



Capital Improvement Plan

FY 2013-2017

Approved Dec. 11, 2012

Town of Davidson Capital Improvement Plan FY 2013 – 2017

The Capital Improvements Plan (CIP) is a funding and scheduling plan, annually submitted to and adopted by the Board of Commissioners that specifies and describes the Town's capital project priorities for the next five years.

Generally, capital projects involve the purchase, construction or renovation of buildings or the purchase of land. Such projects usually have a total cost of at least \$50,000 and an estimated useful life of at least ten years. Common CIP projects include new or improved roads, sidewalks and bike paths, building construction or renovation and park construction.

In addition, the Town of Davidson has elected to include capital equipment in the CIP to more accurately plan for and evaluate future purchases. Equipment generally has a total cost of at least \$10,000 and a useful life of at least 5 years. Funding equipment needs has been sporadic in the past few years. For the purposes of this CIP, equipment with cost of at least \$20,000 has been used in planning with other equipment needs to be evaluated each year as part of the annual budgeting process.

Potential projects are evaluated for their inclusion in the program on the following basis: population served by improvement, impact on debt service, accordance with adopted Town goals and objectives, construction schedule, impact on public safety and welfare. Revenue sources and cost estimates are projected over the ensuing five years to insure that financing and planning of capital needs can be established in advance. Revenues are estimated using a four-year statistical average that enables a smooth growth rate for particular revenue to be established thereby reducing the impact of spikes or one-time changes. Some major maintenance projects, such as roof repair and minor building maintenance, are not included in the CIP. Although these projects meet the cost and useful life criteria for a CIP project, they generally do not result in a new structure or material alteration of existing structures. Instead, these projects are periodically necessary to keep particular facilities and infrastructure operating reliably and thereby meeting the needs of the Town's citizens.

The Town will utilize various revenue sources to fund this program including transfers from the General Fund, transfers from Capital Projects funds, installment financing, grants, funds from the Adequate Public Facilities Ordinance and other sources. A number of projects will be funded through the issuance of a debt instrument, though most of the smaller projects will be funded through the General Fund and other sources. This will allow the town to accurately manage the allocation of funding over time to prevent any ballooning of costs which would require tax increases to cover the additional debt service.

Projects that are listed under a particular year are anticipated to be funded for that year, though the actual project timetable may extend a number of years into the future. Estimated impacts on operating costs as a result of construction are expected to be covered by increases in tax revenues, ad valorem and sales taxes.

Summary

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The CIP includes improvements with a total estimated cost of \$ 6,239,455 over the next five years. The FY 2008-2012 CIP totaled \$11,102,194. The decrease in total project costs has occurred for several reasons: completion of projects (River Run Greenway- South Prong, purchase of fire truck, etc.); reclassifying street resurfacing to operating expense; revising priorities in light of economic conditions to focus on protecting Town resources to maintain current facilities (delay community center and economic joint ventures).

Highlights of the plan include:

- Funding of Potts-Sloan connection and Beaty-Griffith improvements in 2013, 2014 and 2015 to take advantage of federal funds available.
- Renovation of the pump house for parks and recreation offices and classroom, eliminating rental of office/classroom space.

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- Renovation of Fire Station #1 to add sleeping quarters, phasing out off-site apartment rentals.
- Upgrade/add lighting at all 3 McEver ball fields.
- Develop plan for Public Works facilities and funding for first phase.
- Consider community park plan for 600+ acres of land with available project funds.

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Fund balance is projected to be within the Board's desired range of 30% to 40% throughout the planning period. These projections include the assumption that operating revenues typically come in at 102% of budget while operating expenditures typically fall 6% below budget.

The CIP represents a \$6 million plan to address the capital improvement needs of the Town. Capital expenditures are driven by the types and levels of service the Town chooses to provide to its citizens. This proposal allows us to maintain the current level of services to our citizens and expand others. Our projections of revenues and expenditures indicate the Town is in a position to fund the CIP as presented with no impact on the Town's current tax rate.

Table 1 – CIP Summary

Town of Davidson Capital Improvement Plan FY 2013 – 2017

PROPOSED PROJECTS	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Transportation, Streets and Sidewalks					
Goodrum Street Improvements	\$ -	\$ 84,000	\$ -	\$ -	\$ -
Potts Sloan Beaty Corridor Improvement	143,000	90,000	1,425,000	-	-
Public Works					
Public Works Facility - cost at Level B	-	86,450	-	-	786,000
Public Safety					
Fire Station #1 Renovation	-	545,000	-	-	-
Fire Station #2	-	210,000	160,000	-	-
Fire Engine #2 - 1992 Replacement	-	-	-	-	-
Parks & Recreation					
P&R Office/classroom - pump house renovation	250,000	-	-	-	-
Lighting Upgrade - McEver Field	75,000	50,000	40,000	-	-
Master Plan for Community Park - Fisher Farm, Alison, Abersham, Viatch	-	30,000	400,000	-	-
Total Capital Projects	\$ 468,000	\$ 1,095,450	\$ 2,025,000	\$ -	\$ 786,000
Capital Equipment					
450 Dump truck diesel 4 x 4 w/spreader & plow	\$ 65,000	\$ -	\$ -	\$ -	\$ -
3 - 250 diesel 4 x 4 replacements	-	33,000	62,000	-	-
Mini Excavator	-	-	60,000	-	-
33 Hp Tractor	-	-	25,000	-	-
5 ton dump truck w/spreader & plow	-	-	-	100,000	-
Asphalt roller	-	-	-	-	39,000
Sweeper truck	-	-	-	-	150,000
Police Cars - Purchase	104,000	96,000	144,000	96,000	144,000
Truck 14 - 1995 replacement	-	-	36,000	-	-
Rescue 8 - 1996 replacement	-	-	-	36,000	-
Marine 1 - 1996 replacement	-	-	-	30,000	-
Total Capital Equipment	\$ 169,000	\$ 129,000	\$ 327,000	\$ 262,000	\$ 329,000
Staffing					
Community Service Officer - Code compliance/parking	\$ 8,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Public Works - Landscape	-	39,000	39,450	79,845	80,000
Public Works - Streets	-	39,000	39,450	39,923	40,000
P/T Planning Technician	-	17,200	17,200	17,200	17,200
P/T GIS position	-	26,900	26,900	26,900	26,900

Revenue Outlook and Financial Health of the Town of Davidson

Overall, the Town financial health is good with General Fund fund balance currently at 38% of the annual expenditures and revenues are recovering. Although most revenues are improving, property taxes, which make up approximately 55% of all Town revenues, are projected to grow at levels well below historical averages. For 2013 and the planning period the revenue forecast projects that the tax base will expand at 3% annually.

Property taxes constitute approximately 65% of the Town's general fund revenues. Local option sales taxes make up approximately 12% of the revenues. Combined these two sources provide 77 cents of every dollar received by the general fund.

Impact on Operating Budget

Forecast

To fund the CIP, the Town projects the general fund revenues and expenditures through the 5-year planning period. Revenues and expenditures are projected based on historical trends and future growth expectations.

Table 2 – Projected General Fund Revenues and Expenditures

	FY 13 Projected	FY 14 Projected	FY 15 Projected	FY 16 Projected	FY 17 Project
Operating Revenues					
Ad Valorem - Property	\$ 5,694,477	\$ 5,893,784	\$ 6,100,066	\$ 6,313,568	\$ 6,531,133
Ad Valorem and fees - Auto	465,400	479,362	493,743	508,555	522,817
Sales tax revenue	1,174,289	1,209,518	1,245,803	1,283,177	1,321,429
Occupancy & prepared foods	321,476	327,906	334,464	341,153	347,891
Utility franchise taxes	681,000	684,405	687,827	691,266	694,714
Other taxes and unrestricted	266,318	268,981	271,671	274,388	277,099
Restricted use revenue	296,600	296,600	296,600	296,600	296,600
Permits and fees	82,562	86,690	91,025	95,576	100,123
Sales & services	277,511	285,836	294,411	303,244	311,989
All other revenue	81,500	82,315	83,138	83,970	84,802
Total Revenues	\$ 9,341,133	\$ 9,615,396	\$ 9,898,748	\$ 10,191,497	\$ 10,495,181
Operating Expenditures					
Personnel	\$ 3,572,142	\$ 3,679,306	\$ 3,789,685	\$ 3,903,376	\$ 4,021,000
Operating	2,704,453	2,839,676	2,981,659	3,130,742	3,281,233
Mi-Connection Contribution	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Debt Service	662,703	607,754	599,405	470,873	431,233
Operating Expenditures	\$ 8,239,298	\$ 8,426,736	\$ 8,670,750	\$ 8,804,991	\$ 9,033,466
Capital Expenditures	509,900	509,900	509,900	509,900	509,900
Capital Projects	461,939	461,939	461,939	461,939	461,939
Total Expenditures	\$ 9,211,137	\$ 9,398,575	\$ 9,642,589	\$ 9,776,830	\$ 10,005,305
Net Impact on General Fund	\$ 1,130,000	\$ 1,216,820	\$ 1,256,159	\$ 1,414,667	\$ 1,489,876

The fiscal Impact of the CIP is estimated by evaluating funding sources for each item in the CIP.

Current General Fund – this funding source is provided by appropriated operating revenues or fund balance and will generally be used to purchase modest, routine operating capital items or provide match for grants.

Installment Financing – this funding source is provided by a banking institution and typically is collateralized by the asset being purchased or the improvements being made. It is a contractual obligation specifying payment terms, including principal and interest (estimated at 4% for the planning period) to be paid over a period of time, generally 5 to 20 years depending on type of collateral.

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Capital Project or Enterprise Fund – this funding source is provided by appropriated operating revenues of a Town enterprise fund or APFO capital project funds being held in the general fund.

Grant Funding – this funding source refers to funds given for a specific purpose. Funds may be granted from federal, state, or local agencies.

Table 3 - CIP Revenue/Funding Sources Summary

CIP APPROPRIATIONS BY REVENUE SOURCE	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Unrestricted General Fund	\$ 330,000	\$ 653,550	\$ 751,000	\$ 341,868	\$ 360,000
Powell Bill/Resurfacing	-	84,000	200,000	-	-
Capital Project Fund	-	124,427	400,000	-	-
Stormwater Fund	-	-	-	-	150,000
Installment Financing/Debt Issuance	65,000	450,573	-	100,000	780,000
Grants/Other	-	50,000	1,140,000	-	-
Fund Balance Loan	250,000	-	-	-	-
TOTAL APPROPRIATION	\$ 645,000	\$ 1,328,550	\$ 2,191,000	\$ 441,868	\$ 1,290,000

To determine estimated debt service, we assumed a 4% interest rate amortized over 5 to 20 years for the various financings.

Table 4 – CIP Debt Service Required by Planned Debt Issuance

CIP DEBT SERVICE	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
450 Dump truck	\$ -	\$ 14,600	\$ 14,600	\$ 14,600	\$ 14,600
Fire Station 1 Renovation	-	-	40,102	40,102	40,102
5 ton dump truck	-	-	-	-	20,000
Public Works Facility	-	-	-	-	-
TOTAL new debt service for plan	\$ -	\$ 14,600	\$ 54,702	\$ 54,702	\$ 79,702

Fiscal Impact

The following table provides projections on the impact of the CIP decisions on available resources. Our projections of revenues and expenditures indicate the Town is in a position to fund the CIP as presented with no impact on the Town's current tax rate. The 'projected allocation available for CIP' reflects the funds available for capital projects/equipment as a result of the new interlocal agreement for MI-Connection contribution.

Table 5 – Projected Fiscal Impact of the Plan

FISCAL IMPACT	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Cash required	\$ 580,000	\$ 911,977	\$ 2,491,000	\$ 341,868	\$ 360,000
Additional debt service required for CIP	-	14,600	54,702	54,702	70,000
Current debt service reductions	-	(30,749)	(39,098)	(117,859)	(140,000)
Total Cash	\$ 580,000	\$ 895,828	\$ 2,506,604	\$ 278,711	\$ 280,000
TOTAL CASH REQUIRED BY PLAN	\$ 580,000	\$ 895,828	\$ 2,506,604	\$ 278,711	\$ 280,000
Projected Allocation Available for CIP	238,975	461,939	461,939	461,939	461,939
Current allocation for police cars	100,000	96,000	96,000	96,000	96,000
Powell Bill/Resurfacing	-	84,000	200,000	-	-
Capital Project Fund	-	124,427	400,000	-	-
Grants/Other	-	50,000	1,140,000	-	-
Fund Balance Loan	250,000	-	-	-	-
Total Available Revenue	\$ 588,975	\$ 816,366	\$ 2,297,939	\$ 557,939	\$ 557,939

Capital Projects

The following section contains detail on the capital projects included in the 2013-2017 CIP.

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Transportation, Streets, Sidewalks

<i>Goodrum St Improvements</i>		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	appropriated
Expenses							
Planning/Design			7,000		-	-	-
Land		-	-			-	-
Construction			77,000	-			-
Equip/Furnishings		-	-	-	-	-	-
TOTAL		-	84,000	-	-	-	84,000
Appropriations							
Powell Bill		-	84,000	-	-	-	84,000
Capital Project Fund		-	-	-	-	-	-
Installment Financing		-	-	-	-	-	-
Grants/Other		-	-	-	-	-	-
APFO		-	-	-	-	-	-
TOTAL		-	84,000	-	-	-	84,000
Description							
Existing town-owned gravel road with sidewalk or curb, one of few unpaved streets in town.							
Improvements would be done at same time as bonded work at adjacent Walnut Grove subdivision.							
WG Developer defaulted on street, right of way paving and sidewalk. Builder estimates Walnut Grove will be at 75% in 2014 and bond would be called in to complete the work. To save mobilization money improvements to Goodrum Street should be done at the same time.							

Transportation, Streets, Sidewalks

<i>Potts-Beatty-Sloan Connection</i>		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	appropriated
Expenses							
Planning/Design		143,000	-	-	-	-	143,000
Land		-	90,000	-	-	-	90,000
Construction		-	-	1,425,000	-	-	1,425,000
Equip/Furnishings		-	-	-	-	-	-
	TOTAL	143,000	90,000	1,425,000	-	-	1,658,000
Appropriations							
Powell Bill		-	-	-	-	-	-
Capital Project Fund		-	-	-	-	-	-
Installment Financing		-	-	-	-	-	-
Grants/Other		-	-	1,140,000	-	-	1,140,000
APFO		-	-	-	-	-	-
	TOTAL	-	-	1,140,000	-	-	1,140,000
Description							
Design and construction documents in 2013. Land acquisitions based on purchasing 40x400 ft. right-of-way at per acre price of adjacent parcel. Construction must be started in 2015 in order to secure federal funds. Match of 20% required for construction costs. Combines projects of Potts-Sloan connection and Beatty-Griffith roundabout/improvements. In planning Town should explore other improvements that would allow use of full \$2 M in federal funds available. Additional town match of \$215,000 of match may be required if all federal funds were used.							

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Public Works

Total							Total	
appropriation	<i>Public Works Facility</i>	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	appropriation	
	Expenses							Expenses
8	Planning/Design		86,450		-	-	8	
	Land	-	-			-		
78	Construction/Improvements			-		788,681	78	
	Equip/Furnishings	-	-	-	-			
87	TOTAL	-	86,450	-	-	788,681	87	
	Appropriations							Appropriations
	Capital Project Fund	-	-	-	-	-		
78	Installment Financing	-	-	-	-	788,681	78	
	Grants/Other	-	-	-	-	-		
	APFO	-	-	-	-	-		
78	TOTAL	-	-	-	-	788,681	78	
	Description							Description
	Phase 1 of 3							
	Planning and design to explore improvements/construction on current site or move to alternate site.							
in 201	Public Works Facility to accommodate 13 total employees serving 4634 households in 20							
	Level of Service B with 13 employees at 365 households per employee							

Public Safety - Fire Department						
Station 1 Renovation	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Total require
Planning/Design	-	45,000	-	-	-	45,000
Land	-	-	-	-	-	-
Construction	-	425,000	-	-	-	425,000
Equip/Furnishings	-	75,000	-	-	-	75,000
TOTAL	-	545,000	-	-	-	545,000
<p>Fire Station 1 Renovation to add sleeping quarters for up to 8 firefighters, kitchen and day room to existing station. 3000 sq ft renovation would require losing one bay. Upon completion would phase out rental of apartment unit. Currently paying \$1700 per month (\$20,400 per year) for rental units and \$140 per month (\$1680 per year) for utilities. Current estimates are in process of revision.</p>						
<p>Funding source: \$94,427 available in project fund</p>						

Public Safety - Fire Department

Station 2	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	requested
Planning/Design	-	-	160,000	-	-	160,000
Land	-	210,000	-	-	-	210,000
Construction	-	-	-	-	-	-
Equip/Furnishings	-	-	-	-	-	-
TOTAL	-	210,000	160,000	-	-	370,000

Because of long-term growth potential of the River Run/ETJ area, it is necessary to plan for the construction of a facility in this area in order to keep response times low, thereby maintaining and or/reducing the town's fire insurance rating and resulting insurance costs paid by homeowners. Prior study evaluated potential sites and determined land needs. Pursue purchase/donation of land in 2014, planning and design in 2015, actual construction beyond 5 yr plan but to prepare for end of contract with Odell FD in 2021. Replacement for Fire Engine #2 will be required for station opening to serve as primary response vehicle.

Parks & Recreation

Renovate pumphouse for P&R offices/classroom							Total
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	appropri	
Expenses							
Planning/Design	-	-	-	-	-		
Land	-	-	-	-	-		
Construction	190,012	-	-	-	-	19	
Site Improvements	56,490	-	-	-	-	5	
FF&E	3,498	-	-	-	-		
TOTAL	250,000	-	-	-	-	25	
Appropriations							
Powell Bill	-	-	-	-	-		
Capital Project Fund	-	-	-	-	-		
Installment Financing	-	-	-	-	-		
Fund Balance Loan	250,000	-	-	-	-	25	
APFO	-	-	-	-	-		
TOTAL	250,000	-	-	-	-	25	
Description							
<p>The Town currently pays approximately \$53,000 annually in rent for P&R office/classroom space on Armour Street. This project would upfit the Town-owned pumphouse to relocate the P&R operations for appropriate sized facility for programming currently and in the foreseeable future. The pumphouse is located immediately on the Town's premier greenway (Kincaid Trailhead) and adjacent to the elementary school and across the street from McEver athletic fields. This presents the opportunity for expanded outdoor programming, consistent with the healthy living initiative. Funding for design was appropriated in 2012. Design includes office space and one classroom as well as 2 handicapped-accessible restrooms. Construction of restrooms alone at River Run and Roosevelt Wilson cost \$162,650 and \$98,111 respectively in 2008 and 2005.</p>							
Funding source notes							
Funds could be borrowed from General Fund fund balance with repayment to come from							

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Lighting Upgrade, McEver Fields						Total
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	appropri
Expenses						
Planning/Design	-	-	-	-	-	
Land	-	-	-	-	-	
Construction		-	-	-	-	
Equip/Furnishings	75,000	50,000	40,000	-	-	16
TOTAL	75,000	50,000	40,000	-	-	16
Appropriations						
General Fund	75,000	-	40,000	-	-	11
Installment Financing	-	-	-	-	-	
Grants/Other	-	50,000	-	-	-	5
APFO	-	-	-	-	-	
TOTAL	75,000	50,000	40,000	-	-	16
Description						
<p>The Town's most important and heavily used active recreation facility currently has inefficient and inadequate lighting on 2 fields and no lighting on the 3rd. The McEver fields are an critical component i Davidson's athletic community. Staff has spent significant personnel resources in recent years to upgra the turf outfield and infield. The next phase in the renovation of the fields is to install modern lighting . Prior plans included only adding lighting to the 3rd field by using existing poles, which were later found be inadequate to carry the weight. Once the P&R Master Plan as been updated, staff will apply for gra opportunities for this project. Safety concerns have upgraded this project to earlier years. The Must field does not have lighting and that would be planned for 2013 if the project can be accomplished befi season starts. Upgrades to the Pony and Bronco field lights would be scheduled for FY 2014 and 2015</p>						
Funding source notes						
Installment financing and partnership/grant opportunities would be sought for funding of the						

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	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	appropriated
Expenses						
Planning/Design	-	30,000	-	-	-	30,000
Land	-	-	-	-	-	-
Construction/Improvements	-	-	400,000	-	-	400,000
Equip/Furnishings	-	-	-	-	-	-
TOTAL	-	30,000	400,000	-	-	430,000
Appropriations						
Unrestricted General Fund	-	-	-	-	-	-
Capital Project Fund	-	30,000	400,000	-	-	430,000
Grants/Other	-	-	-	-	-	-
APFO	-	-	-	-	-	-
TOTAL	-	30,000	400,000	-	-	430,000
Description						
<p>Provides funding for master plan for almost 600 acres of contiguous land, with restrictions on various pieces. A master plan for the site is needed to ensure the best use of the land for all Town citizens. The estimated amount for improvements is approximately the amount of APFO funds in account for community park.</p> <p>Tied to Goal 3: Provide Safe and Secure Neighborhoods, Streets, Parks and Greenways and Goal 4: Provide Diverse Public Park Amenities, <i>under Support Safe and Vibrant Public Space and Neighborhoods; Goal 1: Encourage Development and Activities that Attract a Variety of Age Groups, under Promote Cultural, Socioeconomic and Age Diversity; Goal 1: Encourage More Bicycle and Pedestrian Travel, under Provide Sustainable and Healthy Choices for Transportation, Food and Energy Use; Goal 4: Continue to Provide Excellence in Recreation, Public Works and Planning Services, under Continue to Provide Effective and Efficient Public Services</i></p>						