

2021 – 2025 Tentative Capital Plan

Five-Year \$54.6 Million Plan

Capital Investment Schedule with Expected Funding Sources



Michael Cohen, CPA, Town Comptroller

Cherie Gitto, Chief Accountant

Paul Penman, PE, Deputy Commissioner of Public Works

2020 Budget Schedule

Town Board Meetings & Workshops
Unless otherwise noted all meetings begin at 6:00 pm
Town Board Meetings will be Webcast & Archived

- **Workshop/Program Discussion** ✓ August 24 – 4pm (workshop)
- **Capital Plan** September 9 Town Board
- **Tentative Budget Presentation** September 23 Town Board
- **Continuing Budget Discussion** October 14 Town Board
- **Public Hearing/Preliminary Budget** October 28 Town Board
- **Final Budget Adoption** November 10 Town Board

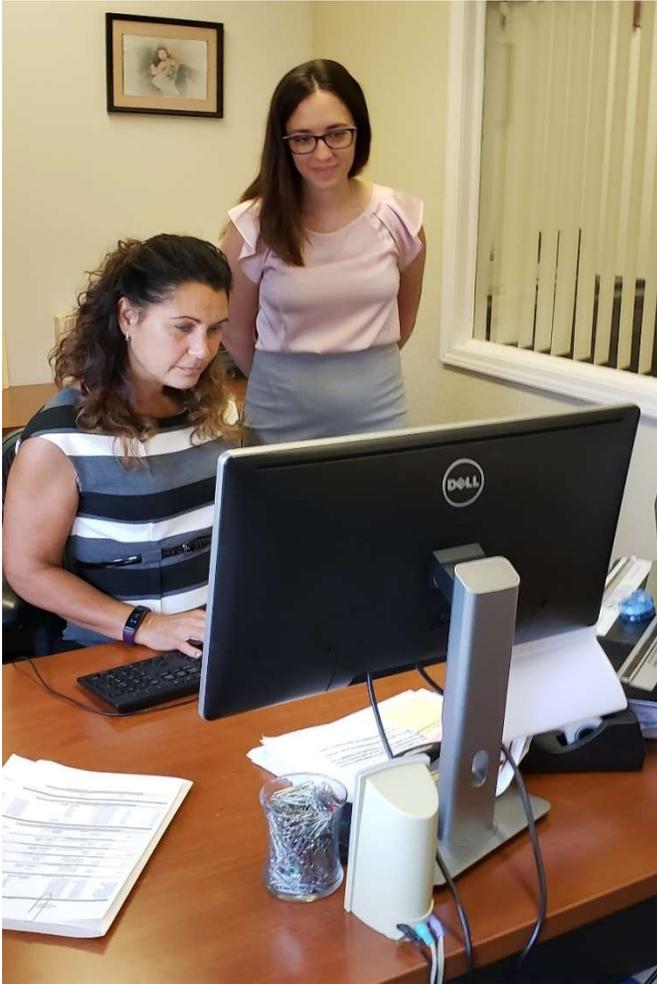
**“2021 Town Budget”
link on the Town website
provides comprehensive information
and is regularly updated**

The COVID-19 Effect



- The Town's largest fund, the General Fund, is primarily funded through sales tax (60%), which is highly unstable.
 - April sales tax revenues were down 32% from the prior year, May was down 29%, June was down 15% and July, 10%.
 - To date this downturn has resulted in a loss of \$790K in this source alone.
 - Excesses in sales taxes help fund capital in futures years, therefore, the reduction in this account will have a significant impact on future projects and equipment.
- Without knowing where future inflows of capital will come from capital planning is more important than ever.
- Across all funds, the Town plans to commit as few resources as possible to large assets in order to preserve what resources we have, while maintaining services at the most reasonable cost.

Accountability * Integrity * Reliability



Purpose of the Capital Plan

- Look across 5 years to focus on the Town's goals, needs, and financial capacity
- Guide difficult decisions on how to optimize limited Town resources
 - 12% of Bethlehem property taxes are allocated to provide all services
- Spending decisions are made through the operating budget

The Capital Plan is not binding. It's a tool that's reevaluated annually.

Process



To balance goals and emerging demands within a sustainable financial plan, we:

- Evaluate the effects on future operations, debt limit, and reserves
 - Consider only projects and equipment deemed essential by Town departments
 - Identify appropriate financing
 - Reduce the need for debt and taxes by leveraging grants and alternative funding as they become available.
- Incorporate items identified as operating expenses into our operating budget
 - Tie this information to our multi-year budget

\$54.6 Million 5-Year Capital Plan

BUDGET FUND	2021 Draft Capital Plan Summary by BUDGET FUND				
	2021	2022	2023	2024	2025
General Fund	\$ 6,087,849	\$2,726,500	\$ 6,066,525	\$ 865,386	\$ 8,497,796
Highway Fund	\$ 855,000	\$1,324,650	\$ 1,485,283	\$ 1,486,947	\$ 2,434,694
Water Fund	\$ 3,076,000	\$ 578,000	\$ 1,828,000	\$ 4,179,000	\$ 2,674,000
Sewer Fund	\$ 3,125,000	\$2,362,000	\$ 2,727,000	\$ 747,000	\$ 1,447,000
TOTAL	\$13,143,849	\$6,991,150	\$12,106,808	\$ 7,278,333	\$15,053,490

FUNDING SOURCE	2021 Draft Capital Plan Summary by FUNDING SOURCE				
	2021	2022	2023	2024	2025
Operating	\$ 1,519,700	\$2,139,650	\$ 1,800,808	\$ 1,870,833	\$ 1,855,490
Capital Reserve	\$ 3,352,430	\$1,753,500	\$ 1,098,000	\$ 684,500	\$ 250,000
New Debt Borrowing	\$ 2,665,000	\$2,196,000	\$ 4,807,000	\$ 4,336,000	\$12,106,000
Bonded *	\$ 798,400	\$ 45,000	\$ -	\$ -	\$ -
Grant	\$ 4,648,319	\$ 692,000	\$ 4,376,000	\$ 317,000	\$ 482,000
Parkland Set Aside	\$ 160,000	\$ 165,000	\$ 25,000	\$ 70,000	\$ 360,000
TOTAL	\$13,143,849	\$6,991,150	\$12,106,808	\$ 7,278,333	\$15,053,490

* Funding through debt which has already been received.

Large Projects 2021-2025

Fund	Description of Project	Classification Types	Cost Schedule 5-Year Period	Recommended/Scheduled for 5-Yr. Period				
				2021	2022	2023	2024	2025
GF	Court Security/Police Renovations (Debt)	Health/Safety	4,000,000	0	0	0	0	4,000,000
GF	Police Vehicles (Operating)	Replacement	507,307	100,000	94,500	99,225	104,186	109,396
GF	Police Vehicles (Capital Reserve)	Replacement	60,000	60,000	0	0	0	0
GF	Highway addition (10 bays) (Debt)	Replacement	2,000,000	0	0	0	0	2,000,000
GF	New Highway admin building & garage roof (Debt)	Replacement	2,050,000			300,000		1,750,000
GF	9W & Glenmont Rd Roundabout and Sidewalks (Grant)	Service	3,277,600	3,277,600				
GF	9W & Glenmont Rd Roundabout and Sidewalks (Bonded)	Service	769,400	769,400				
GF	Delaware Ave Complete Streets and Road Diet (Grant)	Health/Safety	4,472,000	260,000	164,000	4,048,000		
GF	Delaware Ave Complete Streets and Road Diet (Debt)	Health/Safety	728,000	65,000	41,000	622,000		
GF	Parks Pool Improvements -Olympic (Debt)	Health/Safety	900,000		900,000			
HF	Annual Paving Program (Operating)	Preventative	2,171,573	393,000	412,650	433,283	454,947	477,694
HF	Annual Paving Program (Grant)	Preventative	1,585,000	317,000	317,000	317,000	317,000	317,000
HF	Blessing & Krumkill Intersection Improve. (Debt)	Health/Safety	575,000	0	0	0	75,000	500,000
HF	Blessing & Krumkill Intersection Improve. (Grant)	Health/Safety	100,000	0	0	0	0	100,000
HF	Wemple & River Rd intersection improvements (Debt)	Health/Safety	500,000			100,000		400,000
HF	Large Fleet Purchases (Capital Reserve)	Replacement	450,000	0	450,000	0	0	0
HF	Small Fleet Purchases (Capital Reserve)	Replacement	90,000	90,000	0	0	0	0
HF	Large Fleet Purchases (Debt)	Replacement	1,455,000	0	0	485,000	485,000	485,000
HF	Small Fleet Purchases (Operating)	Replacement	360,000	0	90,000	90,000	90,000	90,000
WF	Elm Ave Water Tank Rehabilitation (Debt)	Health/Safety	640,000	0	0	640,000	0	0
WF	Elm Ave Water Tank Rehabilitation (Bonded)	Health/Safety	45,000	0	45,000	0	0	0
WF	Water Tank Rehab - Selkirk, Elm Exterior, Kenwood (Debt)	Health/Safety	1,457,000	0	0	0	736,000	721,000
WF	Dam Safety Improvements (Debt)	Compliance	650,000	0	0	60,000	590,000	0
WF	NSWTP - DBP / WTP Improvement (Debt)	Health/Safety	3,650,000	0	0	400,000	2,000,000	1,250,000
WF	Raw Water Reservoir Dredging (Debt)	Compliance	1,500,000	1,500,000	0	0	0	0
WF	Water Main Replacements (Operating)	Preventative	1,550,000	50,000	300,000	300,000	400,000	500,000
WF	Water Main Replacements (Capital Reserve)	Preventative	650,000	250,000	0	100,000	200,000	100,000
SF	Force Main Replace & Rehabilitation (Operating)	Replacement	750,000	150,000	150,000	150,000	150,000	150,000
SF	Sewer Lining & Rehabilitation Glenmont Rnd (Capital Rese	Replacement	250,000	250,000	0	0	0	0
SF	Sewer Lining & Rehabilitation (Operating)	Replacement	1,050,000	50,000	250,000	250,000	250,000	250,000
SF	Pump Station Rehabilitation (Debt)	Health/Safety	3,000,000	1,000,000	0	1,000,000	0	1,000,000
SF	Pump Station Rehabilitation (Capital Reserves)	Health/Safety	1,300,000	1,000,000	150,000	0	150,000	0
SF	Air Compressor Upgrade (Debt)	Replacement	1,315,000	0	115,000	1,200,000	0	0
SF	Replace Backup Bar Screen (Debt)	Replacement	1,100,000	100,000	1,000,000	0	0	0

Large Projects/Equipment Purchases	22	Large Projects	44,957,880	9,682,000	4,479,150	10,594,508	6,002,133	14,200,090
Total Projects/Equipment	148	Total Plan	54,573,629	13,143,849	6,991,150	12,106,808	7,278,333	15,053,490
Percentage of Total Plan	14.9%	% Large to Plan	82.38%	73.66%	64.07%	87.51%	82.47%	94.33%

Projects/Equipment purchases > \$500K are considered large for this purpose

Non-Recurring & Recurring Large Projects 2021-2025

Fund	Description of Project	Classification Types	Cost Schedule 5-Year Period	Recommended/Scheduled for 5-Yr. Period				
				2021	2022	2023	2024	2025
GF	Court Security/Police Renovations (Debt)	Health/Safety	4,000,000	0	0	0	0	4,000,000
GF	Highway addition (10 bays) (Debt)	Replacement	2,000,000	0	0	0	0	2,000,000
GF	New Highway admin building & garage roof (Debt)	Replacement	2,050,000			300,000		1,750,000
GF	9W, Feura Bush Rd & Glenmont Rd Roundabout and Sidev	Service	3,277,600	3,277,600				
GF	9W, Feura Bush Rd & Glenmont Rd Roundabout and Sidev	Service	769,400	769,400				
GF	Delaware Ave Complete Streets and Road Diet (Grant)	Health/Safety	4,472,000	260,000	164,000	4,048,000		
GF	Delaware Ave Complete Streets and Road Diet (Debt)	Health/Safety	728,000	65,000	41,000	622,000		
GF	Parks Pool Improvements -Olympic (Debt)	Health/Safety	900,000		900,000			
HF	Blessing & Krumkill Intersection Improve. (Debt)	Health/Safety	575,000	0	0	0	75,000	500,000
HF	Blessing & Krumkill Intersection Improve. (Grant)	Health/Safety	100,000	0	0	0	0	100,000
HF	Wemple & River Rd intersection improvements	Health/Safety	500,000			100,000		400,000
WF	Elm Ave Water Tank Rehabilitation (Debt)	Health/Safety	640,000	0	0	640,000	0	0
WF	Elm Ave Water Tank Rehabilitation (Bonded)	Health/Safety	45,000	0	45,000	0	0	0
WF	Water Tank Rehab - Selkirk, Elm Exterior, Kenwood (Debt)	Health/Safety	1,457,000	0	0	0	736,000	721,000
WF	Dam Safety Improvements (Debt)	Compliance	650,000	0	0	60,000	590,000	0
WF	NSWTP - DBP / WTP Improvement (Debt)	Health/Safety	3,650,000	0	0	400,000	2,000,000	1,250,000
WF	Raw Water Reservoir Dredging (Debt)	Compliance	1,500,000	1,500,000	0	0	0	0
SF	Air Compressor Upgrade (Debt)	Replacement	1,315,000	0	115,000	1,200,000	0	0
SF	Replace Backup Bar Screen (Debt)	Replacement	1,100,000	100,000	1,000,000	0	0	0
GF	Police Vehicles (Operating)	Replacement	507,307	100,000	94,500	99,225	104,186	109,396
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HF	Annual Paving Program (Grant)	Preventative	1,585,000	317,000	317,000	317,000	317,000	317,000
HF	Large Fleet Purchases (Capital Reserve)	Replacement	450,000	0	450,000	0	0	0
HF	Small Fleet Purchases (Capital Reserve)	Replacement	90,000	90,000	0	0	0	0
HF	Large Fleet Purchases (Debt)	Replacement	1,455,000	0	0	485,000	485,000	485,000
HF	Small Fleet Purchases (Operating)	Replacement	360,000	0	90,000	90,000	90,000	90,000
WF	Water Main Replacements (Operating)	Preventative	1,550,000	50,000	300,000	300,000	400,000	500,000
WF	Water Main Replacements (Capital Reserve)	Preventative	650,000	250,000	0	100,000	200,000	100,000
SF	Force Main Replace & Rehabilitation (Operating)	Replacement	750,000	150,000	150,000	150,000	150,000	150,000
SF	Sewer Lining & Rehabilitation Glenmont Rnd (Capital Rese	Replacement	250,000	250,000	0	0	0	0
SF	Sewer Lining & Rehabilitation (Operating)	Replacement	1,050,000	50,000	250,000	250,000	250,000	250,000
SF	Pump Station Rehabilitation (Debt)	Health/Safety	3,000,000	1,000,000	0	1,000,000	0	1,000,000
SF	Pump Station Rehabilitation (Capital Reserves)	Health/Safety	1,300,000	1,000,000	150,000	0	150,000	0

Recurring Large Projects/Equipment Purchases	6	15,228,880	3,710,000	2,214,150	3,224,508	2,601,133	3,479,090
Total Projects/Equipment	22	44,957,880	9,682,000	4,479,150	10,594,508	6,002,133	14,200,090
		33.87%	38.32%	49.43%	30.44%	43.34%	24.50%

Major Projects (>\$1 Million)

	Town	Grant
• Del Ave Complete Streets/Road Diet	\$0.7M	\$4.5M
• Sewer Pump Stations replacement/rehab	\$4.3M	
• Glenmont Roundabout & Sidewalks	\$0.8M	\$3.3M
• Court Security/Police Station renovations	\$4.0M	
• Annual Street Paving	\$2.2M	\$1.6M
• New Salem Water Treatment Plant	\$3.7M	
• Highway Equipment/Fleet Purchases	\$2.4M	
• Water Mains replacement/looping	\$2.2M	
• New Highway Admin Building & Roof	\$2.0M	
• Highway Addition (10 Bays)	\$2.0M	
• Raw Water Reservoir Dredging	\$1.5M	
• Water Tank Rehabilitations	\$1.4M	
• Air Compressor Upgrade	\$1.3M	
• Sewer Lines relining/rehab	\$1.3M	
• Replace Backup Bar Screen	\$1.1M	

General Fund – Highway Fund – Water Fund – Sewer Fund

Major Projects (>\$1 Million)

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• Highway Equipment/Fleet Purchases	\$2.4M	
• Water Mains replacement/looping	\$2.2M	
• New Highway Admin Building & Roof	\$2.0M	
• Highway Addition (10 Bays)	\$2.0M	
• Raw Water Reservoir Dredging	\$1.5M	
• Water Tank Rehabilitations	\$1.4M	
• Air Compressor Upgrade	\$1.3M	
• Sewer Lines relining/rehab	\$1.3M	
• Replace Backup Bar Screen	\$1.1M	

General Fund – Highway Fund – Water Fund – Sewer Fund

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• New Salem Water Treatment Plant	\$3.7M	
• Highway Equipment/Fleet Purchases	\$2.4M	
• Water Mains replacement/looping	\$2.2M	
• New Highway Admin Building & Roof	\$2.0M	
• Highway Addition (10 Bays)	\$2.0M	
• Raw Water Reservoir Dredging	\$1.5M	
• Water Tank Rehabilitations	\$1.4M	
• Air Compressor Upgrade	\$1.3M	
• Sewer Lines relining/rehab	\$1.3M	
• Replace Backup Bar Screen	\$1.1M	

General Fund – Highway Fund – Water Fund – Sewer Fund

\$40 Million

Major Projects (>\$1 Million)

	Town	Grant
• Del Ave Complete Streets/Road Diet	\$0.7M	\$4.5M
• Sewer Pump Stations replacement/rehab	\$4.3M	
• Glenmont Roundabout & Sidewalks	\$0.8M	\$3.3M
• Court Security/Police Station renovations	\$4.0M	
• Annual Street Paving	\$2.2M	\$1.6M
• New Salem Water Treatment Plant	\$3.7M	
• Highway Equipment/Fleet Purchases	\$2.4M	
• Water Mains replacement/looping	\$2.2M	
• New Highway Admin Building & Roof - new	\$2.0M	
• Highway Addition (10 Bays) - new	\$2.0M	
• Raw Water Reservoir Dredging	\$1.5M	
• Water Tank Rehabilitations	\$1.4M	
• Air Compressor Upgrade - new	\$1.3M	
• Sewer Lines relining/rehab	\$1.3M	
• Replace Backup Bar Screen - new	\$1.1M	

General Fund – Highway Fund – Water Fund – Sewer Fund

Capital Reserve Funds

Proposed 2021

Fund	2021	2022	2023	2024	2025	Total	Available	Difference
General Fund	911,180	853,500	863,000	184,500	150,000	2,962,180	2,413,716	(548,464)
Highway Fund	130,000	450,000	-	-	-	580,000	1,047,944	467,944
Water Fund	651,250	-	185,000	200,000	100,000	1,136,250	733,430	(402,820)
Sewer Fund	1,660,000	450,000	50,000	300,000	-	2,460,000	2,303,043	(156,957)
	3,352,430	1,753,500	1,098,000	684,500	250,000	7,138,430	6,498,133	(640,298)

Note Projects previously reserved in Capital Reserve and included in proposed Capital Plan:

General Fund:

Dive pool	\$259,820
Consultant for Comprehensive Plan	100,000

* Based on present information, funding that is anticipated for the 2021 Budget

Proposed New Debt Service

Looking To The Future

Budgeting Impact 2022 & Beyond

Description of Capital	Fund	Total Proposed New Debt Service				
		2022	2023	2024	2025	2026
Court Security / Police Renovations (2025)	GF		0	0	0	254,586
Replace lower roof (2022) main roof (2024) at Town Hall	GF		3,182	22,276	41,370	41,370
Replace PD basement entrance (2022)	GF		2,546	2,546	2,546	2,546
Replace handicap ramp to courtroom (2022)	GF		3,182	3,182	3,182	3,182
Replace 20 year old 200K generator at Town hall (2024)	GF		0	0	13,395	13,395
Highway addition (10 bays) (2025)	GF		0	0	0	127,293
New Highway admin building (2025)	GF		0	0	0	111,381
Highway garage roof (2023)	GF		0	0	0	0
Delaware Ave Complete Streets and Road Diet (2021),(2022) & (2023)	GF	5,804	9,466	65,010	65,010	65,010
Reline and replace gutters for Olympic pool (2022)	GF		80,370	80,370	80,370	80,370
Wemple & River Rd intersection improvements (2023) & (2025)	HW		0	8,930	8,930	44,650
Blessing & Krumkill Intersection improvements (2024-2025)	HW		0	0	6,697	51,347
Fleet purchase (2023-2025)	HW		0	43,310	86,621	129,931
Elm ave water storage tank engineering & construction partially bonded	WF		0	46,791	46,791	46,791
Remaining Tank work that is unbonded (2024-2025)	WF		0	0	53,810	106,523
Dam Safety Improvements (2023-2024)	WF		0	3,019	36,965	36,965
CRWTP - Clarifier rehab; Recycle PS Improvements; Clearwell	WF		0	29,245	175,468	266,857
Raw Water Reservoir Dredging (2021)	WF	86,304	86,304	86,304	86,304	86,304
Pump Station Rehabilitation	SW	57,536	57,536	115,072	115,072	172,608
Air Compressor Upgrade	SW		6,617	113,776	113,776	113,776
Replace Backup Bar Screen	SW	5,754	63,290	63,290	63,290	63,290

GF Total	5,804	98,746	173,385	205,873	699,133
HW Total	0	0	52,240	102,248	225,929
WF Total	86,304	86,304	165,359	399,338	543,441
SF Total	63,290	127,442	292,138	292,138	349,674

***Total Proposed Annual Debt Costs BANS over 5yrs (2022-2026)**

155,398 312,492 683,122 999,598 1,818,177

Debt service cost from prior borrowings

3,279,904 2,375,772 2,382,761 2,373,104 2,381,464

Existing debt service plus proposed debt service costs

3,435,302 2,688,264 3,065,883 3,372,702 4,199,640

***Based on the Capital Plan Projections**

Principal and Interest costs assuming a 4% interest rate

Debt Limit

- In New York State, **Towns face a constitutional limit on debt**
 - ✓ Limit is a percentage of the full value of taxable properties
 - ✓ Calculated on a five-year average of full value, excluding debt for water supply/distribution and state-approved sewer exclusions
- **Estimated percentage of debt limit used** (based on Capital Plan as presented):

	<u>Bethlehem</u>	<u>Colonie</u>	<u>Niskayuna</u>	<u>E. Greenbush</u>
✓ 2020 (actual)	6.02%	13.75%*	10.74%*	15.20%*
✓ 2021	5.67%			
✓ 2022	5.72%			
✓ 2023	6.11%			
✓ 2024	7.03%			
✓ 2025	6.93%			

Projected

- **Bethlehem is nowhere near the State Comptroller's warning threshold** for concern about the debt limit

* Most recent data obtained from debt filings

Water/Sewer Infrastructure



In addition to repairing breaks, the Town has been making proactive improvements for years

- Since 2017, Bethlehem has budgeted and spent between \$550,000 and \$700,000 annually for proactive water and sewer line improvements - \$300,000 is budgeted for water & \$450,000 for sewer in 2021
- Identifying and prioritizing existing pipelines for replacement
- Installing new pipes to eliminate troublesome dead end mains

Final Notes

- **The Capital Plan is updated each year** and is a tool for mapping out our needs and expectations for today and into the future.
- **The Capital Plan does not authorize projects or spending.** These are authorized in budget appropriations, bond resolutions, and other actions.
- **Our plan meets or exceeds** the State Comptrollers' recommended practices.
- **When the Town takes on new projects,** each has an additional financial impact. Our multiyear budget process ensures we are prepared for these costs.



Questions?

