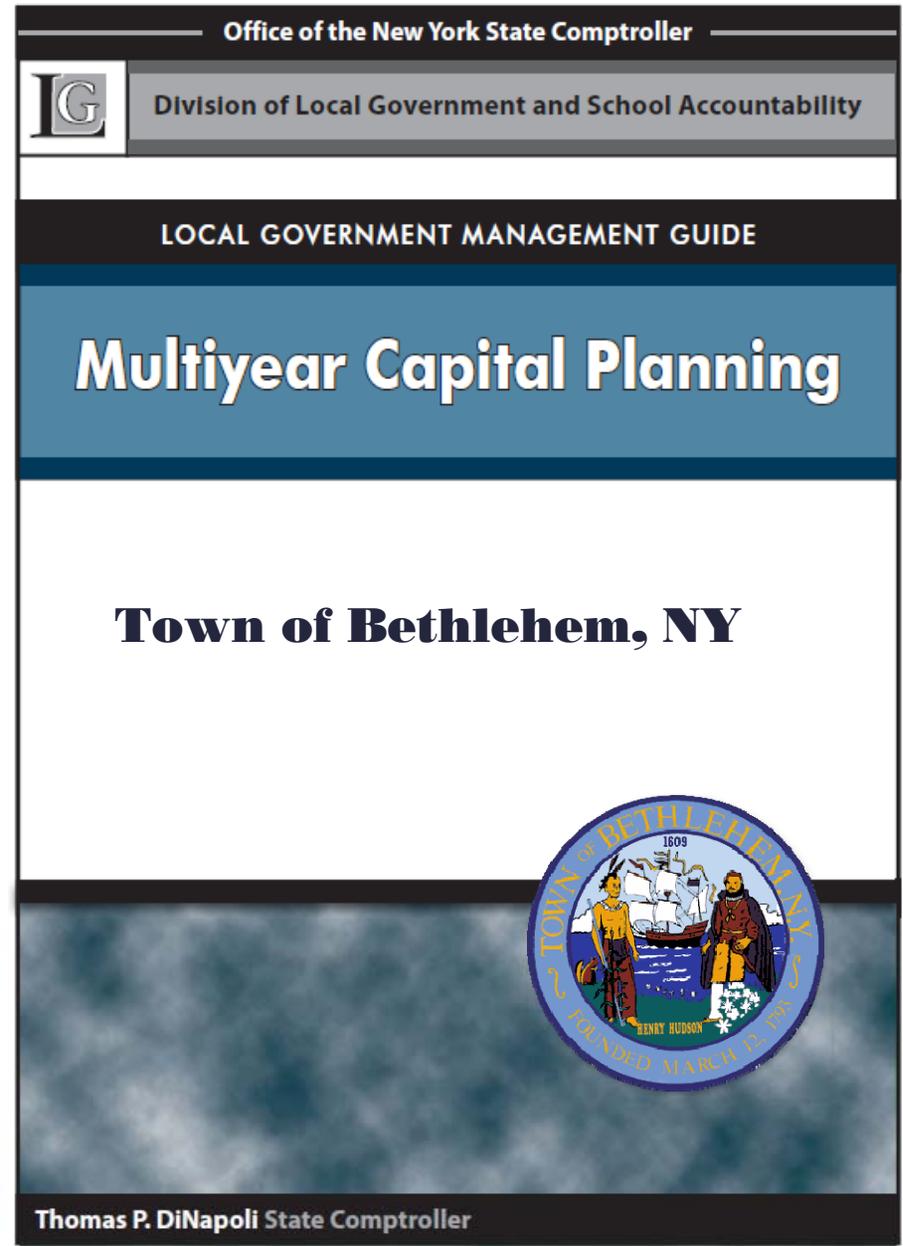


2012 Capital Budget Approach

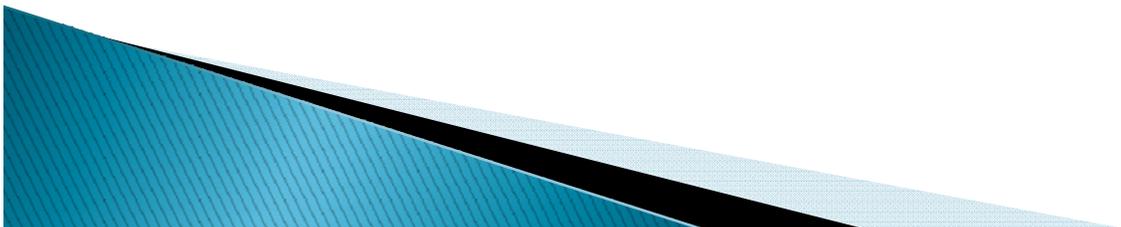
True Multi-Year Capital Planning
2013 – 2017

Michael Cohen, Town Comptroller



----- 2009

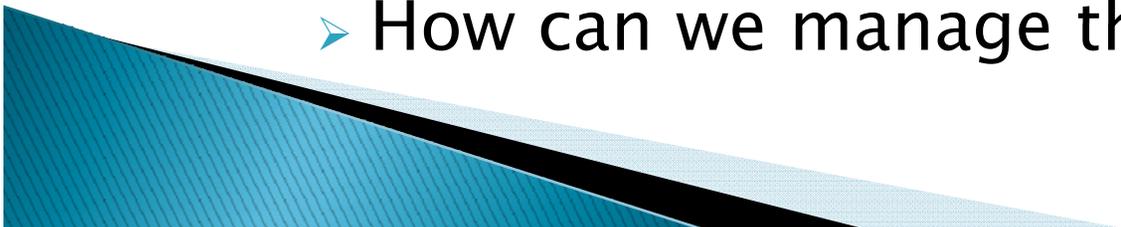
- Prior to 2009, there were several attempts to put together a capital plan, however, none came to fruition
- In 2009, the Town was audited by the Office of the State Comptroller (OSC) who indicated that they believed that the Town ought to have a supportable plan in place
- The Town agreed to work on that process again



Capital Planning...

Capital planning is more than identifying what you want to do:

- What assets do we currently own?
- What are our capital investment needs?
- How will we fund these capital investments?
- How have we prioritized these needs?
- How much will they cost to build, operate and maintain?
- What is our fiscal capacity to support capital spending over time?
- How can we manage these projects?



2010 Process – Strengths and Weaknesses

Strengths:

- Multi Year Spending
- Attempted to determine impact of needs on tax base

Weaknesses:

- Failed to identify sources of funding
 - All spending assumed to be financed through Bonding
- No rationale for the assignment of priority levels – high, medium and low



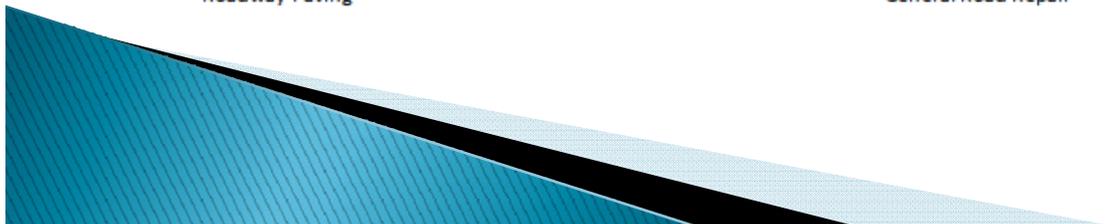
Continuing Evolution...

2011

Town of Bethlehem

Executive Capital Budget Proposal - 2012

Item Title	Department	Est. PPU	2012 Operations	2012 Proposed Borrowing	2012 Capital Reserves	2012 Totals
110 - General Fund						
Commitments						
Parks - Moh He Con Nuck Master Plan Implementation	Parks	30			\$50,000	\$50,000
Health & Safety						
Roof Replacement (LAG Pavilion)	Parks	25			\$12,000	\$12,000
Renovate Tennis Courts	Parks	5			\$35,000	\$35,000
Parks - Bathhouse Improvements	Parks	30			\$100,000	\$100,000
Loss of Revenue						
Parks - Sewer Service to Colonial Acres	Parks	40			\$50,000	\$50,000
Preventative Maintenance						
Parks - Repaving 261 Elm Avenue	Parks	5			\$100,000	\$100,000
Replacement of Aged/Obsolete Equipment						
Replace 4WD 1 ton truck	Parks	5			\$38,000	\$38,000
Mower	Parks	5			\$21,000	\$21,000
Four Replacement Cars	Police	5	\$100,000	\$0		\$100,000
Vehicle Replacement	Seniors	5	\$33,000	\$0		\$33,000
Total General Fund Purchases			\$133,000	\$0	\$406,000	\$539,000
210 - Highway Fund						
Preventative Maintenance						
Roadway Paving	General Road Repair	15	\$103,073	\$596,927		\$700,000



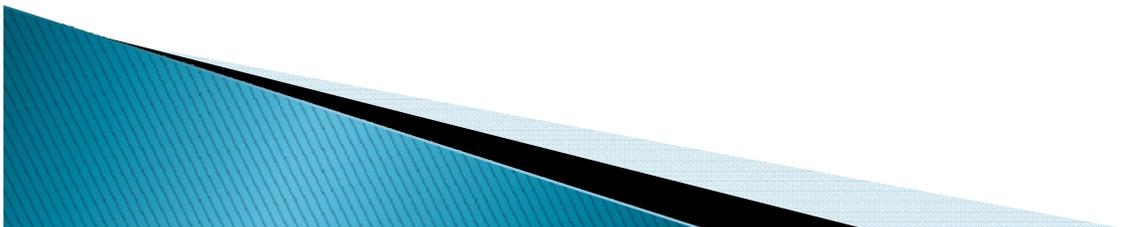
2011 Process – Strengths and Weaknesses

Strengths:

- Identified sources of financing – Bonding, Capital Reserve, Operations
- Set up a classification system to help determine priority (ex. Health & Safety, Loss of Revenue, Preventative Maintenance, etc.)

Weakness:

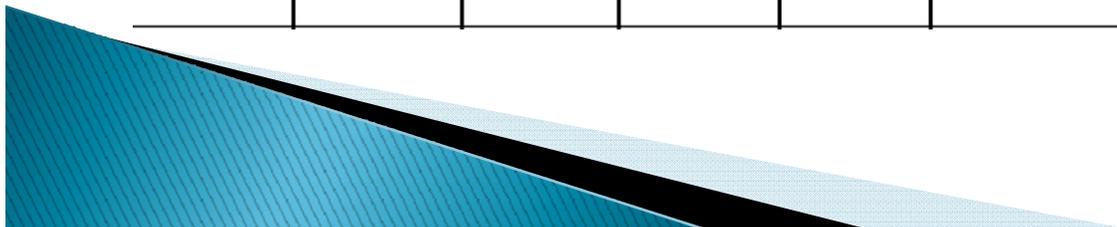
- Did not look beyond the current budget year



Bethlehem Adaptation of the State Comptroller Model 2012

Town of Bethlehem 2013 Capital Plan	
Individual Capital Equipment Request and Estimate of Cost	
Classification Type:	
Equipment/Project No.:	
Equipment Title:	
Location:	
Description:	
Purpose and Justification	
Status of Specifications	Completed
	Not Completed
Available pursuant to:	State Contract
	County Contract
	Competitive Bidding
	Other (Specify)

Town of Bethlehem Summary Five-Year Capital Plan - 2013-2017											
Equipment/ Project No.	Description of Project	Estimated Change in Annual Operating Costs	Total Estimated Cost	Cost of Work - Prior Years	Cost Schedule 5-Year Period	Recommended/Scheduled for 5-Yr. Period					Cost to Complete After 5th Year
						1st Year (2013)	2nd Year (2014)	3rd Year (2015)	4th Year (2016)	5th Year (2017)	



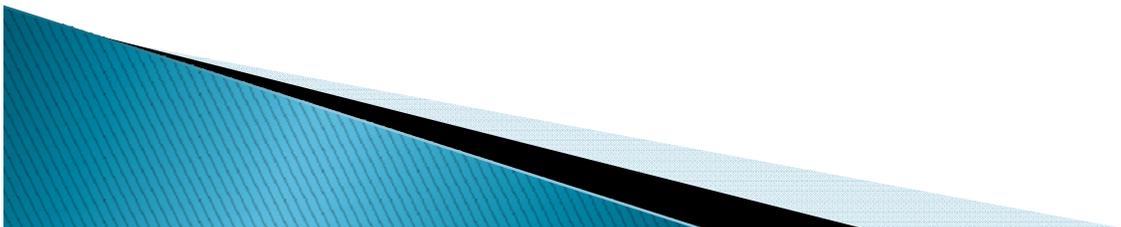
Strengths and Weaknesses

Strengths:

- Will Classify projects into categories
- Identifies sources of funding
- Identifies future spending
- Identifies operational savings (e.g. reduced maintenance)
- Will eventually provide a listing of current assets and maintenance schedules

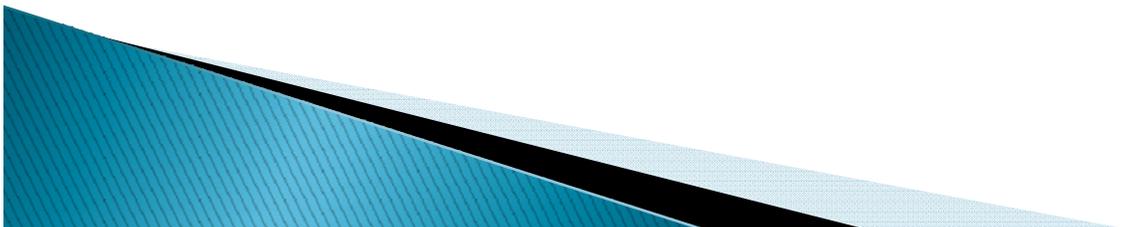
Weakness:

- Time intensive



The Process

- Identification of types of assets will be included in the capital plan
- Development of financing plan
 - Bonding
 - Capital Reserves
 - Operations
 - Matching Funds
- Length of the capital plan
 - 5 years (2013 through 2017)



Classification Types

The Board will determine priority using categories for guidance:

- **Health & Safety** – Health & Safety Concerns (e.g. Parapet Wall)
- **Legal** – Legal Mandates by court order, state or federal governments (e.g. Water Treatment Upgrades)
- **Economic, Environmental or Social Benefit** – Economic, Environmental or Social value to the community (e.g. Delaware Avenue Enhancement)
- **Efficiency** – Operational Benefits (e.g. Computer Upgrades)
- **Service** – Specific needs or demands for improved service, timeliness or cost savings (e.g. wireless water meters)
- **Investment** – Investment return (i.e. savings on maintenance or energy)
- **Grant** – Capacity to leverage other resources (e.g. matching funds)

