

# 2016 – 2020 TENTATIVE CAPITAL PLAN

Five Year \$45.8 Million Plan  
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
    - Fixed Assets can be defined as a “long-term piece of property, which is not expected to be consumed or converted into cash any sooner than at least one year’s time.”
- **Participants**
  - Department heads submitted capital needs
  - Engineering identified status of ongoing and anticipated projects
  - All requests compiled and evaluated by Comptroller’s Office
- **5-Year capital planning**
  - Meets and exceeds the State Comptroller guidelines.
  - No other capital region municipality performs full process
- **Financing Identified**
  - Operating Funds, Capital Reserve, Parkland Set Aside, Debt or Grants
- **Debt Service Costs Projected**
  - Effect on Bethlehem’s debt limit calculated
  - Results are plugged into multiyear financial projections

# \$45.8 Million 5 Year Capital Plan

## CAPITAL PLAN SUMMARY

Fund	Orig. 2015 Plan	Actual	2016 Draft Plan				
		2015 To Date*	2016	2017	2018	2019	2020
General Fund	\$ 2,191,700	\$ 838,326	\$ 2,785,600	\$ 2,631,862	\$ 214,359	\$ 228,896	\$ 188,974
Highway Fund	1,604,000	825,184	1,881,500	1,047,000	1,140,000	940,000	1,689,000
Water Fund	3,940,500	2,063,825	4,323,500	5,237,500	5,785,000	4,458,000	4,461,000
Sewer Fund	3,213,500	5,331,841	4,079,500	740,000	2,210,000	310,000	1,650,000
<b>TOTAL</b>	<b>\$ 10,949,700</b>	<b>\$ 9,059,175</b>	<b>\$ 13,070,100</b>	<b>\$ 9,656,362</b>	<b>\$ 9,349,359</b>	<b>\$ 5,936,896</b>	<b>\$ 7,988,974</b>
Operating			\$ 1,435,100	\$ 919,862	\$ 908,359	\$ 886,646	\$ 842,974
Capital Reserve			2,438,000	721,500	84,000	196,000	30,000
Parkland Set aside			85,000	45,000	50,000	50,000	50,000
Debt			7,090,000	7,542,000	7,990,000	4,481,000	6,749,000
<b>Grant</b>			<b>2,022,000</b>	<b>428,000</b>	<b>317,000</b>	<b>323,250</b>	<b>317,000</b>
<b>Total Cost Equip. &amp; Projects</b>			<b>\$ 13,070,100</b>	<b>\$ 9,656,362</b>	<b>\$ 9,349,359</b>	<b>\$ 5,936,896</b>	<b>\$ 7,988,974</b>
<b>Total w/o Grant Funded</b>			<b>\$ 11,048,100</b>	<b>\$ 9,228,362</b>	<b>\$ 9,032,359</b>	<b>\$ 5,613,646</b>	<b>\$ 7,671,974</b>

\*Includes actual through September 4, 2015, purchase orders/encumbrances of \$4.4M, and assumes all engineering costs are related to capital projects.

# Infrastructure and Civic Improvements

- **Major infrastructure and community enhancement projects**
  - Clapper Road Water Treatment Plant Pre Treatment Process and Plant Upgrades (\$9.4M)
  - Pump Station Rehabilitation/Replacement (\$3.0M)
  - Replacement and looping of water mains in various locations (\$3.2M)
  - New Salem Water Plant Improvements (\$5M)
  - Dam Safety Mandate NYSDEC (\$1.7M)
  - Rehab Existing Water Storage Tanks (\$1.6M)
  - North Bethlehem/Interceptor Sewer Project (\$5.6M/\$2.6 Subsidized financing through NYS EFC)
  - Annual Paving Program (\$3.9M/\$1.6M State Aid)
  - Delaware Avenue Streetscape (\$3.1M/\$1.2M Grant/\$100K LGPEP Award)
  - Sidewalks
    - Safe Routes to School - Delmar Place/Fernbank Ave. Sidewalk (\$689K/\$500K Grant/ \$189K In Kind Services)
    - Feura Bush Road Sidewalk (\$355K/\$90K LGPEP Award)
    - Maple Ave Sidewalk 2015 (\$150K/\$50K LGPEP Award)
    - Sidewalk maintenance funding from reserves increased to \$30K annually

# 2016-2020 Large Projects

(minimum \$425K)

Fund	Description of Project	Classification Types	Total Estimated Cost	Cost of Work - Prior Years	Cost Schedule 5-Year Period	Est. PPU	Recommended/Scheduled for 5-Yr. Period				
							1st Year (2016)	2nd Year (2017)	3rd Year (2018)	4th Year (2019)	5th Year (2020)
GF	Replacement of Police Vehicles	Obsolete	\$506,040	N/A	506,040	5	94,450	99,862	101,859	103,896	105,974
GF	Sidewalks Safe Routes to School Pgrm. Delmar place/Fernbanks (Grant)	Safety	\$689,000	189,000	500,000	10	500,000				
GF	Glenmont Plaza/Wemple Feura Bush Sidewalk-(LGPEP)	Service	\$100,000	10,000	90,000	10		90,000			
	Glenmont to Elm Ave Feura Bush Sidewalk-Engineering (Capital Res.)		\$59,000	44,000	15,000	10	15,000				
	Glenmont to Elm Ave Feura Bush Sidewalk (Capital Res.)		\$350,000	100,000	250,000	10		250,000			
GF	Delaware Ave Enhancement-(Grant)	Obsolete	\$1,200,000	250,000	950,000	10	950,000				
	Delaware Ave Enhancement-(Debt)		\$1,800,000		1,800,000	10	-	1,800,000			
	Delaware Ave Enhancement - (Use of LGPEP \$)		\$100,000		100,000	10		100,000			
HF	Annual Pavement Program - (Operating)	Prevent Maint	\$2,079,000	N/A	2,079,000	12	280,000	380,000	473,000	473,000	473,000
	Annual Pavement Program - Chips (Grant)		\$1,585,000		1,585,000	12	317,000	317,000	317,000	317,000	317,000
	Annual Pavement Program (Capital Res.)		\$255,000		255,000	12	170,000	85,000			
HF	Krumkill Road Culvert	Safety	\$425,000		425,000	30	425,000	-			
HF	Machinery Replace Sweeper #95 & #94 & #45	Obsolete	\$595,000	N/A	595,000	15	595,000				
WF	Rehab & recoating of existing water storage tanks (Debt)	Safety	\$1,621,000		1,621,000	20	120,000	140,000	640,000	121,000	600,000
WF	Dam Safety Improvements (Debt)	Compliance	\$1,750,000	150,000	1,600,000	40	195,000	945,000		460,000	
	Dam Safety Improvements (Capital Reserve)		\$60,000		60,000	40	13,500	26,500	4,000	16,000	
WF	NSWTP transmission & Clarifier Re-build(Debt)	Safety	\$5,000,000	-	5,000,000	20	750,000		1,250,000	1,000,000	2,000,000
WF	CRWTP - Pre-treatment and plant rehab	Compliance	\$9,570,000	170,000	9,400,000	40	400,000	3,000,000	3,000,000	2,000,000	1,000,000
WF	CRWTP / Dinmore - PLC and Controller replacement	Obsolete	\$400,000		400,000	5	400,000				
WF	CRWTP - Wellfield	Obsolete	\$750,000		750,000	40	750,000				
WF	Looping and replacement of aging water mains to improve water quality and reduce outages. (Debt)	Safety	\$4,210,000	1,210,000	3,000,000	40	600,000	600,000	600,000	600,000	600,000
SF	Pump Station Rehabilitation	Safety	\$4,404,017	1,404,017	3,000,000	30		0	1,500,000	0	1,500,000
	Pump Station Rehabilitation-Engineering		\$300,000		300,000			150,000		150,000	
	Pump Station Rehabilitation-Hammagrael		\$140,000		140,000		140,000				
SF	Force Main Rehabilitation	Obsolete	\$750,000		750,000	30	150,000	150,000	150,000	150,000	150,000
SF	North Bethlehem Sewer Improvements (EFC)	Safety	\$5,175,000	2,575,000	2,600,000	30	2,600,000				
SF	WWTP - North & South Clarifiers	Safety	\$600,000		600,000	50	600,000				
SF	WWTP - Roof Replacement and Electrical Repair	Prevent Maint	\$580,000		580,000	30	200,000	380,000			
SF	Pump Gallery Improvements	Obsolete	\$500,000		500,000	10			500,000		
Large Project Count			19		Total Large Projects		\$10,264,950	\$8,513,362	\$8,535,859	\$5,390,896	\$6,745,974
Total Plan Projects			117		Total Plan Projects		\$12,975,100	\$9,656,362	\$9,349,359	\$5,786,896	\$7,988,974
% of Total Plan			16.24%		% of Total Plan		79.11%	88.16%	91.30%	93.16%	84.44%

# 2015-2019 Large Projects

Fund	Description of Project	Classification Types	Total Estimated Cost	Cost of Work - Prior Years	Cost Schedule 5-Year Period	Est. PPU	Recommended/Scheduled for 5-Yr. Period				
							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				
	Glenmont to Elm Ave Feura Bush Sidewalk (Grant)	Service	\$100,000	100,000	-	10					
GF	Glenmont to Elm Ave Feura Bush Sidewalk (Capital Res.)		\$69,000	69,000	-						
	Glenmont to Elm Ave Feura Bush Sidewalk (Debt)	Service	\$350,000	100,000	250,000	10	250,000				
	Delaware Ave Enhancement - Town Share (Debt)	Replacement of	\$1,800,000		1,800,000	10		1,800,000			
GF	Delaware Ave Enhancement - (Grant)		\$1,200,000		1,200,000	10	250,000	950,000			
HF	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.)		\$510,000	N/A	510,000	12	255,000	170,000	85,000	-	-
WF	Borthwick Ave. reconstruction - in conjunction w/ DASNY sewer Prjt. (Debt) <b>Note: \$70k General Fund sidewalks</b>	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.)		\$239,000		239,000		164,000	75,000			
WF	Mandated improvements and repairs to dam facilities and reservoir to comply with NYSDEC regs. (Debt)	Compliance	\$1,845,000	150,000	1,695,000	40	295,000	-	820,000		580,000
WF	Rehab & recoating of existing water storage tanks (Debt)	Health & Safety	\$1,710,000		1,710,000	20	205,000	585,000	195,000	640,000	85,000
WF	Looping and replacement of aging water mains to improve water quality and reduce outages. (Debt)	Health & Safety	\$3,655,000	530,000	3,125,000	40	-	1,325,000	600,000	600,000	600,000
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	\$4,500,000	1,500,000	3,000,000	30	-	-	1,500,000	-	1,500,000
	Pump Station Rehab - Engineering portion (Capital Res.)		\$475,000		475,000		175,000	150,000		150,000	
SF	WWTP improvements- including Clarifier Re-build, Roof replacement & Bar screens (Debt)	Health & Safety	\$1,435,000	55,000	1,380,000	50	800,000	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	\$150,000		150,000	12	50,000	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

# 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.
- We are ahead of the projected timeline created in 2012 and are no longer reliant on debt funding; substituting reserves as we migrate to operational funding.
- We anticipate fully funding asphalt purchases through operations by 2018.



# 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% (Actual)
  - 2015 - 4.00%
  - 2016 - 4.20%
  - 2017 - 4.92%
  - 2018 - 5.28%
  - 2019 - 5.03%
  - 2020 - 5.52%
- 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 Original Projection by Fund

<b>CAPITAL PLAN SUMMARY</b>					
	<b>2016 Draft Plan</b>				
<b>Fund</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Fund	\$ 2,690,600	\$ 2,631,862	\$ 214,359	\$ 228,896	\$ 188,974
Highway Fund	1,881,500	1,047,000	1,140,000	940,000	1,689,000
Water Fund	4,323,500	5,237,500	5,785,000	4,458,000	4,461,000
Sewer Fund	4,079,500	740,000	2,210,000	160,000	1,650,000
<b>TOTAL</b>	<b>\$ 12,975,100</b>	<b>\$ 9,656,362</b>	<b>\$ 9,349,359</b>	<b>\$ 5,786,896</b>	<b>\$ 7,988,974</b>
	<b>Capital Plan original projection from 2015</b>				
<b>Fund</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Fund	\$ 3,607,660	\$ 529,362	\$ 185,359	\$ 158,896	N/A
Highway Fund	1,467,000	1,867,000	1,695,000	1,210,000	N/A
Water Fund	5,006,000	4,801,000	2,436,000	2,471,000	N/A
Sewer Fund	3,190,000	1,760,000	660,000	1,510,000	N/A
<b>TOTAL</b>	<b>\$ 13,270,660</b>	<b>\$ 8,957,362</b>	<b>\$ 4,976,359</b>	<b>\$ 5,349,896</b>	<b>N/A</b>
	<b>Difference from 2015 original projection to proposed 2016 projections</b>				
<b>Fund</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Fund	\$ (917,060)	\$ 2,102,500	\$ 29,000	\$ 70,000	N/A
Highway Fund	414,500	(820,000)	(555,000)	(270,000)	N/A
Water Fund	(682,500)	436,500	3,349,000	1,987,000	N/A
Sewer Fund	889,500	(1,020,000)	1,550,000	(1,350,000)	N/A
<b>TOTAL</b>	<b>\$ (295,560)</b>	<b>\$ 699,000</b>	<b>\$ 4,373,000</b>	<b>\$ 437,000</b>	<b>N/A</b>

# Conclusion

- Projects considered essential are identified in the capital plan.
- Capital planning enables us to meet goals and emerging needs within a sustainable financial plan.
- Efficiencies and streamlined financing costs.
- Leveraging grants, using alternative funding and strategies to subsidize costs allows us to rely less heavily on both debt and taxes.

# Questions

