Agenda

Board of Commissioners Budget Retreat

9:00 AM January 28, 2023
Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

1. **Opening of the work session**

2. **Agenda changes and approval**

3. **In-depth discussion and topics**
   - A. Financial Overview
   - B. Strategic Plan Update
   - C. Capital and Other Major Requests Discussion
   - D. Restarting Intern and Fellowship Program Discussion

4. **Adjournment**

Interpreter services or special sound equipment for compliance with the Americans with Disabilities Act is available on request. If you are disabled and need assistance with reasonable accommodations, call the Town Clerk's Office at 919-296-9443 a minimum of one business day in advance of the meeting.

Agenda Abstract
BOARD OF COMMISSIONERS

Meeting Date:	January 28, 2023
Department:	Administrative Services
Agenda Section:	Regular
Public hearing:	N/A
Date of public hearing:	N/A

PRESENTER/INFORMATION CONTACT

Town Manager Eric Peterson

ITEM TO BE CONSIDERED

Subject: Financial Overview

Attachments:

None.

Summary:

The town manager will provide a brief financial overview related to finances, key issues and approaches for the FY24-26 budget and financial plan.

Financial impacts:

No financial impacts are identified at this time.

Staff recommendation and comments:

N/A

Action requested:

Receive financial overview update and ask questions.

Agenda Abstract
BOARD OF COMMISSIONERS

Meeting Date:	January 28, 2023
Department:	Administrative Services
Agenda Section:	Regular
Public hearing:	N/A
Date of public hearing:	N/A

PRESENTER/INFORMATION CONTACT

Administrative Services Director Jen Della Valle

ITEM TO BE CONSIDERED

Subject: Strategic Plan Update

Attachments:

1. Department Priorities Sample
2. Updated Strategic Plan Focus Areas
3. Comprehensive Sustainability Plan – Implementation Plan
4. Climate & Energy Implementation Matrix

Summary:

Departmental Priorities

Budget staff has been working to develop a template that visualizes the workload for each department. The intent is for this document to help provide context as the board sets organizational priorities. In addition to the priorities that the board sets through the strategic plan, each department also has their own internal departmental priorities and day-to-day work that competes for time. In addition, there are the initiatives or projects that are important, but we just don't have the time to get to and those are reflected in the document as well. There are so many strategies that can be pursued for each of the objectives and given our limited capacity (both staff time and financial resources), we need to be strategic about what's incorporated in the strategic plan. As we look toward our regular strategic plan updates with the board, we'll reference these departmental priorities as well as the adopted strategic plan in assessing whether it makes sense to incorporate any new strategies that come up after the plan is adopted, weighing those projects against the existing workload.

To test out the template, the Administrative Services Department completed its departmental priorities listing. Budget staff is looking to receive feedback from the board regarding the template and to get agreement on the direction of this document before rolling it out to the remaining departments.

Strategic Plan Updates

Administrative Services Director will highlight changes made to the strategic plan following the feedback the board provided in November.

Community Safety Equity Objective

At the November meeting, the board expressed an interest in including an equity-related objective under the Community Safety focus area. Rather than interpret what the board envisioned for this objective, staff would like to hear more from board members on what their vision and desired outcome is for this objective. Based on that feedback, the board can either draft an objective or delegate this to staff based on what we hear is important to the board. Once the objective is developed, staff can work to draft strategies that would fall under this objective.

Sustainability Focus Area

At the November update, the Sustainability focus area had no strategies incorporated as staff wanted to wait until the completion of the climate chapter of the Comprehensive Sustainability Plan. The draft chapter, including goals, strategies, and actions, are now available.

Included as an attachment is a draft narrative of the implementation section of the Comprehensive Sustainability Plan as well as the draft implementation matrix for the Climate and Energy chapter.

Public Space and Sustainability Manager Stephanie Trueblood is recommending that three categories of actions (already prioritized by previous work and coordination) should continue to be priorities and be included in the FY24-26 Strategic Plan.

Facilities (Train Station, Adron Thompson, Highway 86, and other renovation projects)

1. Access renewable energy generation potential (i.e., generating capacity) for solar photovoltaics and wind energy projects on town-owned properties and identify priority sites for planning and implementation.
2. Investigate opportunities and incorporate to the greatest extent possible sustainability and climate initiatives in facility development including geothermal, solar, weatherization, and green infrastructure.
3. For on-site renewable energy generation, explore the feasibility of energy storage systems (e.g., solar PV plus battery storage).

Fleet Vehicles

4. Evaluate the town's vehicle fleet to determine right-sizing and transition to EV potential. Transition the town's vehicle fleet to zero emissions alternatives on a schedule consistent with vehicle lifecycles and market availability. Advance the schedule of this transition as feasible.
5. Ensure electric vehicle charging infrastructure is appropriately provided to support the town's electric vehicle transition.

Level 2 Charging Infrastructure

6. Work with regional partners to expand the number of EV charging stations in the town to support EV readiness and encourage widespread adoption, especially in key places like Gold Park and Town Hall.
7. Continue to coordinate at a regional level on the Electric Vehicle Supply Equipment (EVSE) Location Suitability Analysis.

A couple important notes: this chapter is still a draft and has not received public comment. Also, there are actions in other chapters of the Comprehensive Sustainability Plan that also serve climate goals. For instance, in the Transportation and Connectivity chapter, there are recommendations for strategic connectivity projects like Ridgewalk, which will serve both connectivity and climate goals. Finally, the implementation matrix shows timeframes for which actions could be possible to complete within the timeframe if resources were available (financial, staff time, etc.) rather than listing a plan for when staff anticipates the action will be completed.

Financial impacts:

No financial impacts identified at this time.

Staff recommendation and comments:

N/A

Action requested:

Receive update and provide feedback.

Administrative Services Department

15%

FY24-26 Priorities

Human Resources

- Diversity, Equity, and Inclusion efforts
    - Racial Equity Action Plan
- Training program (general employees, supervisor, etc.)
- Employee handbook updates – catch up and get back on a regular update schedule
- Increased focus on promoting safety culture

Information Technology

- Phone system upgrade assessment
- Facility remodeling – IT integration in new and renovated facilities
- Building security and access
- Infrastructure upgrades

Communications

- Additional community surveying
- Community conversations/other community engagement
- Website evaluation
- Evaluate ways to streamline operations
- Photo inventory

Budget

- Budget document
- Strategic plan
- Financial software conversion

Clerk

- Remote participation policy
- Municode board management portal
- Electronic records policy and implementation plan
- Advisory board orientation packet

Fleet Maintenance

- Assess options for servicing larger vehicles (i.e. length or weight) that currently exist within the town's fleet as well as those that are anticipated to be added.

85%

Daily Work

0%

Important, No Capacity

- Employee engagement, including focus on employee wellness
- "Stay" interviews
- Performance data

Focus Area 1 – Sustainability

Objective 1	**Optimize the built environment in a way that is respectful of the natural environment and promotes human health.**	• Placeholder – Align with Comprehensive Sustainability Plan strategies.
Objective 2	**Intensify efforts to meet 2030 and 2050 clean energy goals, reducing overall energy consumption and increasing the use of clean energy for town operations.**	• Placeholder – Align with Comprehensive Sustainability Plan strategies.
Objective 3	**Protect and enhance natural resources.**	• Placeholder – Align with Comprehensive Sustainability Plan strategies.

Performance Measures

- TBD

Focus Area 2 – Connected Community

Objective 1	**Advance a multi-modal network that reduces single-occupancy vehicles and links Hillsborough residents to key places and each other.**	• Initiative 1.1 – Complete Churton Street Multi-Modal Corridor Study to inform the future NC Department of Transportation-funded project (FY24). • Initiative 1.2 – Contribute annual budget allocations to expand public art and amenities and public spaces (FY24-26).
Objective 2	**Foster reliable, high-speed internet services throughout the community.**	• Initiative 2.1 – Explore offering wireless access points at parks and public spaces to increase internet accessibility (FY24). • Initiative 2.2 – Review broadband speed accessibility in different areas of town using the state's coverage map (FY24).

Performance Measures

- TBD.

Focus Area 3 – Economic Vitality

Objective 1	**Make it easier for businesses in varied sectors and industries to get established and thrive.**	• Initiative 1.1 – Develop a survey for applicants to assess satisfaction levels on select planning processes (FY24). • Initiative 1.2 – Translate key business documents into Spanish and set up a system for documents completed in Spanish to be translated for staff review (FY25).
Objective 2	**Preservation of naturally occurring affordable housing.**	• Initiative 2.1 – Actively participate in county-wide housing plan effort to inform a local action plan (FY24). • Initiative 2.2 – Develop local action plan (FY25). • Initiative 2.3 – Financially support existing efforts to preserve affordable housing or support housing stability with locally identified funding (FY26).

Performance Measures

- TBD.

Focus Area 4 – Community Safety

Objective 1	**Ensure that all people are safe and feel safe throughout town.**	• Initiative 1.1 – Complete North Carolina League of Municipalities risk assessment and begin follow up on implementation of results (FY24). • Initiative 1.2 – Host a community conversation that focuses on a broader concept of safety. Pilot scheduled for FY23 (FY24). • Initiative 1.3 – Restart the police citizens academy program (FY25).
Objective 2	**Reinforce resiliency in town operations by implementing emergency preparedness strategies.**	• Initiative 2.1 – Complete refresh of the Emergency Operations Plan (FY24). • Initiative 2.2 – Establish quarterly management check-ins (FY24-26). • Initiative 2.3 – Conduct at least 1 tabletop exercise (FY25). • Initiative 2.4. – Establish Emergency Operations Centers (FY24). • Initiative 2.5 – Restart employee emergency preparedness training (FY24).

Performance Measures

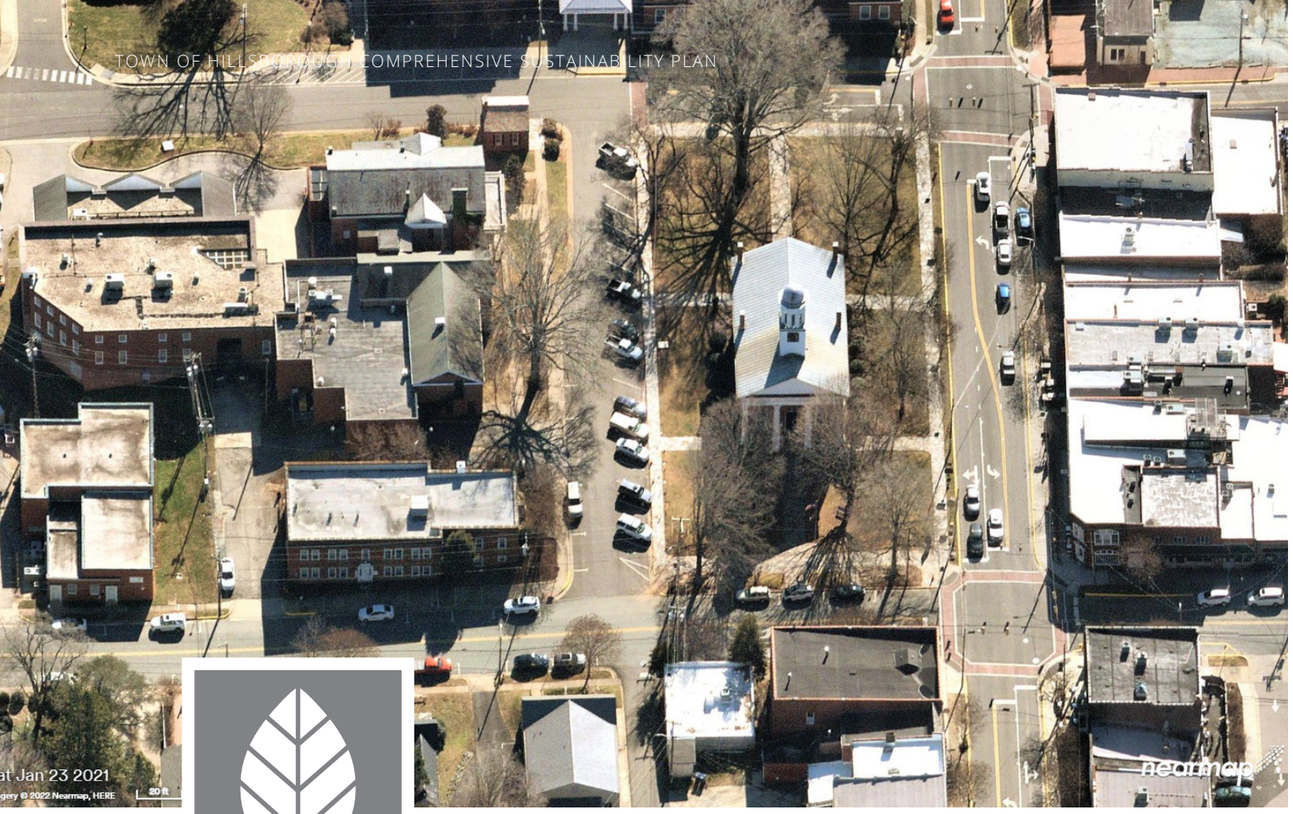
- "How safe do you feel in Hillsborough overall?"
  Community Survey question – Percentage of respondents who feel "very safe" or "safe"
- "How satisfied are you with town's efforts to prevent crime?"
  Community Survey question – Percentage of respondents who respond "very satisfied" or "satisfied"
- "How satisfied are you with visibility of police in neighborhoods?"
  Community Survey question – Percentage of respondents who respond "very satisfied" or "satisfied"
- Percent of employees who have completed applicable National Incident Management System (NIMS) and Incident Command Structure (ICS) training.

Focus Area 5 – Service Excellence

Objective 1	**Maintain, protect and optimize assets and infrastructure to drive reliability, cost effectiveness, and efficiency.**	• Initiative 1.1 – Schedule and consolidate building maintenance services (FY24). • Initiative 1.2 – Develop a utilities asset management plan that helps identify risk of failure (FY25). • Initiative 1.3 – Evaluate whether vehicle replacement modeling changes are needed and update schedule for use on the FY25 budget (FY25).
Objective 2	**Provide quality municipal services through operational excellence and a culture of innovation.**	• Initiative 2.1 – Evaluate onboarding process and identify gaps and redesign process (FY24). • Initiative 2.2 – Explore and develop strategies to encourage the timely completion of performance evaluations (FY24).
Objective 3	**Promote inclusive community engagement in town services, programs and projects.**	• Initiative 3.1 – Assess representation on appointed boards and boost recruitment efforts for underrepresented groups and areas (FY24). • Initiative 3.2 – Develop accessibility plan for town facilities and public spaces (FY25).
Objective 4	**Embed racial equity throughout the organization and in the services provided to the community.**	• Initiative 4.1 – Develop Hillsborough Racial Equity Plan (FY24).

Performance Measures

- "Overall quality of services provided by the town."
  Community Survey question – Percentage of respondents who respond "very good" or "good"
- Percentage of geographic areas with appointed board representation.
- Alignment of appointed board representation with community demographics.
- Percentage of employees who have completed racial equity training.
- Percentage of performance evaluations that are completed on time.
- Breaks/leaks per __ ft of distribution or collection pipe (still working on the details of this measure).
- Percent of gravity sewer mains inspected by CCTV camera.
- Percent of gravity sewer mains cleaned by water jetting.
- Asset depreciation metric from Environmental Finance Center (EFC) dashboard.
- "The town encourages innovation" (Employee Survey).
- "The town works to attract, develop, and retain people with diverse backgrounds" (Employee Survey).



IMPLEMENTATION

This chapter serves as the Implementation element of the Town's Comprehensive Sustainability Plan (CSP). It provides the framework for actualizing the recommended actions that have been identified throughout the course of the planning process. These Actions were developed through a review of previous planning efforts at the town and regional levels, ideas generated through public and stakeholder engagement, peer reviews, and best practices and emerging trends and technologies.

Section 3, Item B.

Implementation Priorities and Phasing

The adoption of this CSP is the first accomplishment in implementing the actions to a more sustainable Hillsborough. Action is required to reap benefits for years to come from the substantial effort the community invested in this CSP. Organizational alignment within the town, between departments, management, and the Board, on implementing the actions of the CSP is critical for success. These actions should be incorporated and direct the town's strategic plans. Using the CSP to guide operations and decision-making will create structure around the Plan's impact on resource commitments and overall town direction.

The implementation of the recommended actions will support the achievement of the community's vision and supporting goals, as presented in this CSP, over the course of the Plan's planning horizon year of 2030. This Implementation Chapter describes how the policies and actions in the CSP should be carried out. All the actions from each chapter of the CSP are included in the following Implementation Matrix. This matrix defines several critical implementation elements for each action, including:

- **Action Type** – The majority of the actions in each chapter are compiled by strategies based on plans, policies, public projects, partnerships, regulations, and engagement.
- **Status** – Some actions may have already been initiated in some form, which is indicated through its status type.
- **Implementation Priority** – Project prioritization is determined (and constrained) by several factors. This process attempts to assess the relative importance of each project, its feasibility, and the ability to fund it. Issues of equity, policy, and interdependencies among projects (such as one project being contingent on another) must also be weighed and balanced. In terms of implementation schedule, three windows or phases are identified for the initiation of each action:
  - 0 - 3 years (short-range) – These actions are readily-implementable, and the timeframe is consistent with the town's strategic planning process.
  - 3 - 7 years (medium-range) – There may be initial steps that may be needed for these actions prior to implementation, which takes time. However, these actions are important in working towards the town's 2030 clean energy goal.
  - 7+ years (long-range) – These actions are anticipated to occur in future years and may represent a broader strategic direction or build off of actions initiated in earlier timeframes.

    Being designated a medium- or long-range project does not necessarily indicate less importance than a short-range project; it may be that other projects needed to be completed first; that the later project requires more time to plan, design, and build; or that funding was not available sooner. Where relevant, the timeframe is also identified as "Ongoing, as needed."
- **Implementation Leadership** – the entities that hold primary responsibility for implementing a recommended action, seeing it through to completion.
- **Implementation Partners** – the entities that shall assist the Implementation Leadership in actualizing a recommended action, providing valuable input or services.

» **Estimated Budget** – an approximation of direct financial cost of a recommended action, generally defined as either "**$**" (less than $50,000), "**$$**" (between $50,000 and $100,000), and "**$$$**" (greater than $100,000). These are high-level estimates of probable costs intended for general planning purposes only. Detailed design work and field investigation are required to obtain more precise estimates of probable costs for some actions.

  » Many of the actions, such as those associated with policy and partnership may not require financial resources identified in the town budget but involve town staff time. Staff time "🕒" is assumed for all actions, including those that have an estimate of direct financial cost.

  » There are some actions that represent a large effort, such as rewriting the Unified Development Ordinance (UDO), that have connected actions in other chapters. These connected actions are identified in the matrix with notes. The estimated financial cost is demonstrated under the large effort, while staff time is associated with the connected actions for coordination.

» **Funding Source / Opportunity** – For each action, likely responsible parties (typically the sources of funding) are identified, based on the nature of the project. Many of the actions are clearly town responsibilities, although they may be further categorized by Department or Division. Some actions may include County or state funding, or there may be opportunities for federal grants. Many of the actions may use a combination of funding that will require additional exploration to determine the ultimate funding sources.

» **Related Elements** – identifies the other CSP chapters where an action has influence or can be influenced. As a reminder, these chapters include:

Section 3, Item B.

Implementation Program

Upon endorsement of this CSP by the community and formal adoption, it is recommended that the Town develop an implementation program. It will be important to prioritize actions, track, and regularly report (internally and externally) the implementation status of recommended actions for accountability and transparency purposes. Further, it is critical that the Town monitor its progress toward goal achievement, and if necessary, make adjustments to the implementation plan and program to ensure success. The implementation program should be flexible and allowed to evolve as the community and its operating environment change. For example, grant funding not available today may be available at a later date.

In support of the implementation program, it is recommended that the town identify who will coordinate with Implementation Leaders on actions, track implementation progress, and regularly report on that progress to the town and the community at-large. Due to the uncertainty of the future, it will be important to reevaluate implementation priorities and shift as trends change and the future comes into focus. This coordination should occur on a regular basis, perhaps quarterly, to stay on track in advancing a sustainable Hillsborough.

Chapter	#	Action	Action Type	IMPLEMENTATION PRIORITY Project Initiation			Implementation Leadership	Implementation Partners	Estimated Budget	Funding Source / Opportunity	Related Element
				0-3 YRS	4-7 YRS	7+ YRS					
Climate & Energy											

Section 3, Item B.

	#	Action	Action Type	Status	Project Initiation			Implementation Leadership	Implementation Partners	Estimated Budget	Funding Source / Opportunity	Related Element
					0-3 YRS	4-7 YRS	7+ YRS					
	CE-1	Engage an energy consultant to conduct energy audits at the Town's buildings.	Plan					Public Space & Sustainability Division		$ (Reevaluate every 5 years)	Town budget	
	CE-2	Assess renewable energy generation potential (i.e., generating capacity) for solar photovoltaics and wind energy projects on town-owned properties and identify priority sites for planning and implementation.	Plan					Public Space & Sustainability Division		$	Town budget	
	CE-3	Develop and adopt a policy that requires all new facility construction and major facility renovations undertaken by the Town to achieve net-zero status/LEED equivalent/Energy Star (i.e., all energy consumed annually by the building must be completely offset by energy renewably produced on-site) or better (i.e., the facility would generate more energy than it consumes in a year). This policy should encourage the use of building materials with low embodied carbon.	Policy					Public Space & Sustainability Division	Facilities Manager, Planning & Economic Development Division, Budget Division	Time	N/A	Land Use & Development
	CE-4	Develop and adopt a policy that requires all municipal departments to incorporate zero emission vehicles and manual or electric-powered equipment when feasible. Incorporate reasonable timeframes based on vehicle class (i.e., light-duty, medium-duty, heavy-duty) and informed by market availability of alternatives.	Policy					Fleet Maintenance Division	Public Space & Sustainability Division	Time	N/A	
	CE-5	Develop and adopt a no idling policy for vehicles that is enforceable. Communicate anti-idling policy with employees, contractors, and guests of town facilities.	Policy					Fleet Maintenance Division	Public Space & Sustainability Division	Time	N/A	Town Government & Public Services
	CE-6	Prioritize electronic filing and discourage printing and copying when feasible.	Policy					Town Manager		Time	N/A	Town Government & Public Services
	CE-7	Develop and adopt a Green Purchasing Policy that outlines environmental criteria and purchasing requirements for ongoing consumables (e.g., paper, batteries, desk accessories, food and beverages) and durable goods (e.g., furniture, appliances). Maintain a list of qualifying purchases and available suppliers.	Policy					Finance Services Department	Public Space & Sustainability Division	Time	N/A	Town Government & Public Services
	CE-8	Develop and adopt a policy the prohibits the acquisition and use of single-use plastics and Styrofoam for town use when feasible.	Policy					Finance Services Department	Public Space & Sustainability Division	Time	N/A	Town Government & Public Services
	CE-9	Integrate life cycle costing into the Town's capital and asset management planning to ensure that total cost of ownership is considered, not just upfront one-time/non-recurring costs to choose projects with the highest return on investment.	Policy					Budget Division	Public Space & Sustainability Division, Planning & Economic Development Division, Public Works Division, Financial Services Department	Time	N/A	Town Government & Public Services
	CE-10	Set time-of-day scheduling for HVAC systems at town facilities, which should include setting proper occupied and unoccupied temperature setpoints.	Project					Public Space & Sustainability Division	Facilities Manager	Time (*unless new equipment needed*)	N/A	
	CE-11	Install bottle fillers on water fountains.	Project					Public Space & Sustainability Division	Facilities Manager	$	Town budget	
	CE-12	Perform energy retrofits and strive to enable buildings to be net-zero energy capable.	Project					Public Space & Sustainability Division	Facilities Manager	$-$$$ - Ongoing	Energy efficiency and renewable incentives available through state and federal programs for implemented technologies.	Town Government & Public Services
	CE-13	Electrify all fossil fuel-consuming end uses to the extent practicable, including space heating and hot water systems – in particular, through ground and air heat pump technologies.	Project					Public Space & Sustainability Division	Facilities Manager	$$$ - Ongoing	Town budget	
	CE-14	Fully replace all lighting fixtures, including exit signs, with LED technology. Where applicable, couple LED fixtures with automatic or smart sensors.	Project					Public Space & Sustainability Division	Facilities Manager	$$$	Duke Energy Carolinas - Non-Residential Energy Efficiency Rebate Program	

	#	Action	Action Type	Status	Project Initiation			Implementation Leadership	Implementation Partners	Estimated Budget	Funding Source / Opportunity	Related Element
					0-3 YRS	4-7 YRS	7+ YRS					
Climate & Energy	**CE-15**	Convert public streetlights in residential areas to the Town standard - Type 2, 50-Watt, 3000 Kelvin, LED fixtures.	Project					Public Works Division		$$$	Duke Energy Carolinas - Non-Residential Energy Efficiency Rebate Program	Transportation & Connectivity
	CE-16	Convert public streetlights on high traffic roadways to LED fixtures.	Project					Public Works Division		$$$	Duke Energy Carolinas - Non-Residential Energy Efficiency Rebate Program	Transportation & Connectivity
	CE-17	Investigate opportunities and incorporate to the greatest extent possible sustainability and climate initiatives in facility development including geothermal, solar, weatherization, and green infrastructure.	Project					Public Space & Sustainability Division	Facilities Manager	Ongoing - Cost incorporated into new development.		Town Government & Public Services, Land Use & Development
	CE-18	Conduct weatherization improvements and upgrades to conserve energy and reduce energy costs in Town facilities. Weatherization strategies may include insulation, leak repair, window replacements, and other measures.	Project					Public Space & Sustainability Division	Facilities Manager	$$-$$$ - Ongoing	Duke Energy Carolinas - Non-Residential Energy Efficiency Rebate Program	
	CE-19	Assess the potential for energy savings and proceed with any efficiency opportunities at the Town's water pumping infrastructure – including replacements with more efficient models.	Project					Utilities Department		Time	N/A	
	CE-20	Evaluate the potential for the Wastewater Treatment Plant to run at lower solid levels, which would reduce the amount of aeration the plant requires.	Project					Utilities Department		Time	N/A	Land Use & Development
	CE-21	For on-site renewable energy generation, explore the feasibility of energy storage systems (e.g., solar PV plus battery storage).	Project					Public Space & Sustainability Division	Facilities Manager, Public Works Division	Time	N/A	
	CE-22	Implement a water conservation and efficiency program marketed towards residents and local businesses with the aim of reducing water treatment loads and associated energy use.	Policy					Utlilities Department	Public Space & Sustainability Division	Time	N/A	Land Use & Development, Environment & Natural Systems
	CE-23	Track and monitor the Town's electricity, natural gas, and other fuel use. Identify what options might be available for more detailed or real-time energy monitoring to further understand operational needs and trends. Use benchmarking platforms, such as the US Environmental Protection Agency's Energy Star Portfolio Manager, to continuously monitor building performance.	Project					Public Space & Sustainability Division	Facilities Manager	Time (*unless new equipment needed*)	N/A	
	CE-24	Track energy use at town facilities and monitor energy conservation measures.	Project					Public Space & Sustainability Division	Facilities Manager	Time	N/A	
	CE-25	Develop an energy efficiency operations and maintenance program for the town facilities and provide necessary trainings to staff and hired contractors. Incorporate best practices, such as turning off lights and electronics when not in use.	Project					Public Space & Sustainability Division	Facilities Manager	Time	N/A	
	CE-26	Provide recycling at all town facilities.	Project					Public Works Division	Facilities Manager	$$	Town budget	
	CE-27	Hire a grant administrator to research and identify, apply for, and administer grants that help to accomplish climate and energy goals.	Project					Public Space & Sustainability Division	Town Manager	$$ - annual	Town budget	Town Government & Public Services
	CE-28	Evaluate the Town's vehicle fleet to determine right-sizing and transition to EV potential. Transition the Town's vehicle fleet to zero emission alternatives on a schedule consistent with vehicle lifecycles and market availability. Advance the schedule of this transition as feasible.	Project					Fleet Maintenance Division	Public Space & Sustainability Division	$	Town budget	
	CE-29	Ensure electric vehicle charging infrastructure is appropriately provided to support the Town's electric vehicle transition.	Project					Public Space & Sustainability Division	Public Space & Sustainability Division, Planning & Economic Development Division, Public Works Division	$$$ - Ongoing	Federal Alternative Fuel Vehicle Refueling Property Tax Credit	Transportation & Connectivity
	CE-30	Transition the Town's equipment (e.g., maintenance) to manual or electric-powered alternatives.	Project					Fleet Maintenance Division	Public Works Division	$$$	Town budget	
	CE-31	Launch an educational campaign to inform staff on the ways they can assist the Town in reducing its energy use, among other ways to improve the Town's sustainability performance.	Project					Public Space & Sustainability Division	Communications Division, Human Resources Division	Time	N/A	
	CE-32	Develop a recognition and incentive program to reward staff for making positive contributions to the Town's sustainability performance.	Project					Public Space & Sustainability Division	Communications Division, Human Resources Division	Time	N/A	

	#	Action	Action Type	Status	Project Initiation			Implementation Leadership	Implementation Partners	Estimated Budget	Funding Source / Opportunity	Related Element
					0-3 YRS	4-7 YRS	7+ YRS					
	CE-33	Establish a Green Team to champion sustainability and climate initiatives.	Project					Public Space & Sustainability Division		Time	N/A	Town Government & Public Services
	CE-34	Regularly report/communicate sustainability performance data to town staff and external stakeholders, such as residents.	Project					Public Space & Sustainability Division	Communications Division	Time	N/A	
	CE-35	Develop a sustainability performance dashboard.	Project					Public Works Division	Facilities Manager	Time	N/A	
	CE-36	Complete a formal GHG emissions inventory for local government operations to capture the full range of emissions sources owned or influenced by the Town's operations and activities.	Project					Public Space & Sustainability Division	Facilities Manager, Public Works Division, Utilities Department	$	Town budget	
	CE-37	Evaluate options for resilient power, such as backup generation sources, fuel, micro-grids, telecommunications, and emergency service providers.	Project					Public Space & Sustainability Division	Facilities Manager, Public Works Division, Utilities Department, Police Department, Fire Department	Time	N/A	
	CE-38	Prepare a community-wide GHG emissions inventory to understand how to reduce emissions associated with the broad set of activities occurring within town's jurisdictional boundary (e.g., energy consumption in residential buildings, on-road transportation, waste generation).	Project					Public Space & Sustainability Division		$	Town budget	
	CE-39	Prepare a Community Sustainability Action Plan that celebrates progress to date, and evaluates and identifies strategies for the residents, businesses, property owners and visitors of Hillsborough to implement that address social equity, climate resiliency, and energy conservation.	Project					Public Space & Sustainability Division		$$	Town budget	All
	CE-40	Install smart meters in town buildings to enable more efficient energy management.	Project					Facilities Manager		$-$$	Duke Energy Carolinas - Non-Residential Energy Efficiency Rebate Program	
	CE-41	Identify and leverage applicable rebates, grants, and low-cost financing programs offered by federal and state governments (e.g., Qualified Energy Conservation Bonds, Clean Renewable Energy Bonds) and utilities (e.g., Duke Energy Carolinas' Non-Residential Smart $aver Incentive Program and NC Solar Rebate Program).	Partnerships					Public Space & Sustainability Division	Utilities Department, Financial Services Department	Time	N/A	
	CE-42	Engage in energy savings performance contracting, where typically the financing for large energy efficiency projects, such as deep energy retrofits, is arranged and implemented by an ESCO and the project is paid for by guaranteed energy savings. ESCOs can also be engaged in the development of on-site renewable energy projects.	Partnerships					Public Space & Sustainability Division	Financial Services Department	Time	N/A	
	CE-43	Advocate for state-level legislation, policies, and incentives that decarbonize the state's electricity supply and expand access to energy efficiency programs and technologies.	Partnerships	Underway				Public Space & Sustainability Division		Time	N/A	
	CE-44	Coordinate with state, regional, and nonprofit partners to advance climate and energy goals.	Partnerships	Underway				Public Space & Sustainability Division		Time	N/A	
	CE-45	Explore power purchase agreements (PPAs) – physical and/or virtual – to close the gap after maximizing on-site renewable energy generation. The Town may also want to consider purchasing RECs separately – unbundled from the electrons in a PPA.	Partnerships					Public Space & Sustainability Division	Financial Services Department	Time	N/A	
	CE-46	Advocate for Duke Energy to prioritize clean energy solutions over coal-burning practices.	Partnerships	Underway				Public Space & Sustainability Division		Time	N/A	
	CE-47	Work with regional partners to expand the number of EV charging stations in the Town to support EV readiness and encourage widespread adoption, especially in key places like Gold Park and Town Hall. Prioritize the installation of Level 3 fast chargers along the interstate DC fast charge corridor, where possible.	Partnerships	Underway				Public Space & Sustainability Division	Planning & Economic Development Division	Time	N/A	Transportation & Connectivity
	CE-48	Continue to coordinate at a regional level on the EVSE Location Suitability Analysis.	Partnerships	Underway				Public Space & Sustainability Division	Planning & Economic Development Division	Time	N/A	Transportation & Connectivity
	CE-49	Coordinate with NCDOT on the EV Infrastructure Plan and potential funding opportunities under the NEVI Program.	Partnerships					Public Space & Sustainability Division	Planning & Economic Development Division	Time	N/A	Transportation & Connectivity
	CE-50	Establish incentives for new developments and redevelopments to incorporate climate and energy initiatives, including but not limited to the potential for solar PV and EV readiness. (and include in UDO)	Regulations					Public Space & Sustainability Division	Planning & Economic Development Division	Time	N/A	Land Use & Development, Housing & Affordability, Transportation & Connectivity

	#	Action	Action Type	Status	Project Initiation			Implementation Leadership	Implementation Partners	Estimated Budget	Funding Source / Opportunity	Related Element
					0-3 YRS	4-7 YRS	7+ YRS					
	CE-51	Update the UDO to incorporate requirements for the plan review process to evaluate the potential for green infrastructure and energy efficient practices of a proposed development.	Regulations					Planning & Economic Development Division	Public Space & Sustainability Division	Time*	N/A	Land Use & Development, Housing & Affordability
	CE-52	Develop educational and training materials and take advantage of outreach opportunities that advance climate and energy goals.	Engagement					Public Space & Sustainability Division		Time	N/A	
	CE-53	Practice equitable and authentic community engagement on topics related to climate and energy initiatives.	Engagement					Communications Division	Public Space & Sustainability Division	$ - Ongoing	Town budget	
	CE-54	Share best practices for climate and energy actions at community events and through public information platforms.	Engagement					Communications Division	Public Space & Sustainability Division	Time	N/A	

* Action is associated with the larger effort to rewrite the UDO - cost is assumed under the full "UDO Rewrite" action in the Land Use & Development Chapter

- **Action Type** – Plan, Policy, Project, Partnership, Regulation, Engagement
- **Related Elements** – identifies the other Comprehensive Plan Elements where an action has influence or can be influenced.
- **Implementation Leadership** – the entities that hold primary responsibility for implementing a recommended action, seeing it through to completion.
- **Implementation Partners** – the entities that shall assist the Implementation Leadership in actualizing a recommended action, providing valuable input or services.
- **Estimated Budget** – an approximation of direct financial cost of a recommended action, generally defined as either "$" (less than $50,000), "$$" (between $50,000 and $100,000), and "$$$" (greater than $100,000).
- **Project Initiation** – the schedule of implementation, defined as either "0 to 3 years," "4 to 7 years," or "7+ years." Where relevant, the timeframe is also identified as "Ongoing, as needed." In some cases, the Town has already started or completed the implementation of a recommended action, and such progress is noted.

High Priority

Agenda Abstract
BOARD OF COMMISSIONERS

Meeting Date:	January 28, 2023
Department:	Administrative Services
Agenda Section:	Regular
Public hearing:	No
Date of public hearing:	N/A

PRESENTER/INFORMATION CONTACT

Budget & Management Analyst Josh Fernandez

ITEM TO BE CONSIDERED

Subject: Capital and Other Major Requests Discussion

Attachments:

1. Capital Projects & Major Requests Summary
2. Capital Projects Narratives
3. Stormwater Fees Supplemental

Summary:

The purpose of this item is to provide a summary of the capital and major requests for the 7-year capital planning period (FY24-FY30) and receive any board feedback early in the budget process. Staff would like to hear from the board whether there are any other capital or major requests that are not reflected on the list that need to be and receive any feedback related to the requests that are included. The board can also use this time to ask any questions about any of the projects or request additional information that may be helpful in making budget decisions moving forward.

A major discussion point in this budget cycle will be stormwater fees. Stormwater & Environmental Services Manager Terry Hackett has drafted a document that outlines the need for a stormwater rate increase. We're still early in the budget process and there are outstanding questions and considerations to factor into the analysis before a final recommendation is made, but staff wanted to begin sharing information with the board about a potential stormwater fee increase request. Terry will be present at the retreat to answer any questions or receive input on additional information that is needed.

Financial impacts:

No financial decisions are requested at this time.

Staff recommendation and comments:

None.

Action requested:

Receive updates and provide feedback.

Capital Requests

Function	Project	Primary Funding Source(s)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Total Budget Impact
GENERAL FUND										
Public Space	**Ridgewalk Greenway System** Pedestrian and bicycle connectivity between the parcel south of I-85 and the public rights-of-way, sidewalks, greenways, and trails in Collins Ridge. The pedestrian bridge is critical to providing a safe pedestrian crossing of the interstate.	Debt Financing	-	450,000	2,000,000	2,500,000	800,000	-	8,000,000	**$ 13,750,000**
			-	Engineering	Construction	Construction	Engineering	-	Construction	
	Skate Park Small-scale skateboarding park at Cates Creek Park. There is sufficient space to add a 5,000 SF skate spot at the park but the site has not yet been studied.	Operating Revenue	-	300,000	-	-	-	-	-	**$ 300,000**
			-	Construction	-	-	-	-	-	
Police	**Police Station**	Debt Financing	-	-	-	-	-	-	-	**$ -**
Streets	**Bucket Truck Replacement** Replacement of 1999 Ford F-350 Versalift bucket truck. Truck will be used for limb trimming, hanging banners, flags, and wreaths, and to install the Christmas tree.	Installment Purchase	163,000	-	-	-	-	-	-	**$ 163,000**
	NC 86 Facility Renovation Integrate office and storage space for Public Works with property improvements to allow for material and vehicle storage. Fleet and Safety Divisions to remain on site as well. Efficiency improvements and upgrades to the facility may be made during the renovation. The renovation of the building and storage areas should meet the needs of these divisions for the next 10-20 years.	Debt Financing	4,500,000	-	-	-	-	-	-	**$ 4,500,000**
			Construction, Const Admin, IT & Furniture	-	-	-	-	-	-	
	South Churton Street Improvements Right of way acquisition is scheduled to begin in FY26 with active construction in FY29, but this is subject to adjustment as the schedules of other state projects becomes clearer. The project is listed as a widening but will also allow for the construction of bicycle and pedestrian improvements in the entire corridor.	Operating Revenue	-	-	-	-	-	100,000	-	**$ 100,000**
	Waterstone Drive Resurfacing Waterstone Drive is deteriorating and needs to be milled down and resurfaced. In FY23, some of the bad areas were patched and now the road needs to be resurfaced with the final layer of asphalt. This will prevent water from getting through the patches and cracks.	Operating Revenue and Powell Bill	950,000	-	-	-	-	-	-	**$ 950,000**
Solid Waste	**Garbage Truck** Replace a 2015 Mack Automated garbage truck. The expected life of a garbage truck in Hillsborough is 7-8 years.	Debt Financing	-	-	360,000	-	-	-	-	**$ 360,000**
Special Appropriations	**Passenger Rail/Multi-Modal Station** Construct a station building and parking to facilitate passenger rail service in Hillsborough. Site improvements will include access road from Orange Grove Street and a 100-vehicle parking lot that can be used as a local transit park and ride facility.	NCDOT and Operating Revenue	5,600,000	2,100,000	-	90,000	30,000	30,000	30,000	**$ 7,880,000**
			Construction	Construction	-	Furniture & Maintenance	Bldg. Maintenance	Bldg. Maintenance	Bldg. Maintenance	**$**
GENERAL FUND CIP TOTAL			**$ 11,213,000**	**$ 2,850,000**	**$ 2,360,000**	**$ 2,590,000**	**$ 830,000**	**$ 130,000**	**$ 8,030,000**	**$**

WATER & SEWER FUND										
Water Distribution	**Emergency Transfer Switch**									
			-	-	-	-	-	-	-	
	Adron F. Thompson Facility Renovation & Expansion Will include a welding shop, stock room for inventory and a building addition with additional office space, storage and restrooms, and improvements to the stock yard.	Debt Financing	3,000,000	-	-	-	-	-	-	**$ 3,000,000**
			Construction	-	-	-	-	-	-	
	Galvanized Water Main Replacement Replace and upsize to 6" water main and provide better fire protection for customers. Approximately 1.45 miles of galvanized pipe mains identified in our system.	Operating Revenue	-	200,000	200,000	-	-	-	-	**$ 400,000**
			-	Construction	Construction	-	-	-	-	
	Governor Burke Rd. Water Main Replacement Replace approximately 1,400 feet of 6-inch PVC water main and appurtenances with ductile iron water main on Governor Burke Rd. between Hwy 86 and 57.	System Development Fees	415,000	-	-	-	-	-	-	**$ 415,000**
			Construction	-	-	-	-	-	-	
	Hasell Water Tank Replace Hasell Street Water Tank (from mid-1930s) with a new elevated water tank. The new tank size will be larger than the 200,000 gallon existing size, ideally increased to 500,000 gallons or more, and will be located near or on the same site as the existing tank.	Operating Revenue and Debt Financing	40,000	150,000	300,000	3,255,000	-	-	-	**$ 3,745,000**
			Engineering	Land Acquisition	Design, Permitting, Bidding	Construction Admin, Construction	-	-	-	
	Hydrant & Valve Project Replace old, obsolete fire hydrants and install valves on the hydrant legs where needed. Install new valves and piping where redundancy study recommends.	ARPA (FY24), Debt Financing (FY25-FY26), and Operating Revenue (FY26)	200,000	270,000	275,000	-	-	-	-	**$ 745,000**
			Construction	Construction	Construction	-	-	-	-	**$ -**
	OWASA Booster Pump Station This project is to build a a booster pump station to receive water from OWASA in times of need to provide system redundancy to the entire town.	Grant Funding and Operating Revenues	1,575,600	-	-	-	-	-	-	**$ 1,575,600**
			Permitting, Construction Admin, & Construction	-	-	-	-	-	-	
	US-70 Business Water Improvements Replace 12-inch asbestos-cement water main along Highway 70-A between Highway 86/Elizabeth Brady Road to Highway 70-A Water Tank and Churton Street and Highway 86 with new 16'' ductile iron water main.	System Development Fees and Operating Revenue	275,000	50,000	1,620,000	-	-	-	-	**$ 1,945,000**
			Design, Permitting, & Bidding	Design, Permitting, Bidding, & Land Acquisition	Construction Admin, Construction	-	-	-	-	
	Water & Sewer Air Release Valve Replacements Replace old, obsolete water and sewer air release valves (ARV). Install new air release valves where needed to enhance system performance. The town currentl operates 14 sanitary sewer force main ARVs.	Operating Revenue	150,000	75,000	75,000	-	-	-	-	**$ 300,000**
			Construction	Construction	Construction	-	-	-	-	
	Water System Master Plan Improvements Implement the CIP recommendations of the water distribution system master plan plan currently under way.	System Development Fees	200,000	400,000	400,000	400,000	400,000	500,000	-	**$ 2,300,000**
			Construction	Construction	Construction	Construction	Construction	Construction	-	

Wastewater Collection	**Bellevue Mill Interceptor Upgrade** Replacement of 2,700 linear feet of 8" sewer lines with 12" lines and 15 manholes. Current sewer lines are beyond useful life and insufficient for 2040 growth scenarios.	Operating Revenue & System Development Fees	-	-	-	-	140,000	40,000	1,320,000	**$ 1,500,000**
			-	-	-	-	Surveying, Land Acquisition, & Hazardous Waste	Land Acquisition & Hazardous Waste	CA & Construction	
	Cates Creek Outfall Upgrade Upgrade of outfall system in the Waterstone area to new development and wet weather events. The Cates Creek Outfall discharges to the Elizabeth Brady Pump Station.	System Development Fees & State Revolving Loan	-	-	-	1,000,000	5,400,000	-	-	**$ 6,400,000**
			-	-	-	Engineering, Design, Permitting, & Bidding	CA & Construction	-	-	
	Elizabeth Brady Pump Station & Force Main Upgrade Public sanitary sewer pumping station upgrade at the existing Elizabeth Brady Pumping Station site. The station upgrades would enable new development in the Elizabeth Brady basin as well as denser redevelopment of existing sites.	Operating Revenue & Debt Issuance or Developer Contribution	300,000	4,150,000	-	-	-	-	-	**$ 4,450,000**
			Design	Construction Admin/ Construction	-	-	-	-	-	
	Eno River Interceptors Replace outdated and insufficient infrastructure to meet committed and projected growth. Much of the pipes need to be upsized to handle the projected 2025 growth. This cannot be deferred much longer.	State Revolving Loan	-	5,050,000	-	-	-	-	-	**$ 5,050,000**
			-	Construction Admin/ Construction	-	-	-	-	-	
	Eno River West Interceptor Upgrade Replace approximately 2,900 linear feet of 18" sewers with 24" sewers along with 12 manholes. This sewer interceptor is also one of the oldest in town, built in the 1970s.	System Development Fees & State Revolving Loan	-	-	-	350,000	1,790,000	-	-	**$ 2,140,000**
			-	-	-	Survey, Design, Bidding, & Land Acquisition	CA & Construction	-	-	
	Exchange Club Interceptors Recent hydraulic modeling of the collection system revealed a capacity deficiency for existing and proposed growth conditions.This project would be 2,250 LF of gravity sewer replacement to 15-inch or 18-inch diameter.	System Development Fees, Operating Revenue, & State Revolving Loan	190,000	20,000	1,270,000	-	-	-	-	**$ 1,480,000**
			Surveying, Engineering, and Easements	Permits & Bidding	Permits, Bidding, Construction Admin, & Construction	-	-	-	-	
	River Pump Station Relocation & Upgrade Station is approaching capacity limitations and its useful life (over 40 years old). The station is requiring a lot of maintenance, it is not efficient, and its structure is deteriorating. The station receives wastewater from over 75% of the town and is considered a critical station. In an emergency, bypassing wastewater, should it fail, will be costly and difficult.	Grant Funding & System Development Fees	4,785,000	-	-	-	-	-	-	**$ 4,785,000**
			CA & Construction	-	-	-	-	-	-	
	Train Station Pump Station Build sewer pumping station at the proposed train station site. The new station would be sized to serve the entire basin buildout, including the sewer flow generated by the town's proposed train station development as well as outparcels created by a future subdivision of current town property.	Operating Revenue & Debt Issuance	150,000	-	-	575,000	-	-	-	**$ 725,000**
			Design	-	-	Construction Admin/ Construction	-	-	-	
Wastewater Treatment Plant	**Tertiary Filter Flocculators** Install new flocculators ahead of tertiary filtration to maximize the Total Phosphorous removal needed to meet the Falls Lake Rules and reduce chemical usage.	Operating Revenue	-	-	-	-	-	10,000	180,000	**$ 190,000**
			-	-	-	-	-	Engineering	Construction	
WATER & SEWER FUND CIP TOTAL			**$ 11,280,600**	**$ 10,365,000**	**$ 4,140,000**	**$ 5,580,000**	**$ 7,730,000**	**$ 550,000**	**$ 1,500,000**	**$ 41,145,600**
CIP TOTAL			**$22,493,600**	**$13,215,000**	**$6,500,000**	**$8,170,000**	**$8,560,000**	**$680,000**	**$9,530,000**	**$69,1**

Other Key Requests

Function	Project	Primary Funding Source(s)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Total Budget Impact
GENERAL FUND										
Public Space	**Sustainability Efforts** The town has been setting aside the equivalent of 2 cents on the tax rate ($300k) for sustainability initiatives to help meet the town's climate pledge. Potential options for how to use the reserved funds include energy offsetting, sustainability efforts related to train station, EV charging stations and comprehensive sustainability plan implementation. Staff is investigating these options and coordinating with other Orange County partners.	Operating Revenues	300,000	300,000	300,000	300,000	300,000	300,000	300,000	**$ 2,100,000**
Fire Protection	**Pay Plan Implementation** This request covers the town's portion of implementing new pay plan that raises salaries to keep up with the market.	Operating Revenues	137,799	137,799	137,799	137,799	137,799	137,799	137,799	**$ 964,593**
GENERAL FUND TOTAL			**$ 437,799**	**$ 437,799**	**$ 437,799**	**$ 437,799**	**$ 437,799**	**$ 437,799**	**$ 437,799**	**$ 3,064,593**
STORMWATER FUND										
Stormwater	**Stormwater Fee Increase** The stormwater management utility and fee was implemented in FY17. There have been no fee increases since then. To maintain service levels, permit compliance and add an entry-level technician, the stormwater utility is analyzing a fee increase.	Stormwater Fees	TBD	TBD	TBD	TBD	TBD	TBD	TBD	**$ -**
STORMWATER FUND TOTAL			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		**$ -**
TOTAL			**$437,799**	**$437,799**	**$437,799**	**$437,799**	**$437,799**	**$437,799**		**$3,064,593**

GENERAL FUND

Ridgewalk Greenway System

For several years, the town has planned to conduct a feasibility study and design/engineer and construct a pedestrian bridge over I-85 to connect the Collins Ridge greenway system to neighborhoods south of I-85. The project is now named Ridgewalk and is expanded to include design, engineering, and construction of the greenway system from the future train station to Cates Creek Park, including a pedestrian bridge over I-85. This project was identified by the Board of Commissioners as a transportation priority in September 2021. The project includes incorporating the greenway connection between the future train station and downtown Hillsborough, which will be designed under the train station design contract. A feasibility study and schematic design of the entire greenway system between downtown Hillsborough and Cates Creek Park is being undertaken in FY23. Engineer cost estimates will be developed as part of the scope of the feasibility project. If the project is found to not be feasible then the project funds for design/engineering and construction would not be needed. The feasibility study is funded with Surface Transportation Block Grant funding available through the Metropolitan Planning Organization. The town was required to provide a 20% local match. It is uncertain if this project will compete well for funding through the Transportation Improvement Plan. The town may have to provide significant funding toward this construction. Local debt financing is being shown to close the funding gap. Additional funding options, including grants, will be pursued once the feasibility of the project is determined.

This project was first introduced when Collins Ridge was seeking Master Plan approval and is shown in the Community Connectivity Plan. Conditions of the approval require the developers to reserve and make land available to the town to accommodate pedestrian and bicycle connectivity and to work with the town to determine the location and specific design details for pedestrian and bicycle connectivity between the parcel south of I-85 and the public rights-of-way, sidewalks, greenways, and trails in Collins Ridge. The pedestrian bridge is critical to providing a safe pedestrian crossing of the interstate. In FY23, a schematic design for the entire greenway system is being developed and studied for feasibility in coordination with designing the pedestrian bridge so that issues/constraints can be identified and accurate cost estimates can be developed for the overall project. It is likely that the greenway project will be implemented in phases. The priority connection is between downtown and the train station. Staff assumes the train station could be complete in FY28 and the greenway connection should be completed in close order. The second phase will connect the train station to the section of greenway being built and dedicated to the town by the developers of Collins Ridge. Ideally, this portion would be done during train station construction but may come later, dependent on when the Collins Ridge greenway is built. The third segment will connect Collins Ridge to Cates Creek Park. This phase may include a pedestrian bridge over Interstate 85. Design, engineering and permitting of this section will likely follow the first two sections and significant coordination with NCDOT and Federal Highway Administration will be necessary. For the purposes of this budget, we are assuming that design and engineering costs are phased over several years. Funding for design will likely be borne by the town. Once the projects are shovel ready, they may be eligible for grants or other shared funding sources.

For the segment between downtown and Collins Ridge, we are assuming $4.5M in construction costs and $450k design costs. We are assuming $8M for construction and $800k for design/engineering of the segment between Collins Ridge and Cates Creek Park. These estimates are best guesses until the feasibility study and early engineering cost estimates are developed in late FY23.

The feasibility study is the necessary first step in this project and will include a technical memo outlining permitting requirements and site constraints as well as a final narrative report. A construction cost estimate will also be included. If the project is found to be not feasible then the project funds for design/engineering and construction would not be needed.

Skate Park

The Parks and Recreation Board has prioritized the addition of a small-scale skateboarding park ("skate spot") to Cates Creek Park. There has been community interest in a skate park in Hillsborough for more than a decade. There is sufficient space to add a roughly 5,000 SF skate spot at the park, but the site has not yet been studied for feasibility. Most skate parks are built by design/build firms, meaning the same team designs the park as installs it. Design is determined through community engagement and participation in the design process by likely users.

There are very few recreational opportunities for teens and adolescents in Hillsborough and the Parks & Recreation Board believes a skate park will provide needed safe space for this age group. Parks and Recreation Board (PRB) minutes show discussions about interest in a skatepark dating back to the early 1990s. The topic arises every few years but has failed to gain traction for funding. In 2014, a skate park interest form with 109 names and contact information was submitted to the PRB by members of the community. In 2017, the PRB ranked potential sites based on 36 recommended criteria and determined that the privately-owned Exchange Park was the preferred site for skate park. For several years, the PRB studied the site and learned that there are numerous constraints to development of that parcel. The second highest ranked site is Cates Creek Park, which is owned by the town and has sufficient space to add a small skate park. Cates Creek Park is located in a developing part of town and is accessible with bathrooms and parking already provided. The PRB will continue to look for sites in central and northern Hillsborough for additional teen resources and additional skate spots. In FY23 the town contracted 5th Pocket Skateparks, a design build company, to conduct community workshops and develop plans for the skate spot. Designs will be finalized in spring 2023 and 5th Pocket will also provide cost estimates under the design contract.

5th Pocket estimates a 5000-6000 SF concrete skate park to cost roughly $275,000. We are also including $25,000 for contingency and inflation of labor and material costs. Once we have detailed cost estimates for construction from 5th Pocket, we can update the budget. The Parks and Recreation Board would like to move forward with implementation in FY25. This budget shows the anticipated total cost of the park born by the town but may be amended if shared funding opportunities become available.

Police Station

Place holder CIP.

Bucket Truck Replacement

Replacement of our 1999 Ford F-350 Versalift bucket truck.

The truck is now 23 years old and inadequate for tree trimming. This truck only has a 30ft reach and that does not allow us to safely trim high limbs without the risk of limbs dropping on the truck. We also use the truck for hanging banners, flags, the wreaths, and we use it to install the Christmas tree. Although the truck has low miles it has had several repairs made within the past 2 years as well.

A new truck that has a 45ft boom and a better bucket to work out of is requested. If replacement is delayed the cost to maintain the 1999 truck will increase and the price of a new truck will also increase each year. Delaying also inhibits us from trimming some of our problem areas due to the 30ft reach of the current truck.

NC 86 Facility Renovation

Renovation of the current NC Hwy 86 N facility is proposed to integrate office and storage space for Public Works with property improvements to allow for material and vehicle storage. Fleet and Safety Divisions remain on site as well. Efficiency improvements and upgrades to the facility may be made during the renovation. The renovation of the building and construction of new vehicle and equipment storage areas should meet the needs of these divisions for the next 10-20 years. $127k remains in the project fund that could be used for design. In FY22, a portion of those funds were used to update the feasibility study numbers from FY17 in preparation for detailed design in FY23/24. The town is currently contracting with MHAworks to develop construction documents and a bid package. The design work was halted in 2022 but will begin in early 2023. Updated costs estimates will be provided once construction documents are complete. The project is expected to move forward from design to construction in FY24. Early estimates show the project at $4M construction costs with $400K in design fees. We've added $100K to the budget for furniture/fixtures/equipment. These numbers will be updated once design is complete.

The current Public Works building is located next to the Eno River flood plain and is prone to flooding as occurred during Hurricane Fran in 1996. Due to a lack of space, in FY18 the Public Works Director and Public Works Supervisor moved from the existing "shed" into a rented construction trailer. Expansion of the NC Hwy 86 N facility will provide the needed space for all Public Works staff, materials, and equipment. Expansion of fleet bays will be studied during the design phase to determine the feasibility of providing bays for servicing larger trucks. Energy efficiency measures and upgrades will also be made to the building to help meet the Clean Energy Pledge and building code requirements. Site improvements will be made to expand storage areas for vehicles and equipment as well as improve stormwater devices on site.

If the renovation doesn't occur, Public Works operations would continue, but the lack of office space inhibits future personnel expansion and the possibility of flooding increases risk and liability. The annual building lease, while not significant, does not "buy" the town anything meaningful and becomes a drain on resources. Without the expansion of the NC Hwy 86 facility, equipment will deteriorate from exposure. Significant new equipment was purchased in FY22, so protecting these resources is a high priority. If fleet bays are not expanded to accommodate larger trucks, as an alternative, these trucks could also be sent out for service and repairs.

South Churton Street Improvements Cost Share

The town has long requested improvements in the South Churton Street corridor from the Eno River south to the interchange with Interstate 40. This project has been funded in the NCDOT Transportation Improvement Plan. Right of way acquisition is scheduled to begin in FY26 with active construction in FY29, but this is subject to adjustment as the schedules of other state projects becomes clearer. The project is listed as a widening but will also allow for the construction of bicycle and pedestrian improvements in the entire corridor. For FY23 and FY24, the town is funding a significant feasibility study with Surface Transportation Block Grant funds passed through from the Metropolitan Planning Organization. The town

approved a $50,000 contribution of local funds in the FY23 budget to pair with $150,000 of block grant funding to complete the feasibility study in FY23 and FY24. This effort will include detailed outreach to ensure the final design is fully acceptable to the community as a whole and matches the town's long-term interests. The capital portion of this project will not come until construction begins in FY29 or later.

Current NCDOT policy would require the town to financially participate in the provision of pedestrian improvements where they do not already exist in the corridor. In FY19, the town's participation was estimated at $68,000 (20% of actual sidewalk construction cost). Given the passage of time and escalation of prices, staff is estimating the town's participation at $100,000. Changes in design and NCDOT policy may impact whether and how much the town must participate in this project. The FY29 funds are placeholder funds.

It is possible the town will not have to participate in this project if NCDOT amends their policies to robustly implement their Complete Streets policy. At this time, the town should plan on participating. Missing this opportunity to install pedestrian improvements in this corridor would commit the town to fully funding any future sidewalk improvements in the corridor. Such a project would be in the millions of dollars rather than the modest amount estimated by participating at the time of widening.

Waterstone Drive Resurfacing

Waterstone Drive is deteriorating and needs to be milled down and resurfaced. In FY23 some of the bad areas were patched and now the road needs to be resurfaced with the final layer of asphalt. This will prevent water from getting through the patches and cracks which will cause more road failures such as cracking, potholes, and subgrade failures.

Although Waterstone Drive received a good/fair rating on the 2021 Pavement Condition Survey, that is just simply not the case due to the extreme amount of cracking that is happening almost the entire length of the road. This road is highly traveled, and it is also the largest that we maintain coming in at almost 1 mile per lane and there are 4 lanes minus turn lanes. Waterstone Drive is the only road in town that we apply salt to not only the entire length of the road but several times if needed during winter weather. This is due to the hospital being there and trying to get the lanes as safe as possible for emergency services. The salt application does not help us preserve this road but is necessary.

Staff recommends that all of Waterstone Drive is resurfaced in FY24 so that we can seal up the cracks and existing patches that were just completed to prevent further failure. If we cannot do the entire length at one time due to funding, an option would be to do half in FY24 and half in FY25.

Garbage Truck

Need to replace a 2015 Mack Automated garbage truck. The truck is already 7 years old and will be used as a backup once we receive our new additional automated truck which should arrive by the summer of 2023. Would like to replace it in FY26 (the truck will be nearly 10 years old at that time) so that we can reduce the cost of repairs and have a reliable truck to collect garbage. The expected life of a garbage truck in Hillsborough is 7-8 years.

Passenger Rail/Multi-modal Station

Construct a future train station building and parking to facilitate passenger rail service in Hillsborough. A portion of the building will also include permanent town offices. This portion of the structure will be

funded by the town and is non reimbursable. Site improvements will include an access road from Orange Grove Street and a 100-vehicle parking lot that can be used as a local transit park-and-ride facility as well as stormwater treatment and utilities to the site. Regional transit partners will be asked to modify routes to provide connected service from the Hillsborough Circulator, 420 route and other bus service to the train station. Costs for the future station portion of the building and site improvements will be run through the town's budget and will be reimbursed by NCDOT and the regional transit tax through interlocal agreements. The town will accept long-term maintenance and ownership responsibility for the building. Feasibility of pedestrian connectivity to the station from downtown Hillsborough is included in the design of this project, but the construction of those improvements will be funded outside of this budget. Early estimates for the town offices portion of the building are $500k. Sustainability initiatives such as solar panels, green roofs, EV charging infrastructure, and geothermal systems may add up to $1M to the budget. Cost estimates will be available in late FY23, and budget figures can be updated at that time.

The station design will include several sustainability initiatives with the goal of eventually providing a net zero building. The project also advances the town's sustainability goals by providing a transit connection for regular commuting and travel not currently available to town residents. The station and expected surrounding development will also provide enhanced connectivity and walkability to a new area of town and is expected to serve as a bridge to connect downtown to activity areas south of the river. The creation of a station that serves as a transit hub and public gathering place represents a significant investment in the town's infrastructure, both physical and social.

The conceptual station plan was completed in FY15. A change in state regulations removed the need for extensive environmental review of this project. The town's initial contribution to this project was utilized in FY23 during design. The town, NCDOT and Go Triangle have approved an interlocal agreement for the project. This agreement commits the state and tax funding to the project. The project must be completed within 7 years of the funding agreement date, or the town will be expected to reimburse the outside funding to the partners.

WATER & SEWER FUND

Adron F. Thompson Facility Renovation

The renovation and expansion of the Adron F. Thompson building, located at 715 Dimmocks Mill Road, will include a new welding shop, stock room for inventory and a building addition that will include additional office space, storage and restrooms. Improvements to the stock yard are included as well as bringing natural gas power to the building. We would like to take care of what we have and provide a clean and safe working environment for employees.

The Adron F. Thompson building was originally a water treatment plant built in 1936. The Water Distribution and Wastewater Collection divisions began using the building after the new water plant was built in 1972. The building was expanded in 2003 to provide a lunch room and meeting area. Staff has continued to expand and the building no longer meets the needs of the existing staff and the building has many issues as presented in a conceptual report completed by RND associates. A concept study has been completed that shows that the existing facility can be remodeled with a small addition to accommodate current and future employees while maintaining the historic nature of the original building. The study noted that there are components of the building that contain asbestos and lead. Furthermore, the welding shop is not properly ventilated and it is not a good space to perform this work. The building is not ADA

compliant. The roof leaked and had to be replaced in FY19. The windows are inefficient. Some of the work space has no HVAC system so staff must place floor heaters and fans in their office space. Sixteen employees currently occupy three offices and two small bathrooms. Portions of the yard are within the floodplain. Additional safety and building codes will be addressed in this project including electrical, HVAC, sanitary, fire, and security. The conceptual plan is ready to be more formalized through a two-phase design contract. The first phase will drill down on the concepts presented in the plan to formulate a design basis and estimated fee. The second phase will prepare the design, permit and bid the project. The last phase will be construction. The projected cost of construction is increased from $2.5M to $3M due to potentially adding additional space for the administration group and current material cost inflation.

Delaying this project will result in many avoidable issues. Sanitary issues with so many employees using the same small bathroom could result in excessive sick days. Working in a building with known lead and asbestos and no HVAC in part is a hazard. Organization will continue to be difficult with multiple employees working out of a small space. Inventory will not be accounted for accurately. Assets stored outside will not be under cover and may need to be replaced sooner than anticipated. The welding shop may not be available for use.

Galvanized Water Main Replacement

Replace galvanized water mains - upsize to 6" and provide fire protection.

A revised lead and copper rule was passed by the Environmental Protection Agency. It requires utilities to identify lead service lines, perform additional sampling of schools and licensed daycares and replace lead pipes downstream of an area that tested high for lead, including galvanized pipes. In general, galvanized pipes are not used in today's water main construction. These pipes are typically very old and corrode. Additionally, they are small diameter mains, which do not provide fire flow for customers. A minimum pipe size for fire hydrants is 6 inches. There is time to identify such services and mains but we should not wait to get started planning. There is approximately 1.45 miles of identified galvanized mains in our GIS system. This could be reduced with physical verification.

If the project is not performed, we could be fined, have main breaks or have high lead sample results which would require replacement of lead service lines and mains anyway.

Governor Burke Road Water Main Replacement

Replace approximately 1,400 feet of 6-inch PVC water main and appurtenances with ductile iron water main on Governor Burke Road between Highway 86 and Highway 57.

The existing 6-inch PVC water main was installed in rock with little bedding, which has been the reason the water main breaks frequently. Since 2015, portions of this main have broken seven times. Each piece cut from the main must be replaced with 2 couplings. Couplings can weaken the pipeline and are more subject to freeze/thaw events, which can leak over time. These couplings are like band aids or splints and they only last for so long. This is a major cost to the town on repairs to the water main, adding water loss, overtime for staff and road repair. The breaks to date have resulted in 33 hours of overtime for each crew member. A typical crew ranges from 2 to 3 town employees plus inmates, if available. There is only one hydrant along this stretch, and another should be added. Half of the water main is within or along the edge of the road, which is added asphalt cost for repairs to the road. During repairs to the water main, the impact is eight homes being out of water service and no fire protection. Residents have complained

due to the frequency of main breaks on this line. Having the water main replaced and moved out of the road will save the town money on after-hour repairs, reduce emergency response to leaks, restore pipe integrity, provide better fire protection, and minimize customer shutdowns. With having the 6-inch water main installed in rock and in the road brings more cost and concerns with having traffic driving across the leak before the road is shut down for repairs to prevent damage to vehicles. To move the main out of the road will require engineering and state permitting. Construction funds are requested for FY24.

If the request is not approved, the town will continue to spend funds on repairs and overtime. Residents will continue to be frustrated with the lack of reliable water service and road closures. The pipe will eventually fail due the number of "band aids" on it and the replacement will be more of an emergency. Funds spent on repairs and overtime can be put towards the design, state permits and materials for this request.

Hasell Water Tank Replacement

Replace Hasell Street Water Tank with a new elevated water tank. The new tank size will be much larger than the 200,000 gallon existing size, ideally increased to 500,000 gallons or more, and may be located near or on the same site as the existing tank. It may be the town purchases the land adjacent to the current tank to construct the new tank or it is possible the preliminary engineering recommends a different site but that is controlled by topographical elevation.

The existing Hasell Street Water Tank was constructed in the mid-1930s and it is the oldest tank in the town system. It holds 200,000 gallons and is constructed of riveted steel. It is the controlling tank in the Central Pressure Zone (CPZ), where water is initially pumped from the Water Treatment Plant and then distributed to CPZ customers, as well as to the North Tank in the North Pressure Zone (NPZ) through a pumping station beside the tank and to the South Pressure Zone (SPZ) from the Mayo pumping station located offsite from the tank. The small size and age of the Hasell Street Water Tank creates a need for a replacement tank. Development within the Central Pressure Zone (CPZ) has created additional water volume needs, and an elevated tank will enable the entire tank volume to be usable. The existing tank is a standpipe, which allows us to effectively use only about 40 percent of the tank volume since we cannot allow the tank to drop more than about 30 feet of its 72 feet height. The proposed tank will be the same height, but the design will allow us to utilize the entire tank volume. This will also help with water quality turnover and may improve operations at the plant where staff is continually filling tanks. This project is to take care of what we have and to provide reliable service to customers.

The small volume of the tank makes it difficult to manage water distribution, with customers near the tank experiencing more pressure fluctuations due to the quickly varying water levels of this tank style. The tank structure is sound, and inspections are performed annually so project is slated for later in the CIP. Costs are based on Waterstone tank, inflation, and the current construction climate in addition to other bid tabs for similar tanks in other locations. This request has been on the CIP list since FY16 or possibly even earlier. Staff applied to the state for a preconstruction study grant to finalize the location and size need of the tank but will not hear about any award until at least Feb. 2023. This project is semi-related but not codependent to the US 70 Business Water Main Improvements (upsizing) project as water from Hasell tank must get to the US 70A tank.

Hydrant & Valve Project

Replace old, obsolete fire hydrants and install valves on the hydrant legs where needed. Install new valves and piping where redundancy study recommends.

We currently have a large number of fire hydrants in the central pressure zone that were installed without a watch valve on the hydrant leg (valve on the pipe connecting the water main and the hydrant assembly). These cannot be turned off without turning off the water. Some of these hydrants date back to the 1930s and need to be replaced since parts are hard to find and they are sometimes difficult or impossible to disassemble. There are approximately 150 hydrants without watch valves. Current bids for hydrant replacements with watch valve range from $3,000 - $5,500. The requested funds will cover many of the needed replacements through contract work, with staff likely able to perform the remaining replacements with its own resources. We won't know how many hydrants will be able to be replaced with the requested funds until we receive the bid prices.

Additionally, in FY21, a consultant studied how many customers would be out of water if a pipe broke in various locations. The affected customers were prioritized based on the estimated demand of the outage area. This budget would include adding valves where needed to minimize impacts in four groups over the next several years.

If we do not perform this work, we risk having these hydrants not work properly in the event of a fire, which could be catastrophic. Impacts to customers to repair or replace a hydrant would be recognized. Additionally, we have opportunity to reduce the risk of customers being out of service under certain main break scenarios by providing additional valves and piping in the system.

OWASA Booster Pumping Station

This project is to build a booster pump station to receive water from OWASA in times of need to provide system redundancy to the entire town.

A 16" water line between Orange Water and Sewer Authority (OWASA) was installed by OWASA in the late 1970s and has served as the water system interconnection between OWASA and Hillsborough for several years. The section from Exchange Park Lane south to Davis Road was transferred to Hillsborough in 2013. When the town created its south pressure zone shortly thereafter, it rendered the existing booster station obsolete as that station was for our central pressure zone. If we delay installing the booster pump station, we continue risking system redundancy in this ever-changing climate. The OWASA booster pumping station will allow the town to receive emergency water supply from OWASA per our mutual aid agreement. This project will ensure an alternative source of clean and safe water for our community. Currently we can send to OWASA by gravity but cannot receive without some temporary valving manipulation. Now that Collins Ridge is connected to this main, they would be cut off if we received water the current way by valving so it enters our central pressure zone.

US 70 Business Water Improvements

This is a multi-year, two phase project to: 1) Replace approximately 4,900 linear feet of 12-inch Asbestos-Cement (AC) water main along Highway 70-A between Highway 86/Elizabeth Brady Road to the Highway 70-A Water Tank with a new 16'' ductile iron water main and 2) Replace approximately 4,320 linear feet of 12" AC water main along Highway 70-A between Churton Street and Highway 86 with a new 16'' ductile iron water main.

The main transmission line along Highway 70-A is only 12 inches in diameter and is made out of asbestos-cement. This pipe is no longer manufactured, is a hazard to repair due to the asbestos, and is more prone to breakage. Ductile iron pipe or plastic pressure pipe is the current standard for water mains. This will provide long-term stability for this section of the water system. The increase in pipe size was recommended through system modeling to handle more flow to the US 70 tank, prevent the US 70 tank from emptying too much when the Forest Ridge Booster Pump Station is operating, and to better meet the town's needs when we need to transfer water from Durham in an emergency situation. Modeling has confirmed to help pressure and that the 12" should definitely be upsized to 16" between Churton and the US 70-A tank and to receive a target flow of 2 MGD from Durham. The report also recommended a new express main from Valley Forge to US 70-A tank, however that is not under consideration at this time.

Some sections of this pipeline are the only way to move water along 70-A east of Elizabeth Brady Road. We have been lucky not to have had many major breaks thus far along this pipeline, due to its age (built in 1973) and the substandard material. If a main break occurs in the area between Hwy 86 and Forest Ridge on US 70-A, water cannot get to the US 70 tank and this is problematic. When we have to make repairs, we typically have to cut the pipe with a saw, which releases asbestos fibers, thus requiring a respirator. If we do not perform this work, we risk this line deteriorating further and draining the US 70 Tank. We can currently receive 1.6 MGD from Durham. The costs have been increased from the FY23 capital project due to material cost escalation.

There may be opportunity to cost share if a new connector between South Churton and Hwy 86 is planned but the timing is unlikely to be in our benefit. This project has been on the CIP list since FY16 or even earlier. It is related to the Hasell Street Tank Replacement project to help move water to other parts of the central zone, but the projects are not codependent.

Water & Sewer Air Release Valve Replacements

Replace old, obsolete water and sewer air release valves (ARVs). Install new air release valves where needed to enhance system performance. An automatic air release valve provides a critical role in pressurized piping systems such as our water system and sewer force mains. Air trapped in a pipeline will naturally rise and collect at high points within the system. This trapped air can cause pump failures, faulty instrumentation readings, corrosion, flow issues, and water hammer and surge issues. Unnecessary air in the pipeline also makes the pumps work harder, resulting in additional energy consumption. The valves can also be called air/vacuum combination valves, and these are used on sewer force mains due to the start stop nature of sewer pumping stations. When the vacuum part is present, these valves also allow outside air to re-enter the sewer force main when pumping stops to prevent negative pressures forming on buried infrastructure (i.e. pipe collapse). Sewer ARVs require routine maintenance to ensure their internal mechanisms do not become clogged with grease, sewage, or other obstructions. Sewer ARVs also require routine inspections to ensure internal components did not fail due to internal corrosion. The water system is continuously pressurized and thus only air release valves are necessary. Water ARVs can wear out over time and seize. They may be of substandard material and beyond useful life (30-40 years).

The town currently owns and operates 14 sanitary sewer force main air release valves. The town does not currently have records of routine maintenance or inspection of these assets, and recent field assessments indicate the sewer ARVs are likely not functioning as designed. The proposed project will replace the existing sewer ARVs with new, corrosion-resistant ARVs to ensure the sewer force mains

operate as intended. Current bids for sewer ARV replacement range from $5,000-$10,000/valve, with a number of factors including size, location, and condition of the host pipe impacting overall cost. The requested funds will cover many of the needed replacements through contract work, with staff likely able to perform the remaining replacements with its own resources. Town staff can provide a more detailed estimate of replacement costs and quantities when bids are received.

The town also owns and operates approximately 50 water main ARVs. There are many other end of line "blow offs" that are manually operated to flush water. The town does not currently have maintenance or inspection records of these valves. Limited field work to date indicates the water ARVs are not likely venting fully, and maintenance of the valves is unlikely to resolve the issue. Town staff recommends full inventory and replacement of the water ARVs, current bids for water ARV replacement range from $1,000-$3,000 per valve depending on size, location, etc. Staff can provide a more detailed estimate of replacement costs and quantities when bids are received. This work ties to the longstanding goal of "taking care of what we have."

FY24 budget is the first submission of this project. If the town does not proceed with this project, the existing sewer and water ARVs will likely fail. It is suspected they are not providing the best optimization for the system either. Replacing a failed sewer ARV is very difficult and results in sanitary sewer overflows. These spills can be significant given the pressurized nature of the failure. These replacements typically require the sanitary sewer pumping station connected to the sewer ARV to be taken offline while the replacement is completed. A water ARV failure can result in non-revenue water and distribution issues. Town staff recommends replacing the ARVs to avoid this scenario. During this work a full inventory will be verified with additional data collected. For FY24, sewer ARVs will be targeted. For FY25 and FY26, water ARVs will be targeted. The high end of the estimated cost is budgeted.

Water Distribution System Master Plan Improvements

Implement the CIP recommendations of the anticipated Water Distribution Master Plan which should be completed in fall 2023.

The town is currently preparing a Water Distribution System Master Plan using a hydraulic model of the water distribution system. This master plan will provide recommendations on where improvements are needed to provide adequate fire flow to current and future customers as well as improve drinking water quality and redundancy throughout the distribution system. The Master Plan recommendations may include waterline extensions, replacements, and installation of new appurtenances. This CIP program will implement those recommendations when available.

Bellevue Mill Interceptor Upgrade

Replace 2,700 linear feet of 8" sewers with 12" sewers and 15 manholes. The Bellevue Mill interceptor extends from near the end of Forrest Street southward to Eno Street.

This interceptor was in existence since before the town had a wastewater plant and presumably as early as the 1920s per mill maps. Unfortunately, the portions of the sewer traverse through an identified brownfield so extra costs will be incurred to identify and properly dispose of contaminated soils and some extra permitting. Hydraulic modeling has shown this interceptor is undersized for 2040 growth scenarios. Regardless, it is well beyond its useful life and likely contributing to inflow and infiltration in the basin. This interceptor is also paralleled by a 12" sewer and there are some interesting cross configurations

between the two that really need to be studied. It is believed the parallel 12" interceptor was constructed to take flow from the Efland force main which has since been abandoned. There may be little flow in it. If there is some reconfiguring that can be done, the existing 8" could be abandoned with little work. Extra preliminary investigations are necessary before this project can be reduced in scope.

If high density redevelopment and development in the western part of Hillsborough is desired, this main will definitely need to be upgraded. At a minimum, it is recommended to evaluate the interceptor further for a reduction in scope of replacement as there is a parallel sewer that could be utilized if elevations allow.

Cates Creek Outfall Upgrade

The Cates Creek Outfall was built in two phases. It is 3.4 miles long. The upper reach, which discharges into the Elizabeth Brady Pumping Station was built in the mid-1990s. The lower portion which is called Phase 2 was built in the early to mid-2000s when Waterstone began to develop. Then entire line is the main pipeline in the Elizabeth Brady sewer basin. The scope and extent of the upsizing is currently unknown but a proposed development, if it proceeds, would exceed the pipe capacity in some areas.

Already the collection system modeling, without a recent proposed development, shows in the next ten years that the outfall needs to be monitored and upsized appropriately. While much newer than the River Pumping Station Eno River Interceptors, there is evidence of a wet weather response in the system. With the recent inquiry about a significant development south of Waterstone Drive and the increased demand proposals of sites we did account for but underestimated the desired plan, this schedule may be escalated and the developers will be expected to cost share in necessary upgrades.

This request relates to the Elizabeth Brady Pumping Station and Force Main project as both will need to be investigated and upsized accordingly either sooner or later depending on development pacing. If the project is not approved, development will be limited, and sanitary sewer overflows may occur as the system ages and starts to leak more. FY24 budget is the first entry of this project with expected funds needed in FY27 and FY28.

Elizabeth Brady Pump Station and Force Main Upgrade

Design, bid and construct a public sanitary sewer pumping station upgrade at the existing Elizabeth Brady Pumping Station site. The station upgrades would enable new development in the Elizabeth Brady basin as well as denser redevelopment of existing sites. The station was rebuilt in 2012 and sized for a quick upgrade of pump capacity which is being implemented now. However, the level of development discharging to this station is much greater than this quick upgrade option which will only hold steady for a few years, if that.

A developer is proposing consolidation of two to three existing sanitary sewer pumping stations (Woods Edge Front, Woods Edge Back, and Nazarene) in to a new, larger pumping station. The larger pumping station would be sized for the future buildouts of the basin serving the existing stations to be abandoned as well as the new, proposed development. The new station would likely discharge into the existing Cates Creek interceptor that drains to the Elizabeth Brady station.

The new, larger pumping station's operating point is significant when compared to Elizabeth Brady's operating point, and even a phased approach to the buildout of the basin served by the new pumping

station will require upgrades at Elizabeth Brady. The developer is working with town staff to provide funding, either with an advance of system development fees or a proffer of future funds, to enable this upgrade to serve the proposed development. The developer would also be required to build the new station and force main that enables the future abandonment of Wood Edge Front, Woods Edge Back, and Nazarene Pumping Stations station to town standards with no cost participation by the town. The upgrade to the Elizabeth Brady station will require an upgrade to the existing force main to the wastewater treatment plant to ensure efficient pumping station operations.

This project invests in the future of the town's development goals. If the decision is made to control the amount of development discharging to this station, then this project and the related Cates Creek outfall project scope can be minimized.

Eno River Interceptors

Replace outdated and insufficient infrastructure to meet committed and projected growth. The Eno River Interceptor project extends from the current River Pumping Station location to Churton Street. Existing sizes are 18" and 21," which will be replaced with at least 30" and 36" pipes along with several manholes as recommended by the Collection System Modeling Phase 2 report. The project is about 1 mile in length.

The Eno River Interceptors were constructed with the wastewater plant in the mid-70s, thus they are over 40 years old. They are concrete and subject to corrosion from hydrogen sulfide. The original interceptors were installed very shallow – in places less than 4 feet deep which leaves them susceptible to damage by excavation or directional drilling of communications lines. There is also corrosion from hydrogen sulfide.

No significant rehabilitation or replacement of the collection system in this area has ever occurred. Over the years, the interceptor manholes were raised to prevent sanitary sewer overflows due to wet weather surcharging (water other than wastewater entering the system) and because they were not protected from the floodplain. The original manholes are of brick material and subject to groundwater intrusion. Hydraulic modeling shows that due to the shallowness and some flat sloped pipes, the pipes are exceeding their capacity during wet weather events. The wastewater is getting to within two feet of the manhole tops under certain conditions. The town has committed and projected growth, including upcoming projects like Collins Ridge, Moren and the Research Triangle Logistics Park. These and other similar projects will eventually overwhelm the collection system, resulting in sanitary sewer overflows and violations and possibly a stoppage of growth until upsizing can occur. To support current needs and future growth through 2040, these pipes need to be upsized.

Since these interceptor pipes carry flow from areas that are focused upon for growth, the town board has already agreed to defer large projects contributing wastewater into our River pumping station basin due to wet weather concerns as we investigate our worst leaky basin, Lawndale, and secure funding for this replacement. A consultant has also investigated temporary ways we can relieve the interceptors during wet weather, but the pipe condition needs to be evaluated before implementing the most reasonable solution. These pipes were some of the first to ever be installed in town. This project intertwines with the River Pump Station Project as well.

Staff is currently working on the physical evaluation of the piping, manholes, and pump stations within the collections system with the resources available. This cannot be a comprehensive effort, unfortunately. We also have the collection system model that shows capacity deficiencies based on dry weather flow.

Further development, as planned for the town, will exacerbate any hydraulically limited sewer pipes and cause overflows that result in noncompliance. This request supports the growth we have worked hard to attract and allow. The money budgeted here is what was submitted for funding to the state revolving fund and is reflective of 2040 projected flows. The current construction climate may result in an increase in costs. Much of the pipes need to be upsized to handle the projected 2025 growth. This cannot be deferred much longer. This project is related in theory to the River Pumping Station replacement project if we receive state funding. These two projects were bundled together. The project was added in FY23 and $750,000 of system development fees were allocated to it for that fiscal year.

Eno River West Interceptor Upgrade

Replace approximately 2,900 linear feet of 18" sewers with 24" sewers along with 12 manholes. This sewer interceptor is also one of the oldest in town, built in the 1970s.

The modeling report recommendations has shown that the sewer experiences wet weather capacity issues (leaks) and is undersized for potential 2040 growth. It will need to be upsized to meet future demands and due to general condition deterioration. The general vicinity of the work is west of Churton Street to Occoneechee St. on the south side of the river.

With the high-density redevelopment and new development expected in the downtown and west Hillsborough area west of Churton Street, it is recommended to upsize this interceptor.

Exchange Club Interceptors

This gravity sewer was installed in the early 1970s. Recent hydraulic modeling of the collection system revealed a capacity deficiency for existing and proposed growth conditions. There is also some configuration of the mains that may contribute to hydraulic flow restrictions (i.e., there are zig zags that do not provide smooth transitions and allow buildup of corrosive gases). We know that the current brick manholes along this segment are in disrepair. The town has paid to rehabilitate the manholes to keep them from crumbling, leaking or allowing infiltration. This segment of sewers goes through Exchange Club Park and is generally between Orange Grove Road and the Riverwalk. Children play around the manholes. The town has budgeted to repair/replace this infrastructure in the past but not to the extent now known.

This gravity sewer is ready for an upgrade. This project would be 2,250 LF of gravity sewer replacement to 15-inch (2040 Committed) or 18-inch diameter (2040 Committed + Potential Flows). The estimated cost is $1.4 million.

We must upsize this infrastructure with possible realignments to address current and future growth and to improve its condition.

River Pump Station Relocation & Upgrade

The River Pump Station was originally built in 1976 and it is the largest pump station in town. It currently delivers over 75% of the wastewater to the wastewater plant. This pump station was scheduled to be replaced during the 2014 Phase 1 wastewater plant upgrade. However, unforeseen regulatory obstacles resulted in this part of the upgrade being eliminated from the project.

FY23/24 – Design of the River Pump Station replacement/expansion and land acquisition

FY24 – FY26 River Pump Station replacement/expansion

The River Pump Station has approached wet weather capacity limitations and its useful life. The station is over 40 years old. Replacement pumps and parts are difficult to find. The station is requiring a lot of maintenance, it is not efficient, and its structure is deteriorating. The station receives wastewater from over 75% of the town and is considered a critical station. In an emergency, bypassing wastewater, should it fail, will be costly and difficult. The station has unsafe exposed wiring and a steel spiral staircase. Both items are subject to deterioration due to the corrosive environment of wastewater. This pump station has also reached its flow capacity. Two recent rain events resulted in all three pumps running continuously for over ten hours. While the work of the wastewater treatment and collection system group has reduced this multiple run time situation, this was not the intent of the station. One pump is supposed to be redundant. The station being in the floodway of the sensitive Eno River is also problematic. The station is susceptible to not only flooding, but vandalism. An evaluation was performed by an engineering firm and it is determined to move this station out of the floodplain. The proposed location is further north on the site of the River Park Elementary School (but over 500 feet and downhill from the school's building and play area). Costs were reviewed and analyzed as part of applying for grant funding to move this station from the floodway.

This project is to take care of what we have and also provide for future growth while protecting a sensitive waterbody and the current asset by relocation.

Delaying the River Pump Station improvements any longer will further increase risk of failure of one of our largest and critical sewer pump stations. Should it fail, it would likely overflow into the Eno River causing environmental concern and violations. The town would have to scramble to obtain emergency funds and vendors who can come repair it. Engineering analysis resulted in a recommendation to move this station out of the floodway and bring it to current standards.

Train Station Pump Station

Design, bid and construct a public sanitary sewer pumping station on space allocated at the proposed train station site. The new station would be sized to serve the entire basin buildout, including the sewer flow generated by the town's proposed train station development as well as outparcels created by a future subdivision of current town property.

The town is currently in the preliminary design phase of a rail station with office and meeting space on Gold Hill Way near Churton Street. The rail station is proposed on land currently owned by the town and will ultimately occupy a small portion of the town parcel. The remainder of the town parcel not used for the proposed station will be subdivided and made available for future uses.

In lieu of constructing a small grinder station that serves only the proposed town project, the town may instead build a publicly owned, operated and permitted lift station capable of serving the future lots created by the above-referenced subdivision. A town pumping station would enable denser development on the newly created lots and would minimize potential project infrastructure unknowns for future developers. The costs of the proposed lift station could be recovered with system development fees, proffers, or other agreements with the future owners of the subdivided lots.

The proposed project would also evaluate discharge alternatives for the proposed sanitary sewer force main from the newly constructed station. This alternative analysis would include an evaluation of the receiving sewer's capacity for the proposed flow as well as the technical merits of the alignments proposed.

Town staff recommends developing the Train Station site with a public sanitary sewer pumping station to allow the widest variety of uses at the proposed Train Station site and adjacent, future sites.

Tertiary Filter Flocculators

Install new flocculators ahead of tertiary filtration to maximize the Total Phosphorous removal needed to meet the Falls Lake Rules and also reduce chemical usage.

The 2014 Phase 1 Plant Expansion included new tertiary filtration. The structure was designed to have flocculators installed but the installation was removed from the project to reduce costs. However, the pedestals and electrical conduit were installed to provide for future needs.

Currently, a chemical called Polyaluminum Chloride (PAC) is used to precipitate Phosphorous out of a dissolved state to a solid form that can be removed by filtration. Currently, PAC is fed to the clarifier, which provides the mixing necessary to activate the chemical. This method currently works well but will be insufficient in the future to meet the removal efficiency needed to meet the Falls Lake Rules.

Feeding PAC directly to the filters is also much more efficient. Laboratory testing has shown that with the addition of flocculators, we should be able to reduce our chemical feed by 28% or more. This equates to chemical savings of approximately $4,500 per year.

This project can be delayed until the current Phosphorous removal efficiency is inadequate to meet our permit requirements, which is estimated to be in FY29. However, we will not realize the cost savings of reduced chemical usage or the reduction in our carbon footprint.

The PAC is manufactured and then delivered from out-of-state locations. Flocculation will not only reduce the carbon emissions from the chemical manufacturing process but also the semi-truck deliveries from hundreds of miles away.

FY24 Stormwater Fee Increase Request Summary

The Stormwater and Environmental Services Division is proposing to increase stormwater management utility fees in FY24. Stormwater fees have not been adjusted since their adoption in FY17. An increase is needed to:

- Keep pace with inflation;
- Fund a new position within the Stormwater and Environmental Services Division;
- Fund equipment needs for stormwater infrastructure maintenance;
- Fund appropriate percentage of Public Works personnel dedicated to stormwater infrastructure maintenance.

Justification for New Stormwater Technician Position

Workload for existing Stormwater and Environmental Division staff has increased significantly. Primary reasons for increased workload include:

- Third party analysis of the stormwater program indicated a few "gaps" in compliance with the town's stormwater permit;
- New development since 2017 has resulted in 43 new stormwater control measures (SCM), bringing the total within the town's jurisdiction to 132; each SCM must have an annual inspection report reviewed by town staff and includes follow up inspections by town staff; each SCM must be inspected by town staff at least once every 5 years;
- New development has increased the number of town streets which contain stormwater infrastructure which must be inspected periodically;
- Public assistance requests have increased significantly, especially in support of new homeowner associations;
- Stormwater staff have increased their involvement in regional efforts such as the Upper Neuse River Base Association (UNRBA) and Clean Water Education Partnership (CWEP);
- Began implementing the Interim Alternative Implementation Approach (IAIA), a joint compliance program through the UNRBA to meet the required Stage 1 Falls Lake Rules for stormwater.

Stormwater Infrastructure Maintenance

The Public Works Division operates and maintains town-owned stormwater infrastructure. The division also supports various water quality and watershed improvement projects implemented by Stormwater and Environmental Services. As such the stormwater utility fees currently fund 1 FTE in Public Works. To improve level of service and meet stormwater permit requirements, additional needs and considerations include:

- Jet-vac truck for cleaning catch basins and pipes;
- Additional backhoe for ditch/swale and other stormwater related work;
- Evaluation of number of FTEs dedicated to stormwater infrastructure maintenance.

Analysis and Rate Model

Town stormwater staff is completing an analysis and rate model to determine recommendations for the FY24 budget. General findings and recommendations of that analysis include:

- Stormwater utility fees have a 98% collection rate;
- Stormwater Technician is planned as an entry level, primarily field position, salary grade 6;
- Proposed FY24 budget used in analysis includes new position rate, PC, supplies, etc. and increased collection cost based on increased fees;
- Recommend keeping residential fees as a flat, annual rate;
- Recommend adding a sixth tier to the non-residential rates to address properties with significantly higher impervious surface.

Next Steps

Town staff anticipates the following items as "next steps" in determining proposed stormwater fee increases:

- Receive input and direction from the town board;
- Benchmark other local municipalities current stormwater utility fees;
- Update rate model and analysis as necessary based on FY22 financial information, updated costs, etc.

FY24 Stormwater Fee Increase Request Justification

The Stormwater and Environmental Services Division is proposing to increase stormwater management utility fees in FY24. Stormwater fees have not been adjusted since their adoption in FY17.

Why is a fee increase needed?

- To keep pace with inflation.
- Fund a new Stormwater Technician position.
- Fund equipment needs for stormwater infrastructure maintenance.
- Increased need for funding for Falls Lake Rule compliance.
- Improve level of service to customers.

What has changed since the inception of the stormwater fee?

- Study completed by Brown and Caldwell that reviewed the town's stormwater program including a "gap analysis" and assessment of stormwater asset management needs.
- Completed a stormwater permit "self audit" that identified additional gaps and needs.
- Those studies resulted in the creation of an Operation and Maintenance Plan (OMP) necessary to comply with the town's stormwater permit.
- A large portion of the OMP is being carried out by the town's Public Works Division, but this has required increased support to Public Works by the Stormwater and Environmental Services Division.
- New development has increased the number of stormwater control measures (SCMs), and stormwater infrastructure that needs inspected and maintained.
    - Added 43 SCMs since the inception of the stormwater utility, bringing the current total to 132; Stormwater and Environmental Services staff must audit (inspect) approximately 1/3 of those annually.
    - Expect to add 8 more completed SCMs this year as projects are closed out; will add more as Collins Ridge Develops.
    - Even though the town requires the owner to submit SCM inspection reports annually, the reports must be reviewed by town staff and the number of reports has increased significantly.
    - Added over 1200 new residential properties since 2017; large residential developments in Waterstone and Forest Ridge are essentially built out; not only does this add to the SCM inventory, it includes inspection and maintenance of stormwater infrastructure within newly accepted town roads.

- Public Assistance calls and email have increased substantially over the last 5 years. In 2017 Stormwater and Environmental Services Division reported 7 public assistance requests in the annual report; since then the average is almost 20 annually with a high of 54 in 2021.
- Falls Lake Joint Compliance Requirements
    - Compliance with Stage 1 of the Falls Lake Rules for stormwater from existing development began in July 1, 2021.
    - The town opted to participate in the Upper Neuse River Basin Association's (UNRBA) *Interim Alternative Implementation Approach* (IAIA) which is a state approved joint compliance program to meet Stage 1 of the existing development rule for stormwater.
    - The IAIA is an investment based approach that requires the town to complete water quality/watershed improvement projects.
- Workload of existing staff
    - Currently the Stormwater and Environmental Services Division has two full time staff positions.
    - Due to the importance of the Falls Lake Rules reexamination process and Stage 2 requirements, participation in the UNRBA is critical in ensuring Hillsborough has a say in the process. To that end, the Stormwater and Environmental Services Manager has increased the number of technical workgroups he serves on with the UNRBA and was appointed co-chair of the UNRBA's "Path Forward" committee which is the technical steering committee for the rule reexamination process. This is in addition to serving on the UNRBA's board of directors.
    - With the Stormwater and Environmental Services Manager increasing time spent with UNRBA tasks, the Stormwater Program Coordinator has taken on primary responsibility with the Clean Water Education Partnership (CWEP). CWEP is a regional stormwater education organization that provides media, direct and indirect educational services. These services meet portions of the town's education and outreach requirements pursuant to the town's stormwater permit.
    - The IAIA has required both staff positions to manage and oversee projects. Project management can be time consuming. The town's Stormwater Program Coordinator has especially increased her time in managing watershed/water quality improvement projects. She has also increased her involvement in the town's required education and outreach program since the Stormwater and Environmental Services Manager does not have as much time to devote to it.
    - Increases in SCMs, working with HOAs, assisting Public Works with OMP implementation, assisting the public etc. make it difficult to complete the more "day to day" tasks of the division. While the division is minimally staying in compliance with tasks, it is becoming more difficult to do so.

- Stormwater Program Audit
    - The town's first ever audit of its stormwater program by the state is scheduled for 2023. While staff believes that the town is substantially compliant with its stormwater permit requirements, it is expected that areas may be identified from the audit that need strengthening.
    - Strengthening those areas will require additional staff time and as stated above, existing staff is already having to prioritize workload.
- Town's Stormwater Operation and Maintenance Plan
    - This plan was developed as part of the aforementioned "gap analysis" and was developed to better meet the town's stormwater permit conditions.
    - The plan outlines not only SCM maintenance and pollution prevention on town properties, but it includes an expanded operation and maintenance program for town-owned stormwater infrastructure.
    - A jet vac truck and other equipment are needed for maintaining town-owned stormwater infrastructure and providing a higher level of service.
    - The percentage of time Public Works staff dedicate to stormwater work has increased, and the allocation of resources, including personnel needs to be reassessed.
- Town's Comprehensive Sustainability Plan
    - The town is currently drafting a comprehensive sustainability plan that will be adopted soon. That plan contains various goals and strategies to achieve those goals.
    - The plan includes goals and strategies for the environment and natural systems. The Stormwater and Environmental Services Division will be instrumental in meeting these goals and will need the additional staff person in order to begin implementing the plan.

Stormwater Technician

- Staff determined that what is most needed is an entry level technician position that would help complete SCM audits, IDDE screenings, assist Public Works with stormwater infrastructure inspections, and other similar field work.
- Based on initial input from Human Resources, the position is anticipated to be a Grade 6 position. The rate analysis used the midpoint with a base salary of $56,752 and a fully loaded compensation at $81,582.
- Since Stormwater and Environmental Services staff already use a flex schedule, this new position will not require additional office space. Existing office space will be utilized along with a flex schedule since this position will be primarily a field position.
- Likewise, based on usage of the division's vehicle, a new vehicle is not needed at this time.

Stormwater Utility Fee Rate Analysis/Model

- Stormwater and Environmental Services Division staff developed an Excel based draft rate model and analysis that will be used to determine proposed fee increases for FY24. Some key points of the analysis are listed below:
- Even without adding a position, stormwater utility fees would need to be increased in FY24 to meet budget projections;
- Conducted an analysis on stormwater fee revenue to determine that the average collection rate is 98%;
- Staff updated budget estimates for FY24 and FY25 based on input from both Stormwater and Environmental Services staff and Public Works staff;
- Conservatively estimated that 100 residential properties would be added each fiscal year for FY24 and FY25 based on current construction.
- Completed an impervious surface analysis using both as-built and GIS data to determine if the Equivalent Residential Unit (ERU) needed updating. Based on this analysis staff is recommending keeping the ERU at 2,800 square feet.
- Also analyzed non-residential impervious surface and determined there is a need for a 6th tier to account for properties with significantly higher impervious surface. As such, 3 properties will be in the proposed new tier and they included: UNC Hospital campus, Wal-Mart campus, and the former Daniel Boone development.
- Since adding a new tier would alter the midpoint of tier 5, it was determined that the most equitable solution would be raising non-residential rates based on the percentage of the residential rate increase.
- Multiple scenarios have been analyzed thus far; additional analyses will be completed based on FY22 financial audit information, updated equipment costs, adoption of the town's comprehensive sustainability plan and other factors that are currently in flux.

Next Steps

Town staff anticipates the following items as "next steps" in determining proposed stormwater fee increases:

- Receive input and direction from the town board.
- Benchmark other local municipalities current stormwater utility fees; Update rate model and analysis as necessary based on FY22 financial audit information, updated costs, etc. Additional considerations include:
    - Assess health of the Stormwater Fund, including fund balance levels, contingency, etc.
    - Assess percentage of Public Works staff time spent on stormwater activities.

- Evaluate additional expenses as well as considerations related to hiring a Stormwater Technician. This includes whether a vehicle will be needed, where the position will be located and timing of bringing the position on board.
- Evaluate equipment needs (i.e. jet vac truck, excavator, etc.), timing of equipment purchases and potential alternatives.

Agenda Abstract
BOARD OF COMMISSIONERS

Meeting Date:	January 28, 2023
Department:	Administrative Services
Agenda Section:	Regular
Public hearing:	N/A
Date of public hearing:	N/A

PRESENTER/INFORMATION CONTACT

Town Manager Eric Peterson

ITEM TO BE CONSIDERED

Subject: Restarting Intern and Fellowship Program Discussion

Attachments:

Email from UNC SOG to Town Manager About LEAD Fellow Program

Summary:

Background, Concept, Opportunities, & Request for Guidance

Hillsborough has a long history of working with undergraduate and graduate students as interns, fellows, working as teams, and part-time employees to assist with projects and often get things done that staff did not have time to accomplish. During the past several years due to COVID, the significant impact of growth, and perpetually being short-staffed due to vacancies, there have been few students in the organization with internships or related assignments. Everyone has felt so overwhelmed there has not been capacity to add this onto plates. Students require clear direction and regular interaction with an assigned supervisor or coordinator to be successful – this can be a time-consuming task but can yield major benefits if well thought out.

Not having a regular pipeline of interns or fellows has been a missed opportunity, especially when 1) Hillsborough is surrounded by universities with government and public administration focused programs, 2) student, interns, and fellows are the most affordable resource we have to support town operations, 3) staff has been bogged down with work and could have been helped, and 4) fulfilling our obligation to expose the next generation to public service. Having a small overlapping group of interns/fellows provides regular resources to assist departments and be assigned to key tasks that either wouldn't get done and/or derail staff from other priorities. The student cohorts collaborate with each other and help train/familiarize each other with town operations, even if only 2-3 students since we're small. The town has had major tasks handled when students have had prolonged stints with the town.

If the board is supportive of re-starting this prior initiative, the town manager will coordinate with staff to again pursue bringing in student talent as there are several time sensitive opportunities. For example, we are looking at a summer intern, the UNC SOG Lead for North Carolina Fellowship program, and some other opportunities. Information on the Lead Fellowship is below and attached. There are links to quick videos and a website on this program, as well as more specifics about the benefits to the organization and how it would be managed.

Lead for North Carolina Fellow Summary:

New for this year, UNC SOG is targeting up to 12 jurisdictions for a finance-specific track. Fellows will receive training and ongoing support from UNC School of Government Faculty members Kara Millonzi and Rebecca Badgett on finance-related projects. Fellows will receive a toolkit of best practices and policies to consider implementing in finance offices. These members will also receive support as it relates to compliance with ARP

funding. These Lead for NC Fellows will be trained and ready to specifically address significant needs in finance offices.

- Quick video on the program: https://www.youtube.com/watch?v=WSw0C55RsAg
- Website: https://lfnc.sog.unc.edu/

Timeline:

- By February 8, 2023, Local government applies to participate in the program
- February 13, 2023, Local governments are notified of their status as a host site and eligible jurisdictions are notified of the final subsidy amount
- By February 24, 2023, Local government commits to the program
- Early-May, Local governments interview fellows
- May/June 2023, Local government assists fellow with identifying housing (if needed)
- July 20 – August 4, 2023, SOG Summer training program
- By August 7, 2023, LFNC Fellow start year of service with host jurisdiction

Key opportunities for Hillsborough:

- This would be the least expensive help we could add to staff. It appears about $30,000 annually. Assumption is we'd get little to no subsidy being a Tier 3 county.
- ARP compliance and grant support (e.g., record-keeping, tracking, rules/updates, maybe assign specific projects, other). This cohort is receiving specific training in this area and it's one where we need assistance. Budget & Management Analyst Josh Fernandez has been our lead, but it's a big task. Financial Analyst has also played a key role. This is an area that needs significant attention and more internal resources. The new finance director and/or if the vacant assistant finance director position is filled will also have to play a key role in these areas.
- Assist with other areas where there is interaction between budget and finance-related tasks.
- Available for assignment to departments with various needs, opportunities, unexpected issues
- The fellow provides a person to assign to departments when issues arise to assist. Historically, when interns become familiar and integrated with town operations departments start to request their assistance on various needs. In fact, there is usually more request for help than intern time available.
- Opportunity to add diversity to staff (e.g., age, race, gender, etc.).
- Provides proven person the town could end up hiring for vacant positions or they come back in the future.

Development Opportunities for Fellow

Competition for fellows and interns is often high, thus it's important to make these positions appealing. The following are a few points to help make experiences for students interesting and add value as they pursue their careers.

- Attend monthly Agenda/Ops Team meeting. Provides regular interaction/observation with all departments. Makes it more likely Ops Team will involve the fellow or ask for help.
- Attend most board meetings and other advisory boards at least once to observe.
- Monthly meeting(s) with town manager and possibly assistant town manager for general updates, mentor-type interactions
- Allow attendance at key events and training required by program regarding training and to help them excel while working for the Town.

Logistics

- Office location. Lack of space has become a major challenge, but we think we've come up with some options to address this.
- Supervisor/coordinator. Josh Fernandez.

Financial impacts:
Not sure of the exact financial impact at this time but we anticipate that it would be somewhere in the low $30,000s.

Staff recommendation and comments:
N/A

Action requested:
Receive financial overview update and ask questions.

From: Russell, Gregory Dylan <russell@sog.unc.edu>
Sent: Tuesday, January 17, 2023 9:43 AM
To: Eric Peterson <Eric.Peterson@hillsboroughnc.gov>
Subject: UNC School of Government Lead for NC Fellowship Program | APPLY NOW!

Dear Eric,

My name is Dylan Russell, and I am the Executive Director of Lead for North Carolina (LFNC) at the UNC School of Government. LFNC is a fellowship program that aims to create the next generation of local government leaders in North Carolina. LFNC places recent college graduates in high-impact positions in local governments across the state to work on transformative community projects. Fellows receive up to three weeks of training prior to placement and ongoing training and support from the UNC School of Government and our partner organizations. Check out this video to learn more about the fellowship program or check out one of our program's alumni being interviewed by CBS This Morning!

I'm reaching out to you because I think Town of Hillsborough would make a great host site for a Lead for North Carolina Fellow and your jurisdiction is eligible to receive a subsidy to host a fellow. Thanks to the generosity of our funders (most notably the State Employees' Credit Union Foundation, AmeriCorps, The Anonymous Trust, Z. Smith Reynolds Foundation, and State Farm), we provide subsidies to all participating local government host sites. For the most distressed communities, the cost to host a Lead for NC Fellow is as low as $10,000. ***Again, the most distressed communities will receive significant subsidies to hire a full time fellow to increase your government's capacity and work on projects you've identified as a priority in your organization.*** The exact subsidy amount will be determined based on the total need of the jurisdictions that apply. Fellows receive a living stipend and competitive benefits from UNC-Chapel Hill while working at your organization.

Our fellows have been working on a range of projects from helping local governments navigate ARP funding to ADA compliance. Some of our fellows are housed in the manager's office while other fellows work in departments like public works, planning and zoning, or parks and recreation. ***Please consider forwarding this message to your department heads!*** Last year's cohort of fellows already secured over $72,000,000 in grants to support key community initiatives. Our managers estimated cost savings for the jurisdiction at $1.8 million because of their work. I encourage you to learn more about the work these young people are doing by checking out this impact report.

This year we are targeting up to 12 jurisdictions for a finance-specific track. Fellows will train and receive ongoing support from UNC School of Government Faculty members Kara Millonzi and Rebecca Badgett on finance-related projects. Fellows will receive a toolkit of best financial policies and practices, especially as it relates to compliance with ARP funding. These Lead for NC Fellows will address significant needs in finance offices.

I hope you will consider hosting a fellow. There are plenty of young people that would greatly benefit from working under your leadership next year.

The deadline to apply is February 8, 2022. The application only takes five minutes to complete. You can access the application here. (bit.ly/hostLeadforNC)

Please navigate to these links to access an informational flyer and a frequently asked questions webpage for you to consider. We will be hosting optional informational sessions on the following dates: Come learn more about what Lead for North Carolina can do for your local government!

Please let me know if you have any questions or concerns or if you want to find a time to discuss our fellowship program (russell@sog.unc.edu). Thank you for everything you do in service of our state and local communities.

Best,

Dylan Russell
Executive Director
Lead for North Carolina
UNC School of Government at Chapel Hill