

2015 – 2019 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
- **Participants**
 - Department heads submitted capital needs
 - Engineering division identified the status of ongoing projects, as well as those that are anticipated.
 - All requests were 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 (\$4.98M Town Cost)
 - Replacement and looping of water mains in various locations (\$3.65M Town Cost)
 - Dam Safety Mandate NYSDEC (\$2M Town Cost)
 - Rehab Existing Water Storage Tanks (\$1.7M Town Cost)
 - North Bethlehem/Interceptor Sewer Project (\$5.6M/\$2.6 Subsidized financing through NYS EFC)
 - Waste Water treatment Plant Improvements (\$2M/\$1.5M Town Cost)
 - Safe Routes to School - Delmar Place/Fernbank (\$689K/\$189K in kind services)
 - Delaware Avenue Streetscape Improvements (\$3.1M/\$1.8M Town Cost)
 - Feura Bush Road Sidewalk (\$520K/\$420K Town Cost)

Borrowing for Asphalt

- In 2009, the Town budgeted to begin borrowing for the annual paving costs; roughly \$780K 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 plan now utilizes reserves to cover the operating shortfall for the cost of asphalt through 2017.
 - No borrowing or ongoing debt service costs for future materials purchases!

Big Picture

CAPITAL PLAN SUMMARY

Fund			2015 Draft Plan				
	2014 Plan	2014 To Date*	2015	2016	2017	2018	2019
General Fund	\$ 1,681,400	\$ 869,656	\$ 2,191,700	\$ 3,607,660	\$ 529,362	\$ 185,359	\$ 158,896
Highway Fund	2,127,000	570,679	1,604,000	1,467,000	1,867,000	1,695,000	1,210,000
Water Fund	4,472,517	1,066,199	3,940,500	5,006,000	4,801,000	2,436,000	2,471,000
Sewer Fund	4,244,500	1,595,304	3,213,500	3,190,000	1,760,000	660,000	1,510,000
TOTAL	\$12,525,417	\$ 4,101,838	\$10,949,700	\$13,270,660	\$8,957,362	\$4,976,359	\$5,349,896
Operating			\$ 1,148,700	\$ 877,660	\$ 753,362	\$ 807,109	\$ 822,896
Capital Reserve			4,664,000	590,000	260,000	175,000	25,000
Debt			2,570,000	10,365,000	7,627,000	3,671,000	4,185,000
Grant			2,567,000	1,438,000	317,000	323,250	317,000
Total Cost Equip. & Projects			\$10,949,700	\$13,270,660	\$8,957,362	\$4,976,359	\$5,349,896
Total w/o Grant Funded			\$ 8,382,700	\$11,832,660	\$8,640,362	\$4,653,109	\$5,032,896

* Through September 9, 2014, including encumbrances, and assumes all engineering costs are related to capital projects.

Original Projection/Updated

<u>CAPITAL PLAN SUMMARY</u>					
	2015 Original Projection				
	2015	2016	2017	2018	2019
Operating	\$ 1,148,700	\$ 877,660	\$ 753,362	\$ 807,109	\$ 822,896
Capital Reserve	2,269,000	590,000	260,000	175,000	25,000
Debt	4,965,000	10,365,000	7,627,000	3,671,000	4,185,000
Grant	2,567,000	1,438,000	317,000	323,250	317,000
Total Cost Equip. & Projects	\$10,949,700	\$13,270,660	\$ 8,957,362	\$ 4,976,359	\$ 5,349,896
Total w/o Grant Funded	\$ 8,382,700	\$11,832,660	\$ 8,640,362	\$ 4,653,109	\$ 5,032,896
<u>CAPITAL PLAN SUMMARY</u>					
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Total w/o Grant Funded	\$ 8,382,700	\$11,832,660	\$ 8,640,362	\$ 4,653,109	\$ 5,032,896
<u>CAPITAL PLAN SUMMARY</u>					
	Difference from 2015 original projection to updated projections				
	2015	2016	2017	2018	2019
Operating	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve	2,395,000	-	-	-	-
Debt	(2,395,000)	-	-	-	-
Grant	-	-	-	-	-
Total Cost Equip. & Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Total w/o Grant Funded	\$ -	\$ -	\$ -	\$ -	\$ -

* Through September 9, 2014, including encumbrances, and assumes all engineering costs are related to capital projects.

2015-2019 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 (2015)	2nd Year (2016)	3rd Year (2017)	4th Year (2018)	5th Year (2019)	
GF	Sidewalks Safe Routes to School Pgrm. Delmar place/Fernbanks (Operating)	Health & Safety	\$189,000	189,000	-							
	Sidewalks Safe Routes to School Pgrm. Delmar place/Fernbanks (Grant)		\$500,000		500,000	10	500,000					
GF	Glenmont to Elm Ave Feura Bush Sidewalk (Grant)	Service	\$100,000	100,000	-	10						
	Glenmont to Elm Ave Feura Bush Sidewalk (Capital Res.)		\$69,000	69,000	-							
	Glenmont to Elm Ave Feura Bush Sidewalk (Capital Res.)	Service	\$350,000	100,000	250,000	10	250,000					
GF	Delaware Ave Enhancement - Town Share (Debt)	Replacement of	\$1,800,000		1,800,000	10		1,800,000				
	Delaware Ave Enhancement - (Grant)		\$1,200,000		1,200,000	10	250,000	950,000				
	Delaware Ave Enhancement - (Use of LGPEP \$)		\$100,000		100,000	10		100,000				
HF	Annual Pavement Program - (Operating)	Prevent Maint	\$1,786,000	N/A	1,786,000	12	180,000	280,000	380,000	473,000	473,000	
HF	Annual Pavement Program - Chips (Grant)	Prevent Maint	\$1,585,000	N/A	1,585,000	12	317,000	317,000	317,000	317,000	317,000	
HF	Annual Pavement Program (Capital Res.)	Prevent Maint	\$510,000	N/A	510,000	12	255,000	170,000	85,000	-	-	
WF	Borthwick Ave. reconstruction - in conjunction w/ DASNY sewer Pjrt. (Capital Res.) Note: \$70k General Fund sidewalks	Health & Safety	\$545,000		545,000	12	545,000				-	
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 (Debt)	Compliance	\$8,170,000	170,000	8,000,000	40	1,000,000	2,000,000	3,000,000	1,000,000	1,000,000	
	Dam Safety Engineering portion- (Capital Res.)		\$534,000		534,000		459,000	75,000				
WF	Mandated improvements and repairs to dam facilities and reservoir to comply with NYSDEC regs. (Debt)	Compliance	\$1,550,000	150,000	1,400,000	40	-	-	820,000		580,000	
WF	Rehab & recoating of existing water storage tanks (Debt)	Health & Safety	\$1,505,000		1,505,000	20	-	585,000	195,000	640,000	85,000	
WF	Rehab & recoating of existing water storage tanks (Capital Res.)	Health & Safety	\$205,000		205,000	20	205,000					
WF	Looping and replacement of aging water mains to improve water quality and reduce outages. (Debt)	Health & Safety	\$3,245,000	120,000	3,125,000	40	-	1,325,000	600,000	600,000	600,000	
WF	Looping and replacement of aging water mains to improve water quality and reduce outages. (Capital Res.)	Health & Safety	\$410,000	410,000	-	40						
WF	NSWTP transmission & Clarifier Re-build(Debt)	Health & Safety	\$750,000		750,000	40	750,000					
SF	Pump Station Rehab - Already Approved to \$1.5M (Debt)	Health & Safety	\$4,404,017	1,404,017	3,000,000	30	-	-	1,500,000	-	1,500,000	
	Pump Station Rehab - Engineering portion (Capital Res.)		\$570,983	95,983	475,000		175,000	150,000		150,000		
SF	WWTP improvements- including Clarifier Re-build, Roof replacement & Bar screens (Debt)	Health & Safety	\$635,000	55,000	580,000	50	-	380,000	200,000			
	WWTP Headworks bypass (Grant FEMA)	Health & Safety	\$475,000		475,000		475,000					
SF	Paving at WWTP(Capital Reserve)	Prevent Maint	\$950,000		950,000	12	850,000	50,000	50,000			
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	NYS Capital Assistance Grant (DASNY) North Bethlehem Sewer Improv. Project Phase I (Grant)	Health & Safety	\$2,950,000	1,950,000	1,000,000	30	1,000,000					
Total Large Projects								7,211,000	10,782,000	7,147,000	3,180,000	4,555,000
Total Plan Projects								10,949,700	13,270,660	8,957,362	4,976,359	5,349,896

2014-2018 For Comparison (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

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):
 - 2014 - 4.40%
 - 2015 - 4.39%
 - 2016 - 5.26%
 - 2017 - 5.94%
 - 2018 - 5.89%
 - 2019 - 6.11%
- 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.

Comparison to Prior Projection by Fund

CAPITAL PLAN SUMMARY					
	2015 Draft Plan				
Fund	2015	2016	2017	2018	2019
General Fund	\$ 2,191,700	\$ 3,607,660	\$ 529,362	\$ 185,359	\$ 158,896
Highway Fund	1,604,000	1,467,000	1,867,000	1,695,000	1,210,000
Water Fund	3,940,500	5,006,000	4,801,000	2,436,000	2,471,000
Sewer Fund	3,213,500	3,190,000	1,760,000	660,000	1,510,000
TOTAL	\$ 10,949,700	\$ 13,270,660	\$ 8,957,362	\$ 4,976,359	\$ 5,349,896
	Capital Plan original projection from 2014				
Fund	2015	2016	2017	2018	2019
General Fund	\$ 2,184,000	\$ 3,495,500	\$ 247,500	\$ 138,500	
Highway Fund	1,126,000	1,216,000	1,856,000	1,764,000	
Water Fund	3,785,500	3,747,500	4,229,500	2,287,500	
Sewer Fund	4,116,000	2,481,000	1,935,000	2,260,000	
TOTAL	\$ 11,211,500	\$ 10,940,000	\$ 8,268,000	\$ 6,450,000	\$ -
	Difference from 2014 original projection to proposed 2015 projections				
Fund	2015	2016	2017	2018	2019
General Fund	\$ 7,700	\$ 112,160	\$ 281,862	\$ 46,859	N/A
Highway Fund	478,000	251,000	11,000	(69,000)	N/A
Water Fund	155,000	1,258,500	571,500	148,500	N/A
Sewer Fund	(902,500)	709,000	(175,000)	(1,600,000)	N/A
TOTAL	\$ (261,800)	\$ 2,330,660	\$ 689,362	\$(1,473,641)	N/A

Results

- Through careful planning, projects considered as essential and desirable have been identified on the capital plan.
- Many of these projects highlighted in previous Capital Plan projections have come to fruition.
- The Capital plan enables us to adjust more effectively to developing needs and identifying funding sources that best serve the Town.
- Leveraging alternative funding programs and strategies to subsidize costs to the Town are essential in completing these projects and allow us to utilize less debt.

Van Dyke/Meads Lane Intersection Project



Through use of a mixed Federal, State, Private and Town funding, including in house labor, we have been able to execute projects for a much lower cost to the Town.

- \$956K Project Estimate (Town Cost through Debt)
- \$100K Actual Town Cost
 - Meads Lane portion completed by Town workforce
 - Van Dyke portion
 - \$556K Federal and State Funding
 - \$50K Developer contribution
 - \$100K Town Cost through Debt

Questions

