAL PROGRAM TABLES – INTRODUCTION

The Capital Improvements Program contains tables that outline the adopted budget for capital projects in fiscal year 2009-10 and projected expenditures in future fiscal years, from 2009-10 through 2022-23. These tables are as follows:

- **Table 1. Capital Improvements.** Table 1 lists projects identified for Capital Improvements. Projects listed include recommended projects for 2009-10 and other identified capital improvement needs for future years.
- **Table 2. 2003 Bonds – Approved Bond Schedule.** Table 2 lists projects to be funded using bonds voters approved in November 2003 and shows the bond-sale schedule approved by the Council.

TABLE 1: Capital Improvements

Identified Capital Improvement Needs

Project	2008-09 Budget Revised	2009-10 Recommended Budget	2009-10 Requested	2010-11	2011-12	2012-13	2013-14	2014-24
Municipal Operations Facilities								
Town Hall HVAC Replacement	584,130	-	-	-	-	-	-	1,406,944
Extraordinary Maintenance	107,805	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
Fire Station # 2 Capital Maintenance	98,294	-	-	-	-	-	-	237,944
Fire Station # 3 Capital Maintenance	180,613	-	103,000	9,000	-	12,000	-	111,387
Police HQ Capital Maintenance	80,000	-	122,000	10,000	-	50,000	98,000	715,000
Fire Station # 5 Capital Maintenance	-	-	-	-	-	-	-	117,000
Town Hall & Council Chamber Capital Improvements	50,000	-	250,000	110,000	18,000	55,000	-	975,000
Cultural Arts Center Bldg. Capital Maintenance	-	-	-	-	-	-	-	51,000
Town Hall Vestibule Doors	-	-	170,000	-	-	-	-	-
Police Firing Range	-	-	-	-	-	-	-	2,750,000
Fire Station # 1 Capital Maintenance	-	-	-	-	-	-	-	375,000
Police Parking Lot expansion	-	50,000	50,000	-	-	-	-	-
Fire Station # 4 Capital Maintenance	-	-	-	-	-	-	-	382,000
Fire Training Classroom Capital Maintenance (ramp)	-	-	26,000	-	-	-	-	-
Regional Fire and Emergency Services Training Center	-	-	-	-	336,510	336,510	336,510	-
Comprehensive Public Housing Renovations	-	-	578,700	578,700	578,700	578,700	578,700	-
Parks & Recreation Administrative Offices & Arts Building	-	-	400,000	-	-	4,000,000	-	-
Building Condition Assessment Program	-	-	-	-	-	-	-	290,000
Town Facilities Leased by Others								
IFC Shelter Interior Repairs	-	-	-	-	-	-	-	679,000
IFC Shelter Renovation Debt Payments	-	-	-	-	-	-	-	2,254,000
Old Post Office Capital Maintenance	8,298	-	-	-	-	-	-	522,494
IFC Shelter- Capital Maintenance	-	-	-	-	-	-	-	174,000
Old Post Office Capital Repairs Debt Payments	-	-	-	-	-	-	-	518,000
Infrastructure								
Parking Lots/Paths/Trails	-	50,000	50,000	-	-	-	-	852,018
Sidewalks	26,527	-	-	-	-	-	-	24,039
Curb Cut Improvements (ADA)	37,835	30,000	30,000	-	-	-	-	410,646
Jay Street Paving	5,914	-	-	-	-	-	-	28,086
Bikeways	57,138	-	-	-	-	-	-	-
Cameron Avenue Railroad Crossing	18,000	-	18,000	-	-	-	-	-
Bolinwood Drive Bridge Replacement	-	-	-	-	-	-	-	300,000
Bolin Creek Stairs	-	-	30,000	-	-	-	-	-
Street Infrastructure Improvements	-	-	-	-	-	-	-	1,400,000
Stinson Street Paving Petition	-	-	-	-	-	-	-	-
Coolidge Street Paving Petition	-	-	17,000	-	-	-	-	-

Continued on next page

TABLE 1: Capital Improvements

Identified Capital Improvement Needs

Project	2008-09 Budget Revised	2009-10 Recommended Budget	2009-10 Requested	2010-11	2011-12	2012-13	2013-14	2014-24
Communications								
Traffic Signal System Upgrade (Town share - Design)	76,452	-	-	-	-	-	-	296,575
Fiber Optic Network	87,346	300,000	300,000	300,000	-	-	-	-
Fire House Mobile & GIS System for Response Units	100,000	-	-	-	-	-	-	-
Public Works Vehicle Location & Mobile Data System	50,000	-	-	-	-	-	-	-
Library Telephone System Replacement	-	-	-	29,000	-	-	-	-
Aquatics Center Fiber Optics/Security System	27,000	-	-	-	-	-	-	-
Portable Air-Filling Station	-	-	60,000	-	-	-	-	-
Thermal Imaging Camera	-	-	10,000	-	-	-	-	-
Parks and Other Public Use Facilities								
Cemetery Beautification	164,900	20,000	20,000	-	-	-	-	401,053
Small Parks Improvements	133,223	60,000	60,000	-	-	-	-	1,053,079
Tennis Court Light Replacement	-	-	-	160,000	-	-	-	-
Greenways	92,576	50,000	50,000	-	-	-	-	945,671
Southern Community Park	3,230	-	-	-	-	-	-	-
Library Capital Maintenance	49,500	-	-	-	-	-	-	-
Library Collection Development Project	-	-	35,000	125,000	82,000	-	-	-
Library Materials Control System	-	-	100,000	100,000	18,000	-	-	-
Parks Maintenance Assessment	18,000	-	-	-	-	-	-	-
A.D. Clark Pool & Bathhouse Capital Maintenance	17,300	-	-	-	-	-	-	173,300
Sport Art Gymnastics Building and Grounds	30,686	14,000	14,000	-	-	-	-	-
Morgan Creek Signage Project	4,603	-	-	-	-	-	-	-
Homestead Park Improvements	3,856	-	-	-	-	-	-	-
Community Center Capital Maintenance	61,866	-	-	-	-	-	-	-
Hargraves Capital Maintenance	-	-	-	-	-	-	-	139,000
Playgrounds	-	75,000	75,000	150,000	90,000	50,000	50,000	750,000
Artificial Turf at Homestead Park (Town share)	-	-	-	-	-	-	-	500,000
Artificial Turf at Cedar Falls	-	-	-	850,000	-	-	-	-
Skate Park and Batting Cage Renovations	-	-	30,000	30,000	200,000	-	-	-
Pritchard Park Development	-	-	20,000	-	-	-	-	-
Mobile Arts & Entertainment Stage (Town share)	-	-	-	150,000	-	-	-	-
Athletic Field Light Replacement	461,000	-	-	-	-	-	-	-
	2,636,092	749,000	2,718,700	2,701,700	1,423,210	5,182,210	1,163,210	19,832,236

Table 5: 2003 Bonds: Approved Bond Schedule

				2004 Bond Sale (\$4,000,000)	
	Council Priority	Project Name	Category	2004-05	2005-06
Municipal Operations Facilities					
	2	Energy Efficiency Projects	Public Buildings	392,600	
	2	Sustainable Community Project - Local Match	Public Buildings	17,400	
	7	Energy Management System: Town Hall HVAC	Public Buildings		90,000
Infrastructure					
	2	Columbia Street Widening Project (Town share for Sidewalk)	Sidewalks & Streets		
	2	Downtown Improvements - Streetscape	Sidewalks & Streets	500,000	
	2	Neighborhood Traffic Calming, Pedestrian, and Bicycle Improvements	Sidewalks & Streets	50,000	250,000
	2	Pedestrian Amenities at Town Owned Traffic Signals	Sidewalks & Streets	20,000	80,000
	2	Sidewalks and Bicycle Facilities	Sidewalks & Streets	600,000	
Parks and Other Public Use Facilities					
	2	Bolin Creek Trail	Parks/Recreational Facilities	100,000	
	2	Dry Creek Trail	Parks/Recreational Facilities	125,000	
	2	Library Expansion Phase 1	Library Facilities	500,000	
	2	Library Expansion Phase 2	Library Facilities		
	2	Morgan Creek Trail	2003 Bond	75,000	
	2	Open Space Acquisition	Open Space and Areas	1,200,000	
	2	Upper Booker Creek Trail	2003 Bond		
		TOTAL		3,580,000	420,000

COLUMN DESCRIPTION KEY

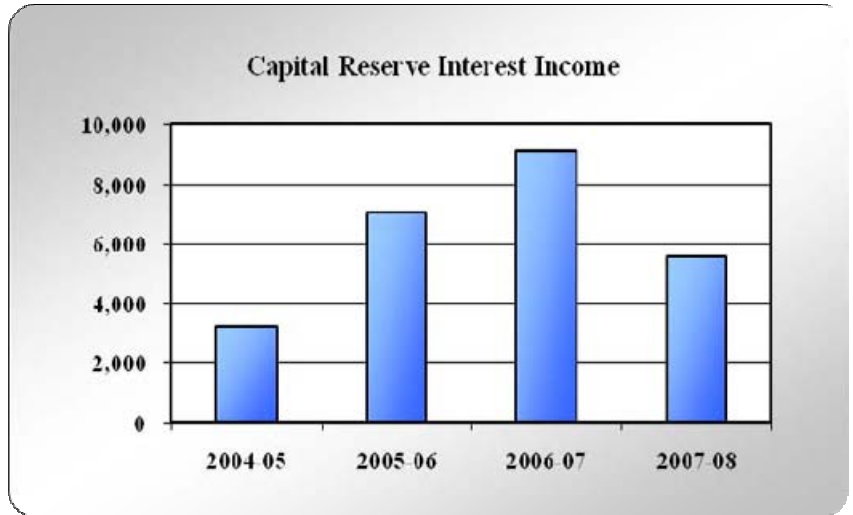
Council Priority

- 1 - Council Authorized Contracts
- 2 - Projects that have a Council mandate
- 3 - Projects that we have a legal requirement to perform or complete
- 4 - Projects that would repair or maintain existing Town facilities/infrastructure above and beyond ordinary maintenance
- 5 - Projects involving public safety
- 6 - Projects which are part of an adopted master plan
- 7 - Other projects

2006 Bond Sale (\$4,950,000)		2010 Bond Sale (\$20,410,000)		
2006-07	2007-08	2009-10	2010-11	TOTAL
				392,600
				17,400
				90,000
				-
				-
1,000,000		500,000		2,000,000
		350,000		650,000
50,000		200,000		350,000
600,000		1,400,000		2,600,000
				-
		2,208,000		2,308,000
16,000		148,000		289,000
400,000		7,480,000		8,380,000
1,100,000		6,780,000		7,880,000
968,000		1,192,000		2,235,000
800,000				2,000,000
16,000		152,000		168,000
4,950,000	-	20,410,000	-	29,360,000

CAPITAL RESERVE FUND

The Capital Reserve Fund accounts for funds reserved for specific capital improvement projects including water and sewer improvements.



***CAPITAL RESERVE FUND
BUDGET SUMMARY***

No appropriations are planned for the Capital Reserve Fund for 2009-10.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Reserved for CIP	-	-	-	1,200	-	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
Total	-	-	-	1,200	-	N/A

REVENUES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Interest on Investments Appropriated	5,602	-	-	1,200	-	N/A
Fund Balance	-	-	-	-	-	N/A
Total	5,602	-	-	1,200	-	N/A