

Town of Beaufort

FY15 - FY19

Capital

Improvements

Plan

Charles W. Burgess, Jr., Town Manager
1/8/2014

OVERVIEW

The Town of Beaufort's Capital Improvement Plan (CIP) is a planning and budget tool which addresses the repair and replacement of existing infrastructure as well as the construction or acquisition of new facilities and equipment to accommodate current and future demands for service. More specifically, the CIP is intended to accomplish the following objectives:

- To build the facilities required to support the Town's public service responsibilities
- To improve financial planning by comparing needs with resources, estimating future bond uses and debt service, and identifying tax rate implications
- To establish priorities among projects so that limited available funds are used to the best advantage
- To plan public facility construction and major equipment purchases and coordinate timing with the public needs
- To support the physical development objectives contained in approved Town plans

Generally, capital improvements are defined as physical assets constructed or purchased that have a useful life of ten (10) years or longer and have a cost of or exceeding \$25,000. Projects that meet these criteria are included in the CIP, such as:

- New and expanded facilities for the community
- Large scale rehabilitation or replacement of existing facilities
- The cost of engineering or other professional studies and services related to improvement
- Major equipment
- The acquisition of land

The CIP does not typically include items defined as "capital outlay." Capital outlay items normally appear in the Town's operating budget and include such things as furniture, equipment, and vehicles needed to support the operation of the Town's

programs. Generally, a capital outlay item may be defined as an item valued at less than \$25,000 with a usual life expectancy of less than ten (10) years.

The projected costs of each capital project are sometimes the result of detailed engineering studies, but are sometimes simply working estimates. The project cost to be funded in the CIP include all costs relating to design, acquisition, construction, project management, equipment, legal expenses, mitigation of damages, title costs and other land-related costs, etc., when such information is available. Each year, the CIP may be adjusted as project costs are refined.

The annual CIP process begins with the distribution of funding request packets to each Town department. These packets are returned to the Town Manager and the information is categorized and consolidated. The Town Manager prioritizes the projects and prepares a proposed Capital Improvement Plan to be forwarded to the Board of Commissioners for their review and comment. A public hearing is held after which the Board of Commissioners has the authority to approve the recommended CIP as presented, or with amendments. The CIP is adopted by the Board of Commissioners and becomes the Adopted Capital Improvement Plan. The first year of the Adopted CIP is incorporated in to the Manager's Recommended Budget as the Capital Budget for the upcoming fiscal year.

Each project in the CIP is coupled with one or more funding sources. Revenues the Town utilizes come from several sources to include federal and state governments, general obligation bonds, revenue bonds, dedicated taxes and fees, and the General, Fire, Water, or Sewer Funds. In the Town's case, it is important to note that revenues that come from state and federal grants, such as the NC Department of Transportation, Department of the Environment and Natural Resources, and various others may require a cash match from the Town.

Revenue bonds are also an additional source of revenue to fund capital projects that are needed for the enterprise funds. The debt service payments on these bonds are paid through user fees generated in the fund. Another source of revenue to fund capital projects is general obligation bonds. Bond issuances are governed strictly by state laws and regulations. A general obligation bond works similar to a mortgage loan. The repayment of the bonds is usually long-term. Typically, government regulations require that the proceeds from a bond issue be expended

on one-time capital projects within a certain amount of time after the issuance. The level of debt the Town can incur is governed by the financial policies legislated by the North Carolina General Statutes.

The General Fund is the primary depository for taxes and fees, including ad valorem taxes, sales tax, and utility taxes which are collected for the general operation of the Town. Fees for water and sewer service are deposited in the Water and Sewer Funds, respectively. The Fire Fund receives a portion of its revenue as an allocation from Carteret County.

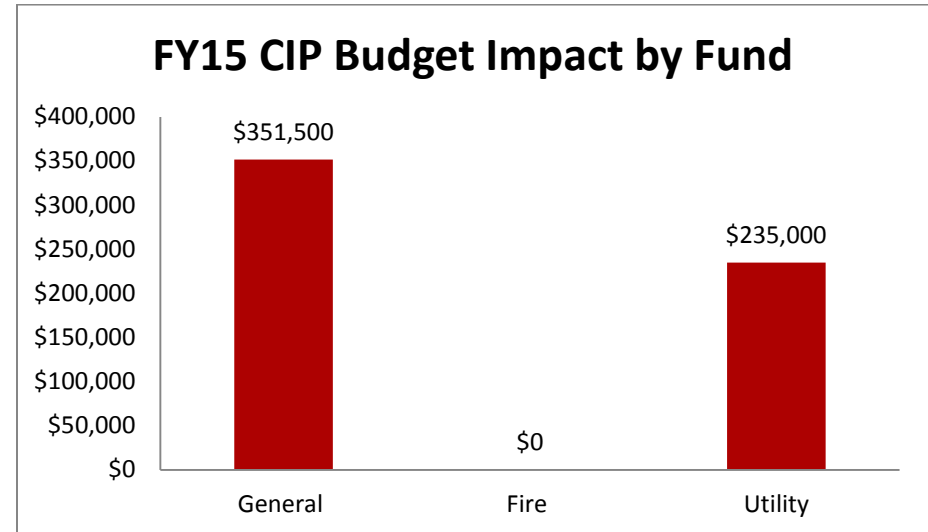
The CIP represents the mutual effort of Town departments to meet the infrastructure needs of Town residents, businesses, and visitors. The Town usually cannot fund all the capital project requests and the projects are carefully scrutinized and prioritized to provide for the maximum benefit. Citizen input, the Town's adopted Comprehensive Plan, and the total funding available all contribute to the decision-making process regarding the allocation of limited resources.

TOWN MANAGER RECOMMENDATION

The following pages represent the recommendations of the Town Manager. These recommendations are based on the needs of each department as articulated by the Department Head, and weighted by Town Manager. Included is the summary of the CIP, as well as descriptions of each project. The total CIP as requested is \$9,839,375.

The Town Manager considered debt policies, available outside funding, and available General, Utility, and Fire Fund resources to recommend the development of the five (5) year plan with an emphasis on FY15 projects.

The Town Manager is recommending a FY15 CIP implementation of projects totaling \$4,345,000. The components and funding implications for the recommended projects are as follows:



RECOMMENDED BY TOWN MANAGER

PROJECT TITLE (BY DEPARTMENT)	FUNDING		FY15	FY16	FY17	FY18	FY19	BEYOND FY19	TOTAL COST
	SOURCE								
FIRE DEPARTMENT									
New Fire Station	GF	\$	2,500,000						\$ 2,500,000
Fire/Rescue Boat	GF			\$ 65,000					\$ 65,000
Extrication Equipment	GF			\$ 40,000					\$ 40,000
Fire Truck Pumper	GF			\$ 350,000					\$ 350,000
Aerial Platform	GF						\$ 750,000		\$ 750,000
PARKS & RECREATION									
Restroom at East End of Downtown	GF/FF	\$	25,000						\$ 25,000
Water Tower Park	GF/SF	\$	300,000	\$ 274,375	\$ 150,000				\$ 724,375
Bicycle Plan Implementation	GF	\$	25,000	\$ 75,000	\$ 150,000				\$ 250,000
PUBLIC PROPERTY									
Downtown District Streetscaping & Signage	GF	\$	50,000	\$ 50,000					\$ 100,000
Entry Corridor Improvements Program	GF/SF			\$ 100,000	\$ 250,000	\$ 150,000	\$ 250,000	\$ 750,000	\$ 1,500,000
PUBLIC WORKS									
Relocation of Public Works Facility	GF	\$	500,000						\$ 500,000
Debris Truck	GF	\$	110,000						\$ 110,000
Solid Waste Vehicle	GF				\$ 190,000				\$ 190,000
Drainage Improvements	GF	\$	100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 400,000	\$ 900,000
SEWER & WASTEWATER TREATMENT									
Sewer Pump Station Generators	UF	\$	25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000		\$ 125,000
I & I Study	UF	\$	180,000						\$ 180,000
Sewer Line Rehabilitation	UF			\$ 1,000,000					\$ 1,000,000
WATER									
Meter Reading Digital Conversion	UF	\$	500,000						\$ 500,000
Water System Hydraulic Analysis	UF	\$	30,000						\$ 30,000
TOTALS		\$	4,345,000	\$ 2,079,375	\$ 865,000	\$ 275,000	\$ 1,125,000	\$ 1,150,000	\$ 9,839,375
GF - General Fund	SF - State Funds								
UF - Utility Fund	FF - Federal Funds								

PROJECT TITLE: FIRE TRUCK PUMPER

DEPARTMENT: Fire Department
PROJECT TYPE: Capital Equipment Purchase
TOTAL PROJECT COST: \$350,000

STAFF CONTACT: Chief Larry Fulp
USEFUL LIFE: 20+ years
NEW POSITIONS: 0

DESCRIPTION:
 Fire truck pumper to replace 1988 pumper #9, a similar apparatus that has exhausted its useful life.

JUSTIFICATION:
 Due to the delay in mutual aid from Morehead City Fire and Atlantic Beach Fire Departments, our response has been delayed in extinguishing fires and rescuing victims. In order to maintain departmental capabilities to fight structure fires, dependable replacement apparatus is needed.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Lease/Purchase; 5 yrs. at 6% in arrears			\$81,192	\$81,192	\$81,192	\$243,576	\$405,960

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY18	FY19	TOTAL COST
General Fund		\$350,000					

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Maintenance Costs		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000/yr

PROJECT TITLE: EXTRICATION EQUIPMENT

DEPARTMENT: Fire Department
PROJECT TYPE: Capital Equipment Purchase
TOTAL PROJECT COST: \$40,000

STAFF CONTACT: Chief Larry Fulp
USEFUL LIFE: 20+ years
NEW POSITIONS: 0

DESCRIPTION:
Hydraulic extrication equipment including spreaders, cutters, rams, and power units

JUSTIFICATION:
Current extrication equipment ranges in age from 7 to 30 years, with most reaching the end of its useful life.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Financing- Debt Payment; 3 yrs at 6%		\$14,592	\$14,592	\$14,592			\$43,776

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
General Fund		\$40,000					

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Maintenance Costs		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000/yr

PROJECT TITLE: FIRE/RESCUE BOAT

DEPARTMENT: Fire Department
PROJECT TYPE: Capital Equipment Purchase
TOTAL PROJECT COST: \$65,000

STAFF CONTACT: Chief Larry Fulp
USEFUL LIFE: 20+ years
NEW POSITIONS: 0

DESCRIPTION:
24' Southern Skimmer with a 115 horsepower outboard motor and a 35 horsepower marine fire pump.

JUSTIFICATION:
Due to the delay in mutual aid from Morehead City Fire and Atlantic Beach Fire Departments, our response has been delayed in extinguishing fires and rescuing victims. The purchase of a fire/rescue boat will enhance the Town's capacity to protect the community from loss of life and property and increase our ability to serve through rapid, efficient response. With the incorporation of deployment guidelines, this boat will be used for firefighting and rescue capabilities. Additionally, we will be able provide assistance for outside agencies, emergency medical services, as well as promote boating safety.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Lease/Purchase; 5 yrs at 4%		\$15,072	\$15,072	\$15,072	\$15,072	\$15,072	\$75,360

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
General Fund		\$65,000					

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Maintenance Costs		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000/yr

PROJECT TITLE: AERIAL PLATFORM

DEPARTMENT: Fire Department
PROJECT TYPE: Capital Equipment Purchase
TOTAL PROJECT COST: \$750,000

STAFF CONTACT: Chief Larry Fulp
USEFUL LIFE: 20+ years
NEW POSITIONS: 0

DESCRIPTION:
 NFPA 1901/1999 Compliant Aerial Platform

JUSTIFICATION:

The Town’s 2004 Hazard Mitigation Plan analyzed and identified the Town’s high vulnerability to natural and man-made disasters. This Plan identified fifteen (15) public buildings within the Town limits that are critical to maintaining functional order of Town and County governments. Risk assessment conducted by our organization, with recommendations from the NC Office of the State Fire Marshall, concluded that not having an aerial apparatus as part of our fire suppression efforts not only greatly reduces our ability to adequately protect these critical facilities, but also waterfront properties and the Town’s Historic District. As the closest aerial apparatuses are located in Morehead City and Atlantic Beach, the 10+ minute delay in response time hinders our ability to effectively mount an aggressive offensive operation. The requested aerial platform will respond as a first due company on emergencies in our District and will assist our neighboring mutual aid departments.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Lease/Purchase; 7 yrs at 6%					\$131,427	\$788,562	\$920,304

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
General Fund					\$750,000		\$750,000

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Maintenance Costs					\$2,000	\$2,000/yr

PROJECT TITLE: WATER TOWER PARK

DEPARTMENT: Administration
PROJECT TYPE: Contracted Services
TOTAL PROJECT COST: \$724,375

STAFF CONTACT: Lauren Hermley, Assistant Town Manager
USEFUL LIFE: 50+ years
NEW POSITIONS: 0

DESCRIPTION:

The conversion of the current Public Works yard to a new town park; includes the conversion of the existing garage into a community center.

JUSTIFICATION:

The property would serve to connect current parks and recreational facilities- tennis/basketball courts and Randolph Johnson Parks- and is a more appropriate public use of the space.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Budget line item	\$300,000	\$274,375	\$150,000				\$724,375

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
General Fund	\$150,000	\$137,188	\$75,000				\$362,188
State Funds – PARTF Grant	\$150,000	\$137,187	\$75,000				\$362,187

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Landscape Maintenance		\$5,000	\$10,000	\$15,000	\$15,000	\$15,000/yr.
Utilities			\$4,000	\$10,000	\$15,000	\$15,000/yr.

PROJECT TITLE: BICYCLE PLAN IMPLEMENTATION

DEPARTMENT: Planning Department
PROJECT TYPE: Contract Services- Paving
TOTAL PROJECT COST: \$250,000

STAFF CONTACT: Kyle Garner, Town Planner
USEFUL LIFE: 20+ years
NEW POSITIONS: 0

DESCRIPTION:

This project is to aid in the improvement of mobility in the community by providing safe and accessible bicycle facilities while also offering alternative transportation options.

JUSTIFICATION:

At least two surveys have shown that residents support improved bicycle facilities, alternative forms of transportation, and increased opportunities for exercise. The current project addresses these resident priorities.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Budget line item	\$25,000	\$75,000	\$150,000				\$250,000

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
General Fund	\$25,000	\$75,000	\$150,000				\$250,000

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND

PROJECT TITLE: ENTRY CORRIDOR IMPROVEMENTS PROGRAM

DEPARTMENT: Planning Department
PROJECT TYPE: Contracted Services
TOTAL PROJECT COST: \$1,500,000

STAFF CONTACT: Lauren Hermley, Assistant Town Manager & Kyle Garner, Town Planner
USEFUL LIFE: 30+ years
NEW POSITIONS: 0

DESCRIPTION:

This project is proposed to implement or be used as a cost share with NC DOT to develop elements of the adopted Entry Corridor Plan. It includes street improvements such as medians, landscaping, and signage.

JUSTIFICATION:

This project is an effort to improve the aesthetics while also creating a sense of place for our community. It will enhance tourism, support existing businesses, and serve as a gateway for the National Park Service.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Budget line item		\$100,000	\$250,000	\$150,000	\$250,000	\$750,000	\$1,500,000

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
General Fund		\$100,000	\$250,000				\$350,000
NC DOT				\$150,000	\$250,000	\$750,000	\$1,150,000

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND

PROJECT TITLE: DEBRIS TRUCK

DEPARTMENT: Public Works
PROJECT TYPE: Capital Equipment Purchase
TOTAL PROJECT COST: \$110,000

STAFF CONTACT: Dan Neglic, Public Works Supervisor
USEFUL LIFE: 15 years
NEW POSITIONS: 0

DESCRIPTION:
A roadside trash and debris collection vehicle equipped with a hydraulic arm and large dump bed

JUSTIFICATION:
Currently, the collection of property owner roadside debris is conducted by hand, limiting efficiency as well as capacity. This piece of equipment will enable Public Works personnel to handle large and heavier debris more quickly. The equipment also significantly reduces the risk of employee injury and associated Workers' Compensation liability.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Capital Equipment Lease/Purchase; 7 yrs with payments in arrears		\$19,200	\$19,200	\$19,200	\$19,200	\$57,600	\$134,400

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
General Fund	\$110,000						

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Maintenance Costs		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000/yr.

PROJECT TITLE: SOLID WASTE VEHICLE

DEPARTMENT: Streets and Sanitation
PROJECT TYPE: Capital Equipment Purchase
TOTAL PROJECT COST: \$190,000

STAFF CONTACT: Dan Neglic, Public Works Supervisor
USEFUL LIFE: 10+ years
NEW POSITIONS: 0

DESCRIPTION:

This vehicle would replace one of three existing solid waste disposal vehicles that has reached the end of its useful life.

JUSTIFICATION:

The maintenance costs associated with the vehicle slated for replacement have risen to such an extent that it is more cost effective to use these funds to service the debt associated with the purchase of a new vehicle.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Lease/Purchase; 5 yrs. at 6%				\$44,076	\$44,076	\$132,228	\$220,380

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
General Fund			\$190,000				

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Maintenance Costs						

PROJECT TITLE: SEWER PUMP STATION GENERATORS

DEPARTMENT: Sewer Department
PROJECT TYPE: Capital Equipment Purchase
TOTAL PROJECT COST: \$125,000

STAFF CONTACT: Donovan Willis, Utilities Director
USEFUL LIFE: 20 years
NEW POSITIONS: 0

DESCRIPTION:
 To provide back-up power to pump stations not currently equipped

JUSTIFICATION:
 To protect against service interruption during power outages, most notably during significant storm events.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Budget line item	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		\$125,000

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Sewer Fund	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		\$125,000

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Maintenance Costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000/yr

PROJECT TITLE: INFLOW & INFILTRATION (I&I) STUDY

DEPARTMENT: Sewer Department
PROJECT TYPE: Contracted Services
TOTAL PROJECT COST: \$180,000

STAFF CONTACT: Donovan Willis, Utilities Director
USEFUL LIFE: 10 years
NEW POSITIONS: 0

DESCRIPTION:
 Contracted evaluation and study of groundwater infiltration into the Town’s sewer system to identify causes and solutions.

JUSTIFICATION:
 During rain events, the Town’s Waste Water Treatment Plant (WWTP) experiences significant spiking, an indication that groundwater is infiltrating the sewer system. By identifying the source(s) of infiltration and taking corrective action, the Town can reduce the operational expense associated with treating groundwater, as well as extend the useful life of the WWTP.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Budget line item	\$180,000						\$180,000

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Utility Fund	\$180,000						\$180,000

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
n/a						

PROJECT TITLE: SEWER COLLECTION SYSTEM REHABILITATION

DEPARTMENT: Sewer Department
PROJECT TYPE: Contracted Services
TOTAL PROJECT COST: \$1,000,000

STAFF CONTACT: Donovan Willis, Utilities Director
USEFUL LIFE: 20 years
NEW POSITIONS: 0

DESCRIPTION:
 A systematic approach to repair failing sections of the sewer system as identified by the I&I Sturdy.

JUSTIFICATION:
 Eliminating groundwater intrusion increases the efficiency and extends the life of the Town’s Wastewater Treatment Plant.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Debt service; 20 years at 3%		\$66,540	\$66,540	\$66,540	\$66,540	\$1,064,640 for 16 yrs.	\$1,330,800

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
State Loan		\$1,000,000					\$1,000,000

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
n/a						

PROJECT TITLE: METER READING DIGITAL CONVERSION

DEPARTMENT: Water
PROJECT TYPE: Capital Equipment Purchase
TOTAL PROJECT COST: \$500,000

STAFF CONTACT: Donovan Willis, Utilities Director
USEFUL LIFE: 20+ years
NEW POSITIONS: -1

DESCRIPTION:
 The conversion of the existing manual water meter reading to an automatic computer-based reading system

JUSTIFICATION:
 The cost of implementation will be offset by the increased cost and administrative efficiency resulting from increased accuracy in the reading of the meters as well as real-time identification of potential problems/leaks.

OPERATIONAL IMPACT
 Implementation will allow for the elimination at least one full time staff member in the Water Department .

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Lease/Purchase- 5 yrs at 6%		\$115,992	\$115,992	\$115,992	\$115,992	\$115,992	\$579,960

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Water Fund	\$500,000						

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
Reduced Staff		(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)

PROJECT TITLE: WATER SYSTEM HYDRAULIC ANALYSIS

DEPARTMENT: Water Department
PROJECT TYPE: Contracted Services
TOTAL PROJECT COST: \$30,000

STAFF CONTACT: Donovan Willis, Utilities Director
USEFUL LIFE: 20 years
NEW POSITIONS: 0

DESCRIPTION:
 Update the Town’s water system hydraulic model.

JUSTIFICATION:
 Having a current but update-able baseline model is necessary for sound decision-making in regards to efficient and effective delivery of municipal water service.

EXPENDITURES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Budget line item	\$30,000						\$30,000

FUNDING SOURCES

Type	FY15	FY16	FY17	FY18	FY19	BEYOND	TOTAL COST
Water Fund	\$30,000						\$30,000

OPERATING BUDGET IMPACT

Type	FY15	FY16	FY17	FY18	FY19	BEYOND
n/a						