

# CAPITAL PLANNING

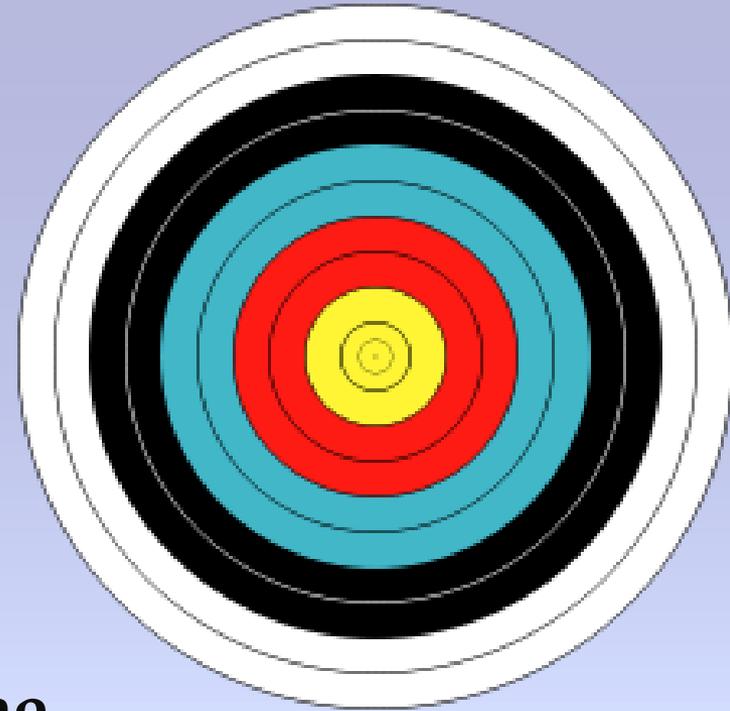
A Multiyear View of Capital Needs and  
Funding Sources



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# Goals

1. Identify achievable capital asset plan
2. Balance capital priorities & fiscal constraints
3. Maintain and improve Town capital assets over time by creating a framework for setting priorities
4. Include all assets with a significant life
5. Comply with capital planning guidelines established by the State Comptroller's Office
6. Utilize debt only for other-than-routine needs

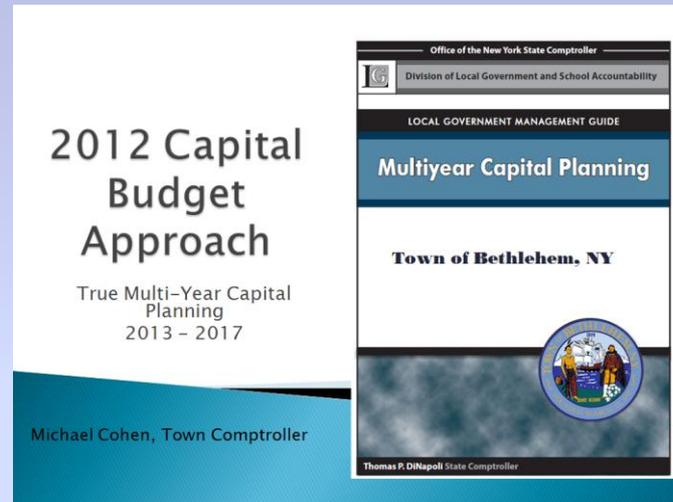


# Process

- Identified assets and expenditures to include
  - All assets with an asset life > 1 year and a cost > \$1,000
- Developed data and information requirements for informed decision making
  - Individual “Capital Equipment Request and Estimate of Cost” form (created by OSC) used for each purchase/Project
- Participants
  - Department Heads submitted capital needs
  - Requests evaluated and compiled by the Town Comptroller’s and Town Supervisor’s Offices
- 5-Year capital planning period
  - As recommended by the State Comptroller
- Financing Method Detailed
  - Operating Funds, Capital Reserve, Debt or Grants
- Debt Service Costs Projected
  - Effect on Bethlehem’s debt limit calculated
  - Results are plugged into multiyear financial projections

# Why this Process?

- July 25 presentation on evolution of Bethlehem's capital planning process:



- State Comptroller's Model used; addressing previous OSC audit comments
- Links operating expenditures, reserves and debt service estimates to multiyear financial projection (to be presented with tentative budget on Monday, Sept 24)

# Overall Summary

## CAPITAL PLAN SUMMARY

Fund	Submitted	Draft Plan					
	2012 Plan	2013	2014	2015	2016	2017	2018 ->
General Fund	\$ 539,000	\$ 812,500	\$ 1,221,000	\$ 373,000	\$ 146,500	\$ 272,500	\$ -
Highway Fund	1,052,500	2,324,000	1,954,000	1,404,000	1,104,000	1,404,000	-
Water Fund	2,713,300	4,592,517	5,395,000	4,015,000	2,160,000	1,058,000	4,250,000
Sewer Fund	2,091,000	6,550,983	1,776,000	2,174,000	3,331,000	1,898,000	5,800,000
<b>TOTAL</b>	<b>\$6,395,800</b>	<b>\$ 14,280,000</b>	<b>\$ 10,346,000</b>	<b>\$ 7,966,000</b>	<b>\$ 6,741,500</b>	<b>\$ 4,632,500</b>	<b>\$ 10,050,000</b>
Operating	\$1,310,373	\$ 1,452,000	\$ 1,337,000	\$ 1,276,000	\$ 1,076,500	\$ 1,317,500	\$ -
Capital Reserve	1,363,500	2,252,500	1,035,000	955,000	300,000	225,000	-
Debt	3,721,927	5,250,000	6,414,000	5,735,000	5,365,000	3,090,000	10,050,000
<b>Grant 100 % Funded</b>	<b>-</b>	<b>5,325,500</b>	<b>1,560,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cost Equip. &amp; Projects</b>	<b>\$6,395,800</b>	<b>\$ 14,280,000</b>	<b>\$ 10,346,000</b>	<b>\$ 7,966,000</b>	<b>\$ 6,741,500</b>	<b>\$ 4,632,500</b>	<b>\$ 10,050,000</b>
<b>Total w/o Grant Funded</b>	<b>\$6,395,800</b>	<b>\$ 8,954,500</b>	<b>\$ 8,786,000</b>	<b>\$ 7,966,000</b>	<b>\$ 6,741,500</b>	<b>\$ 4,632,500</b>	<b>\$ 10,050,000</b>

# Large Projects

Fund	Description of Project	Classification Types	Total Estimated Cost	Cost Schedule 5-Year Period	Recommended/Scheduled for 5-Yr. Period						Cost to Complete After 5th Year	
					Est. PPU	1st Year (2013)	2nd Year (2014)	3rd Year (2015)	4th Year (2016)	5th Year (2017)		
GF	Sidewalks Safe Routes to School Pgrm. Delmar place/Fernbanks (Grant)	Health & Safety	\$500,000	500,000	30	100,000	400,000					
GF	Sidewalks Safe Routes to School Pgrm. Delmar place/Fernbanks (Debt)	Health & Safety	189,000	189,000	30	-	189,000					
HF	Uncompleted FEMA projects including Interceptor sewer repairs,Waste Water Treatment plant Headworks bypass, Van Weis point stabilization-Hwy (Grant)	Health & Safety	800,000	720,000	15	720,000						
HF	Pavement Re-Surfacing (Operating)	Prevent Maint	2,150,000	2,150,000	12	230,000	330,000	430,000	530,000	630,000		
HF	Pavement Re-Surfacing (Debt)	Prevent Maint	1,500,000	1,500,000	12	500,000	400,000	300,000	200,000	100,000		
WF	Pilot testing & Addition of pre-treatment process and plant upgrades, including: pilot testing, pre-treatment (aeration, clarification, site work, building), raw water reservoir dredging & disposal, raw water main pigging, filter re-coating, filter/clarifier media replacement, backwash lagoon rehab (Debt)	Compliance	8,000,000	8,000,000	40	1,000,000	4,000,000	2,000,000	1,000,000			
WF	Rehabilitation and recoating of existing water storage tanks (Debt)	Health & Safety	1,250,000	1,250,000	20	50,000	250,000	250,000	250,000	450,000	1,500,000	
WF	Looping and replacement of aging water mains to improve water quality and reduce outages. Various locations. (Debt)	Health & Safety	2,300,000	2,300,000	40	300,000	500,000	500,000	500,000	500,000	2,750,000	
WF	New Salem Transmission Main - Already Approved. (Debt)	Health & Safety	1,700,000	1,650,000	40	1,650,000						
SF	Pump Station Rehabilitation - Already Approved to \$1.5M (Debt)	Health & Safety	5,800,000	5,700,000	30	1,400,000	100,000	1,400,000	1,400,000	1,400,000		
SF	Grant funded Sewer improvements from Cherry Ave. Ext. to Borthwick to trunk sewer near the Gables. 100% DASNY Grant funded	Health & Safety	3,000,000	2,950,000	30	1,950,000	1,000,000					
SF	Uncompleted FEMA projects including Interceptor sewer repairs,Waste Water Treatment plant Headworks bypass, Van Weis point stabilization-Hwy (Grant)	Health & Safety	2,000,000	1,800,000	40	1,800,000						
SF	Installation of primary clarifiers at WWTP; odor control and Chlorine Contact Tanks (Debt)	Prevent Maint	-	-							5,800,000	
SF	Implementation of system wide SCADA system on sewer pump stations, radio network for water and sewer facilities. Financing approved; in construction (Capital Reserves)	Replacement of Aged & Obsolete Equip	1,194,000	838,483	15	838,483						
Total Large Projects							10,538,483	7,169,000	4,880,000	3,880,000	3,080,000	10,050,000
Total Plan Projects							14,280,000	10,346,000	7,966,000	6,741,500	4,632,500	10,050,000

# Discretionary Investments for Consideration (not in draft plan)

Fund	Total	2013	2014	2015	2016	2017
Delaware Avenue Revitalization	\$ 2,500,000	\$500,000	\$1,750,000	\$ 250,000		
Sidewalk Improvement Feura Bush Rd	\$ 3,000,000	600,000	2,100,000	300,000		
Sidewalk Maintenance for existing	\$ 1,250,000	250,000	250,000	250,000	250,000	250,000
Roundabout 9W & Feura Bush	\$ 1,500,000				1,500,000	
Selkirk Bypass	\$25,000,000			5,000,000	20,000,000	
Hwy Garage Expansion per facility needs assessment	\$ 5,000,000			5,000,000		
DPW Field Operations Garage Split 50/50 WF/SF	\$ 2,550,000			50,000	750,000	1,750,000

# Debt Limit

- In New York State, debt limits constrain the amount of debt local governments can incur
- Towns face a statutory limit on debt which is a percentage of the full value of taxable property
  - Calculated on a five-year average full value; debt for water supply/distribution is excluded
- Estimated percentage of debt limit used (based on Capital Plan as presented):
  - 2013 - 5.26%
  - 2014 - 5.64%
  - 2015 - 6.17%
  - 2016 - 7.20%
  - 2017 - 7.58%
- Bethlehem's debt limit situation is very positive
  - Our financial advisor's opinion is that we are below the average of most Towns.

# Feedback

- Budget workshop will be held on October 11<sup>th</sup> to discuss the capital plan
  - Board members should reach out to department heads with questions on specific projects
- We would like your feedback
  - Does this approach help prioritize?
  - Are there areas that you would like to scale back, delete or add?

