

2014 - 2018 TENTATIVE CAPITAL PLAN

Multiyear View of Capital Investment and
Funding Sources



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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 Office
- **5-Year capital planning period**
 - As recommended by the State Comptroller
- **Financing Identified**
 - 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

Infrastructure and Civic Improvements

- **The capital projection anticipates major infrastructure and community enhancement projects**
 - Clapper Road Water Treatment Plant Pre Treatment Process and Plant Upgrades (\$8M Town Cost)
 - Pump Station Rehabilitation (\$4.8M)
 - Phase I of Interceptor Sewer Project (\$2.95M/\$0 Town Cost)
 - Phase II of Interceptor Sewer Project – EFC Special Interest Rate Loan (\$2.6M)
 - Replacement of Bar Screens in Sewer Plant (\$1.6M)
 - Safe Routes to School – Delmar Place/Fernbank (\$878K/\$378K Town Cost)
 - Fuera Bush Road Sidewalk (\$1.3M)
 - Delaware Avenue Enhancement (\$3.1M/\$700K Town Cost)

Borrowing for Asphalt

- In 2009, the Town budgeted to begin borrowing for the annual paving costs; roughly \$700K per year.
- Subsequently, the Town determined that we should not borrow for costs that are both regular and recurring.
- For the 2012 budget, the Town began reducing this borrowing.
 - The intention was to decrease borrowing by \$100K per year until the Town was no longer funding asphalt via debt.
 - The operating fund would be paying for all current materials by 2019 with current dollars.
- The capital projection accelerates this process by one year; so that the operating fund is covering all current materials by 2018.

Big Picture

CAPITAL PLAN SUMMARY

Fund			2014 Draft Plan				
	2013 Plan	2013 To Date*	2014	2015	2016	2017	2018
General Fund	\$ 812,500	\$ 589,562	\$ 1,681,400	\$ 2,184,000	\$ 3,495,500	\$ 247,500	\$ 138,500
Highway Fund	2,324,000	793,645	2,127,000	1,126,000	1,216,000	1,856,000	1,764,000
Water Fund	4,592,517	1,548,565	4,472,517	3,785,500	3,747,500	4,229,500	2,287,500
Sewer Fund	6,550,983	757,834	4,244,500	4,116,000	2,481,000	1,935,000	2,260,000
TOTAL	\$ 14,280,000	\$ 3,689,606	\$ 12,525,417	\$ 11,211,500	\$ 10,940,000	\$ 8,268,000	\$ 6,450,000
Operating			\$ 1,053,650	\$ 661,500	\$ 815,000	\$ 1,052,000	\$ 1,361,750
Capital Reserve			1,296,517	1,580,000	90,000	140,000	15,000
Debt			6,555,000	8,003,000	7,609,000	6,759,000	4,750,000
Grant			3,620,250	967,000	2,426,000	317,000	323,250
Total Cost Equip. & Projects			\$ 12,525,417	\$ 11,211,500	\$ 10,940,000	\$ 8,268,000	\$ 6,450,000
Total w/o Grant Funded			\$ 8,905,167	\$ 10,244,500	\$ 8,514,000	\$ 7,951,000	\$ 6,126,750

* "To Date" is through August 31, 2013 and assumes all engineering costs relate to capital projects.

2014-2018 Large Projects

Fund	Description of Project	Classification Types	Total Estimated Cost	Cost of Work - Prior Years	Cost Schedule 5-Year Period	Recommended/Scheduled for 5-Yr. Period					
						Est. PPU	1st Year (2014)	2nd Year (2015)	3rd Year (2016)	4th Year (2017)	5th Year (2018)
GF	Sidewalks Safe Routes to School Pgrm. Delmar place/Fernbanks (Grant)	Health & Safety	\$500,000		500,000	10		500,000			
GF	Sidewalks Safe Routes to School Pgrm. Delmar place/Fernbanks (Debt)	Health & Safety	378,000	189,000	189,000	10	-	189,000			
GF	Glenmont to Elm Ave Feura Bush Sidewalk (Debt)	Service	1,304,300	54,300	1,250,000	10	575,000	675,000			
	Delaware Ave Enhancement - Engineering (Grant)	Replacement of Aged & Obsolete Equip	300,000		300,000	10	150,000	150,000			
	Delaware Ave Enhancement - (Grant)		2,100,000		2,100,000	10			2,100,000		
GF	Delaware Ave Enhancement - (Debt)		700,000		700,000	10			700,000		
HF	Annual Pavement Program - (Operating)	Prevent Maint	1,393,000		1,393,000	12	80,000	180,000	280,000	380,000	473,000
HF	Annual Pavement Program - Chips (Grant)	Prevent Maint	1,585,000		1,585,000	12	317,000	317,000	317,000	317,000	317,000
HF	Annual Pavement Program (Debt)	Prevent Maint	850,000		850,000	12	340,000	255,000	170,000	85,000	-
HF	Replace existing 48" culvert - Krumkill Road(Debt)	Health & Safety	445,000		445,000	30	20,000		75,000	350,000	
HF	Borthwick Ave. reconstruction - in conjunction w/ DASNY sewer Prjt. (Debt)	Health & Safety	400,000		400,000	12	400,000				-
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/clari	Compliance	8,000,000		8,000,000	40	1,000,000	1,000,000	2,000,000	3,000,000	1,000,000
WF	Mandated improvements and repairs to dam facilities and reservoir to comply with NYSDEC regs. (Debt)	Compliance	1,795,000	150,000	1,645,000	40	410,000	700,000	535,000		
WF	Rehab & recoating of existing water storage tanks (Debt)	Health & Safety	1,700,000		1,700,000	20	250,000	250,000	250,000	450,000	500,000
WF	Replacement of PLC's and controllers for communication between SCADA and existing equipment at Dinmore Road and CRWTP(Capital Reserve)	Replacement of Aged & Obsolete Equip	400,000	150,000	250,000	10	250,000				
WF	Looping and replacement of aging water mains to improve water quality and reduce outages. (Debt)	Health & Safety	3,295,000	120,000	3,175,000	40	650,000	725,000	600,000	600,000	600,000
WF	New Salem Transmission Main - Already Approved. (Debt)	Health & Safety	1,700,000	950,000	750,000	40	750,000				
SF	Pump Station Rehab - Already Approved to \$1.5M (Debt)	Health & Safety	4,800,000	150,000	4,650,000	30	1,350,000	150,000	1,500,000	150,000	1,500,000
SF	Clarifier Re-build(Debt)	Health & Safety	415,000		415,000	50	55,000	360,000			
SF	Paving at WWTP(Capital Reserve)	Prevent Maint	400,000		400,000	12		400,000			
SF	As recommended in master plan - Roof replacement; breaker upgrade(Debt)	Prevent Maint	580,000		580,000	30		580,000			
SF	Replace bar screens at WWTP(Debt)	Health & Safety	1,600,000		1,600,000	15			200,000	1,400,000	
SF	Long term financing through EFC obtained to complete phase II of the N. Bethlehem Forcemain and Interceptor Sewer project (Debt)	Health & Safety	2,600,000		2,600,000	30		2,600,000			
SF	Grant funded Sewer improvements from Cherry Ave. Ext. to Borthwick to trunk sewer near the Gables. (Grant)	Health & Safety	2,950,000	375,000	2,575,000	30	2,575,000				

Total Large Projects 9,172,000 9,031,000 8,727,000 6,732,000 4,390,000

Total Plan Projects 12,525,417 11,211,500 10,940,000 8,268,000 6,450,000

2013-2017 For Comparison (Large Projects)

Fund	Description of Project	Classification Types	Total Estimated Cost	Cost Schedule 5-Year Period	Recommended/Scheduled for 5-Yr. Period					
					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/clari	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
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
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	-	-						
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
Total Plan Projects	14,280,000	10,346,000	7,966,000	6,741,500	4,632,500

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 as well as board approved sewer exclusions.
- Estimated percentage of debt limit used (based on Capital Plan as presented):
 - 2013 - 4.95%
 - 2014 - 5.56%
 - 2015 - 6.01%
 - 2016 - 7.27%
 - 2017 - 7.65%
 - 2018 - 8.22%
- Bethlehem's debt limit situation is very positive
 - Our financial advisor's opinion is that we are below the average of most Towns.
- Nowhere near the State Comptroller's warning threshold.