



TOWNSHIP OF OLD BRIDGE CAPITAL IMPROVEMENT PROGRAM

Mayor Owen Henry

Presented By:

Business Administrator - Himanshu R. Shah
Acting Director of Finance – Dawn M. Swoboda

March 16, 2020

CAPITAL IMPROVEMENT PROGRAM GENERAL OVERVIEW

- A **capital improvement program** is a multi-year plan and schedule for **capital projects**.
- Capital projects have a prospective useful life of five years or more (N.J.S.A 40A: 2-21).
- Capital projects may include:
 - The acquisition and/or development of land;
 - The acquisition of major equipment and personal property;
 - The acquisition, construction, improvement and/or renovations of buildings, roads, utilities and other structures; improvements of public works; and any matter described in N.J.S.A. 40A:2-22 regardless of the financing sources.

SOURCE: MUNICIPAL FINANCE ADMINISTRATION IN NEW JERSEY
RUTGERS CENTER FOR GOVERNMENT SERVICES
ROBERT BENECKE
FEBRUARY 2001

CAPITAL IMPROVEMENT PROGRAM

GENERAL OVERVIEW

- The annual **capital budget** is prepared and adopted in conjunction with the annual operating budget.
- Administrative preparation of the annual capital budget includes a thorough review of each departmental project request in terms of:
 - Need
 - Justification
 - Scheduling
 - Cost
 - Effect(s) on operating budget
 - Method of financing
 - Impact on municipal debt structure

SOURCE: MUNICIPAL FINANCE ADMINISTRATION IN NEW JERSEY
RUTGERS CENTER FOR GOVERNMENT SERVICES
ROBERT BENECKE
FEBRUARY 2001

CAPITAL IMPROVEMENT PROGRAM GENERAL OVERVIEW

- The capital budget does not directly appropriate funds.
- The appropriation of funds is made part of the capital improvement section of the budget and/or by the adoption of a **bond ordinance**.
- Upon completion of a project, any unexpended balances are cancelled by Council resolution

SOURCE: MUNICIPAL FINANCE ADMINISTRATION IN NEW JERSEY
RUTGERS CENTER FOR GOVERNMENT SERVICES
ROBERT BENECKE
FEBRUARY 2001

CAPITAL IMPROVEMENT PLANNING AND BUDGETING GOALS

- Continue to develop a comprehensive six year capital program on an annual basis that supports Township goals and objectives for equipment, facilities, infrastructure and technology.
- Continue to develop and implement a management system for prioritizing, tracking and reporting on capital projects to ensure timely acquisition and/or completion.
- Maximize utilization of grants to offset capital costs and related debt service.
- Minimize the property tax impact of capital projects and related debt service through sound financial planning and balancing debt repayment schedules.





2015 CAPITAL BUDGET



- **Curbing Improvements**
Curb Replacement Program (Various Locations)
- **Drainage Improvements**
Annual Drainage Improvement Program; Furman Boulevard Stabilization
- **Equipment**
Data Storage Solution; Disaster Recovery Solution; Computer Switch Replacement; Large Mower; Automated External Defibrillators; Trailer Attenuator; Diesel Engine Scan Tool; Fluid Distribution System; Skid Steer Attachments;
- **Facilities Improvements**
Arena Cooling Tower Replacement (Arena Utility); Arena Roof Improvements (Arena Utility)
- **Master Plan**
Jake Brown Road Extension
- **Parks Improvements**
Basketball Court Improvements
- **Public Library**
Emergency Generator
- **Road Improvements**
Annual Road Resurfacing Program ; Trans Old Bridge Road Improvements (State Aid)
- **Vehicles**
Medium Dump Trucks (4); Small Pick-Up Vehicles (3); 4 WD Vehicles (2)

TOTAL: \$4,494,000.00



2015 CAPITAL BUDGET



| | PROJECTS | | SECTION 20 | |
|-------------------------|----------------|-----------------|-------------|-----------------|
| | AUTHORIZED | CURRENT BALANCE | AUTHORIZED | CURRENT BALANCE |
| Curbing Improvements | \$450,000.00 | \$0.00 | \$6,270.00 | \$3,734.81 |
| Drainage Improvements | \$480,000.00 | \$0.00 | \$6,688.00 | \$3,983.79 |
| Equipment | \$404,000.00 | \$0.00 | \$3,763.00 | \$0.00 |
| Facilities Improvements | \$360,000.00 | \$0.00 | \$7,000.00 | \$0.00 |
| Furniture | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Master Plan | \$100,000.00 | \$100,000.00 | \$1,393.00 | \$829.76 |
| Parks Improvements | \$25,000.00 | \$18,938.83 | \$348.00 | \$207.29 |
| Public Land Purchase | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Public Library | \$475,000.00 | \$0.00 | \$25,000.00 | \$0.00 |
| Road Improvements | \$1,600,000.00 | \$0.00 | \$22,293.00 | \$19,836.18 |
| Vehicles | \$520,000.00 | \$0.00 | \$7,245.00 | \$0.00 |
| Totals | \$4,414,000.00 | \$118,938.83 | \$80,000.00 | \$28,591.83 |



2016 CAPITAL BUDGET



- **Curbing Improvements**
Curb Replacement Program (Various Locations)
- **Drainage Improvements**
Annual Drainage Improvement Program; Furman Boulevard Stabilization; Balmoral Drive
- **Equipment**
Phone System Replacement, Spreader/Sprayer; 911 PSAP Answering System; Asphalt Saw; Fuel System Replacement; Plasma Cutter; Trailer
- **Facilities Improvements**
Civic Center Retaining Wall; Commuter Parking Lots Improvements
- **Parks Improvements**
Tennis Backboards; Upper Geick Park Restrooms
- **Road Improvements**
Annual Road Resurfacing Program; Pedestrians Safety Improvement at NJSH Route 9 and Old Mill Road; Pro-Rata Share Contribution Study
- **Traffic Signal Improvements**
Traffic Signal at NJSH Route 34 and Amboy Road
- **Vehicles**
Passenger Bus; Small Pick-Up Vehicles (2); 4 WD Vehicle (1); Utility Bucket Truck (1)

TOTAL: \$4,644,500.00



2016 CAPITAL BUDGET



| | PROJECTS | | SECTION 20 | |
|----------------------------|-----------------------|--------------------|--------------------|--------------------|
| | AUTHORIZED | CURRENT BALANCE | AUTHORIZED | CURRENT BALANCE |
| Curbing Improvements | \$450,000.00 | \$0.00 | \$9,000.00 | \$1,941.94 |
| Drainage Improvements | \$580,000.00 | \$3,974.76 | \$11,000.00 | \$2,306.06 |
| Equipment | \$528,000.00 | \$22,217.64 | \$0.00 | \$0.00 |
| Facilities Improvements | \$975,000.00 | \$0.00 | \$6,500.00 | \$1,456.46 |
| Furniture | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Master Plan | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Parks Improvements | \$65,000.00 | \$0.00 | \$0.00 | \$0.00 |
| Public Land Purchase | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Public Library | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Road Improvements | \$1,557,500.00 | \$14,447.66 | \$30,000.00 | \$6,432.68 |
| Traffic Signal Improvement | \$52,500.00 | \$0.00 | \$0.00 | \$0.00 |
| Vehicles | \$380,000.00 | \$0.00 | \$0.00 | \$0.00 |
| Totals | \$4,588,000.00 | \$40,640.06 | \$56,500.00 | \$12,137.14 |



2017 CAPITAL BUDGET



- **Curbing Improvements**
Curb Replacement Program (Various Locations)
- **Drainage Improvements**
Annual Drainage Improvement Program; John Partridge Road Permit Cost, Washington Avenue Permit Cost
- **Equipment**
Email Archive Storage Solution; Virtual Host Replacement Solution; Large Mower; Small Mower; Sound System; Mobile Radar Speed Trailer; Bin Blocks; Compressor; Mini Excavator; Portable Generator for Gas Pumps; Salt Spreader Attachment; Snow Box; Tire Balancer; Tire Mount/Dismount Machine
- **Facilities Improvements**
Municipal Complex Parking Lots; Building Security Improvements; Building Safety Improvements; Fire Alarm System Improvements; HVAC System Improvements at Animal Shelter; Arena Fireplace Replacement; Arena Floor Tile Replacement; Arena Roof Improvements
- **Furniture**
Replacement of Furniture & Carpeting at Senior Center
- **Parks Improvements**
Sport Court Resurfacing
- **Road Improvements**
Annual Road Resurfacing Program; Ticetown Road Improvements (State Aid)
- **Traffic Signal Improvements**
Traffic Signal at NJSH Route 9 and Spring Valley Road
- **Vehicles**
Small Pick-Up Vehicle (1); 4 WD Vehicles (2); Tactical Communications Vehicle; Large Full Service Mower Truck

TOTAL: \$4,467,000.00



2017 CAPITAL BUDGET



| | PROJECTS | | SECTION 20 | |
|----------------------------|----------------|-----------------|-------------|-----------------|
| | AUTHORIZED | CURRENT BALANCE | AUTHORIZED | CURRENT BALANCE |
| Curbing Improvements | \$450,000.00 | \$0.00 | \$9,000.00 | \$6,319.83 |
| Drainage Improvements | \$490,000.00 | \$90,831.40 | \$9,800.00 | \$7,022.03 |
| Equipment | \$385,950.00 | \$32,005.00 | \$0.00 | \$0.00 |
| Facilities Improvements | \$749,000.00 | \$18,987.06 | \$10,000.00 | \$702.20 |
| Furniture | \$50,000.00 | \$0.00 | \$0.00 | \$0.00 |
| Master Plan | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Parks Improvements | \$125,000.00 | \$47,500.00 | \$0.00 | \$0.00 |
| Public Land Purchase | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Public Library | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Road Improvements | \$1,630,000.00 | \$83,832.26 | \$30,000.00 | \$21,066.09 |
| Traffic Signal Improvement | \$7,250.00 | \$0.00 | \$0.00 | \$0.00 |
| Vehicles | \$521,000.00 | \$0.00 | \$0.00 | \$0.00 |
| Totals | \$4,408,200.00 | \$273,155.72 | \$58,800.00 | \$35,110.15 |



2018 CAPITAL BUDGET



- **Curbing Improvements**
Annual Curb Replacement Program (Various Locations)
- **Drainage Improvements**
Annual Drainage Improvement Program (Various Locations)
- **Equipment**
Replace Disaster Recovery System; TV Studio Cameras (2); Production Set; Dustless Blasting Mobile Unit; Bobcat Toolcat; Fatal/Serious Crash Equipment; Fingerprint Machine & Printer; Mobile Columns; Engraving Machine (Signs); Dumpster
- **Facilities Improvements**
Building Security Improvements; Campus Security Camera Upgrades; Police Women's Locker Room; Replacement of Circuit Breakers (2); Temperature Control Package; Window Replacement; Building Department Lobby Improvements; ESIP Improvements
- **Furniture**
Furniture for Special Needs Adult Services
- **Public Library**
Rooftop HVAC Unit Replacement
- **Parks Improvements**
Cottrell Farm Park
- **Road Improvements**
Annual Road Resurfacing Program; Pleasant Valley Road Improvements (State Aid)
- **Vehicles**
Passenger Bus; SUV Vehicle (1); Police Motorcycles (2); Sanitation Truck; Single Axle Dump Truck; AWD Vehicle (1)

TOTAL: \$5,028,400.00



2018 CAPITAL BUDGET



| | PROJECTS | | SECTION 20 | |
|----------------------------|----------------|-----------------|--------------|-----------------|
| | AUTHORIZED | CURRENT BALANCE | AUTHORIZED | CURRENT BALANCE |
| Curbing Improvements | \$450,000.00 | \$4,507.81 | \$10,000.00 | \$7,934.24 |
| Drainage Improvements | \$450,000.00 | \$0.00 | \$9,000.00 | \$7,140.82 |
| Equipment | \$288,900.00 | \$72,116.40 | \$0.00 | \$0.00 |
| Facilities Improvements | \$295,500.00 | \$241,536.33 | \$175,000.00 | \$33,596.75 |
| Furniture | \$70,000.00 | \$0.00 | \$0.00 | \$0.00 |
| Master Plan | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Parks Improvements | \$500,000.00 | \$259,582.00 | \$10,000.00 | \$7,934.24 |
| Public Land Purchase | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Public Library | \$500,000.00 | \$115,187.00 | \$10,000.00 | \$7,934.24 |
| Road Improvements | \$1,600,000.00 | \$126,663.41 | \$30,000.00 | \$23,802.73 |
| Traffic Signal Improvement | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Vehicles | \$630,000.00 | \$2,389.00 | \$0.00 | \$0.00 |
| Totals | \$4,784,400.00 | \$821,981.95 | \$244,000.00 | \$88,343.04 |



2019 CAPITAL BUDGET



- **Curbing Improvements**

Annual Curb Replacement Program (Various Locations)

- **Drainage Improvements**

Annual Drainage Improvement Program (Various Locations)

- **Equipment**

TV Studio Lighting; Data Center Furniture; Engineering Plotter Replacement; MIS Helpdesk Platform; UPS Upgrade; MySeniorCenter Software Scanners; In Car Camera Systems; Police Rifle Rated Shields; Dump Trailer; Plow for Sanitation Truck

- **Facilities Improvements**

Municipal Security Upgrades; Update & Replace Lighting at Laurence Harbor Waterfront Boardwalk; Police Men's Locker Room; Electrical Upgrades for Fuel Station; Installation of Generator for Senior Center & Civic Center; Installation of Supplemental HVAC (Courtroom), Replacement of Electric Breaker Panels (Administration Building & Civic Center); Replacement of Outdoor Fuse Disconnect; Upgrades to Administration Building HVAC

- **Parks Improvements**

Development of Cottrell Farm Park; Geick Park Ballfield Synthetic Turf Conversion & Replacement; New Irrigation System at Higgins Soccer Complex; Veterans Park Playground Replacement

- **Road Improvements**

Annual Road Resurfacing Program; Spring Valley Road Culvert

- **Vehicles**

Equipment Transportation Carrier; Compact Utility Loader; Dump Truck; Pickup Truck; Single Axle Dump Truck; SUV Vehicle (1)

TOTAL: \$6,085,000.00



2019 CAPITAL BUDGET



| | PROJECTS | | SECTION 20 | |
|----------------------------|-----------------------|-----------------------|--------------------|--------------------|
| | AUTHORIZED | CURRENT BALANCE | AUTHORIZED | CURRENT BALANCE |
| Curbing Improvements | \$450,000.00 | \$11,531.04 | \$10,000.00 | \$9,823.15 |
| Drainage Improvements | \$450,000.00 | \$450,000.00 | \$9,000.00 | \$8,840.83 |
| Equipment | \$230,100.00 | \$76,359.23 | \$0.00 | \$0.00 |
| Facilities Improvements | \$997,000.00 | \$835,958.00 | \$6,000.00 | \$5,893.89 |
| Furniture | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Master Plan | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Parks Improvements | \$2,247,900.00 | \$2,247,900.00 | \$35,000.00 | \$34,381.01 |
| Public Land Purchase | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Public Library | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Road Improvements | \$1,150,000.00 | \$148,000.00 | \$25,000.00 | \$24,557.87 |
| Traffic Signal Improvement | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Vehicles | \$475,000.00 | \$4,241.76 | \$0.00 | \$0.00 |
| Totals | \$6,000,000.00 | \$3,773,990.03 | \$85,000.00 | \$83,496.75 |



2020 CAPITAL BUDGET



- **Curbing Improvements**
Annual Curb Replacement Program (Various Locations)
- **Drainage Improvements**
Annual Drainage Improvement Program (Various Locations); Cheesequake Village Headwall; Drainage Improvements at Darwin Road/Madison Avenue Intersection
- **Equipment**
Server Storage Box Replacement; Video Camera Server Replacement; Courtroom Video & Recording Equipment Upgrades; Silver Linings Outdoor Wellness Center; Community Crime Cameras; In Car Camera Systems; Pole Mounted Radar Speed Signs; Taser Equipment; Flail Mower Attachment; Lawn Mower; Mobile Columns; Snow Plow; Tailgate Spreader
- **Facilities Improvements**
Municipal Security Upgrades; Dispatch Refurbishment & Upgrade; Indoor Shooting Range Refurbishment; Courtyard Landscaping & Hardscaping; HVAC Upgrades, New Power Feed Cables & Replacement of 3 Electric Breaker Panels at the Administration Building; Replacement of Hot Water Heater-Public Works; Replacement of Transformer-TV Studio; Replacement of Bleachers at the Ice Rink
- **Furniture**
Furniture & Equipment for Police Substation; Tables & Benches at the Ice Rink
- **Parks Improvements**
Development of Cottrell Farm Park; Central Park Basketball Court Resurfacing; Laurence Harbor Basketball Court Resurfacing; New Irrigation System at Higgins Soccer Complex; Pickleball Court Installation at Mannino Park; Playground at 5th Street Basketball Courts
- **Road Improvements**
Annual Road Resurfacing Program; Spring Valley Road Culvert (Additional Funding)
- **Vehicles**
Dump Truck; Vactor Truck; Utility Truck; SUV Vehicle (2)

TOTAL: \$6,185,000.00



2020 CAPITAL BUDGET



| Category | Project Amount | Section 20 | Total | Down Payment | Net Borrowing |
|-----------------------------|-----------------------|--------------------|-----------------------|---------------------|-----------------------|
| Curbing Improvements | \$450,000.00 | \$10,000.00 | \$460,000.00 | \$23,000.00 | \$437,000.00 |
| Drainage Improvements | \$720,000.00 | \$16,000.00 | \$736,000.00 | \$36,900.00 | \$699,100.00 |
| Equipment | \$329,800.00 | \$0.00 | \$329,800.00 | \$16,700.00 | \$313,100.00 |
| Facilities Improvements | \$782,000.00 | \$12,000.00 | \$794,000.00 | \$39,900.00 | \$754,100.00 |
| Furniture | \$25,000.00 | \$0.00 | \$25,000.00 | \$1,300.00 | \$23,700.00 |
| Master Plan | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Parks Improvements | \$1,900,000.00 | \$10,000.00 | \$1,910,000.00 | \$45,600.00 | \$864,400.00 |
| Public Land Purchase | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Public Library | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Road Improvements | \$1,320,000.00 | \$31,200.00 | \$1,351,200.00 | \$67,600.00 | \$1,283,600.00 |
| Traffic Signal Improvements | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Vehicles | \$579,000.00 | \$0.00 | \$579,000.00 | \$29,100.00 | \$549,900.00 |
| TOTAL BY CATEGORY | \$6,105,800.00 | \$79,200.00 | \$6,185,000.00 | \$260,100.00 | \$4,924,900.00 |

CAPITAL FUNDING PROCESS

- Adoption of multipurpose capital bond ordinance (N.J.S.A. 40A:2-1 and N.J.S.A. 40A:2-13).
- Issuance of short term Bond Anticipation Notes (BAN). *Notes are limited to one year expiration from the date of issue.*
- Renewal of BANs for additional two or three years to allow the projects to be completed and the final amount of borrowing to be determined.
- Conversion of multiple short term BANs by issuance of long term BONDS.





CAPITAL FUNDING PROCESS (CONTINUED)



- Annual amortization for Township debt is approximately 8.81% of the total annual budget.
- Aa1 rating from Moody's Investor Services.
 - Impact on borrowing rate.
 - Impact on financing cost.

CURRENT DEBT AMORTIZATION

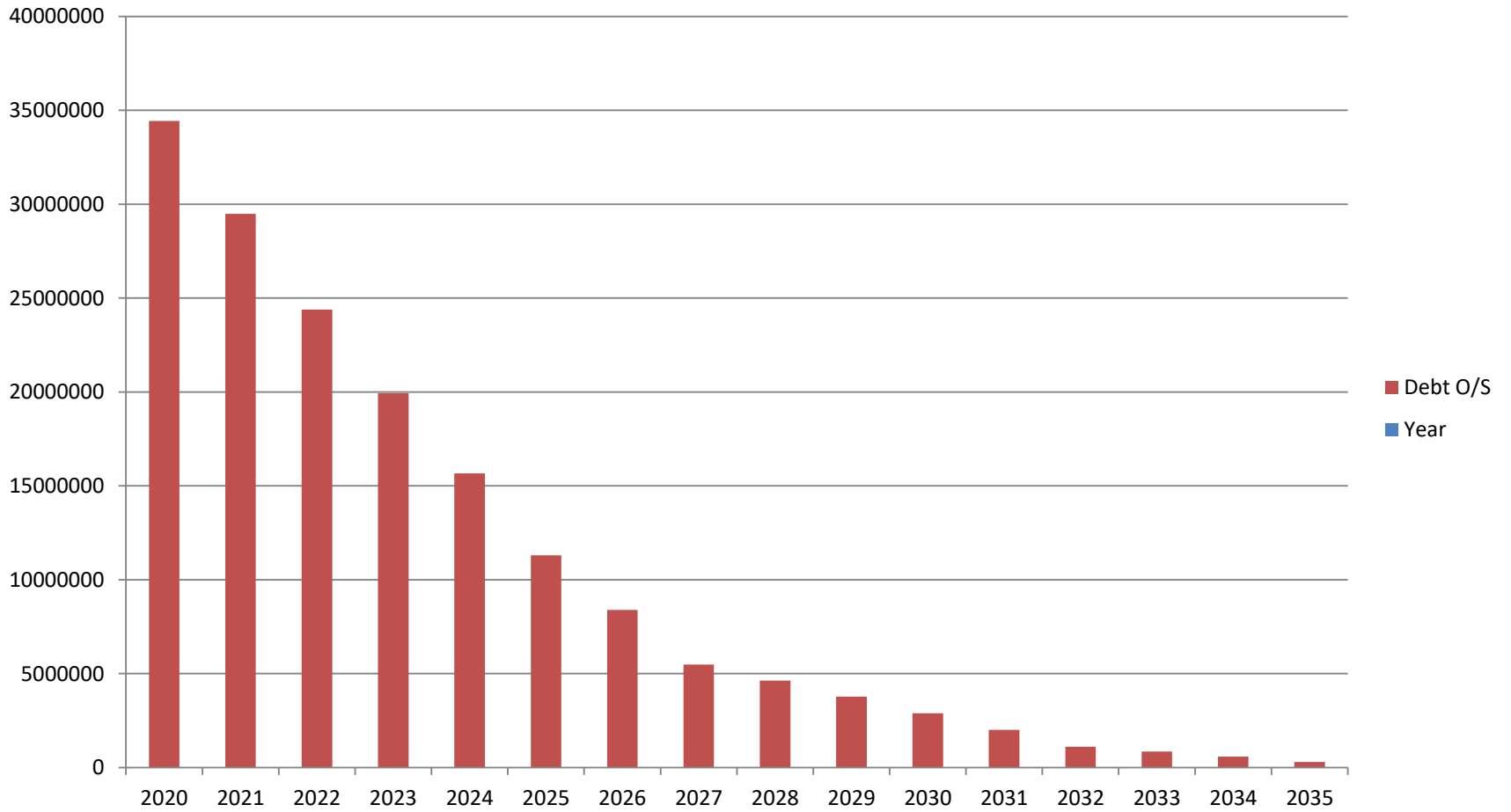
| Year | Debt O/S | Principal Payment | Interest Payment | Total Payments |
|------|---------------|-------------------|------------------|----------------|
| 2020 | \$ 34,433,904 | \$ 4,954,365 | \$ 761,144 | \$5,715,509 |
| 2021 | \$ 29,479,539 | \$ 5,094,792 | \$ 649,094 | \$5,743,885 |
| 2022 | \$ 24,384,747 | \$ 4,447,828 | \$ 552,894 | \$5,000,722 |
| 2023 | \$ 19,936,919 | \$ 4,275,052 | \$ 460,894 | \$4,735,945 |
| 2024 | \$ 15,661,867 | \$ 4,366,867 | \$ 372,206 | \$4,739,073 |
| 2025 | \$ 11,295,000 | \$ 2,905,000 | \$ 284,781 | \$3,189,781 |
| 2026 | \$ 8,390,000 | \$ 2,910,000 | \$ 205,956 | \$3,115,956 |
| 2027 | \$ 5,480,000 | \$ 850,000 | \$ 154,806 | \$1,004,806 |
| 2028 | \$ 4,630,000 | \$ 860,000 | \$ 129,306 | \$ 989,306 |
| 2029 | \$ 3,770,000 | \$ 875,000 | \$ 103,506 | \$ 978,506 |
| 2030 | \$ 2,895,000 | \$ 890,000 | \$ 77,256 | \$ 967,256 |
| 2031 | \$ 2,005,000 | \$ 900,000 | \$ 50,556 | \$ 950,556 |
| 2032 | \$ 1,105,000 | \$ 250,000 | \$ 33,530 | \$ 283,530 |
| 2033 | \$ 855,000 | \$ 265,000 | \$ 26,031 | \$ 291,031 |
| 2034 | \$ 590,000 | \$ 285,000 | \$ 18,081 | \$ 303,081 |
| 2035 | \$ 305,000 | \$ 305,000 | \$ 9,531 | \$ 314,531 |

Amortization Includes:

- ✓ Township Issued Bonds for General Capital & Arena Utility Fund
- ✓ Environmental Infrastructure Trust Loan (Cedar Ridge Property Acquisition) .

Does not include BANs or Projects Authorized but Debt not Issued.

OUTSTANDING DEBT



RECOMMENDED COUNCIL ACTION ITEMS

- Public hearing and adoption of bond ordinance for the 2020 capital budget.

