



TOWNSHIP OF OLD BRIDGE CAPITAL IMPROVEMENT PROGRAM

Mayor Owen Henry

Presented By:

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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 have a cumulative annual cost of \$25,000.00.

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

CAPITAL IMPROVEMENT PROGRAM

GENERAL OVERVIEW

- 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 other 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 rigorous 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 by the adoption of a **bond ordinance**.

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 in aid 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.





2012 CAPITAL BUDGET



	PROJECTS		SECTION 20	
	AUTHORIZED	CURRENT BALANCE	AUTHORIZED	CURRENT BALANCE
Curbing Improvements	\$583,232.00	\$0.00	\$29,358.00	\$22,095.00
Drainage Improvements	\$50,000.00	\$0.00	\$2,517.00	\$1,894.00
Equipment	\$40,000.00	\$3,473.15	\$2,013.00	\$1,515.00
Facilities Improvements	\$38,000.00	\$0.00	\$1,913.00	\$1,440.00
Furniture	\$0.00	\$0.00	\$0.00	\$0.00
Master Plan	\$0.00	\$0.00	\$0.00	\$0.00
Parks Improvements	\$0.00	\$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	\$1,416,768.00	\$123,890.51	\$71,316.00	\$53,673.00
Vehicles	\$395,000.00	\$27,270.00	\$19,883.00	\$14,964.00
Totals	\$2,523,000.00	\$154,633.66	\$127,000.00	\$95,581.00



2012 CAPITAL BUDGET



- **Curbing Improvements**
Curb Replacement Program (Various Locations)
- **Drainage Improvements**
Drainage Improvements (Various Locations)
- **Equipment**
Artificial Turf Machine; Five Hundred Gallon Tank with Sprayer; Toro Ground Master
- **Facilities Improvements**
Overhead Garage Doors
- **Road Improvements**
2012 Road Resurfacing Program (Various Locations); Cindy Street (State Aid); Ferry Road (State Aid)
- **Vehicles**
Midsized Dump Truck with Snow Plow; Pick-Up Truck; Street Sweeper; Tractor with Milling Machine

TOTAL: \$2,650,000.00



2013 CAPITAL BUDGET



	PROJECTS		SECTION 20	
	AUTHORIZED	CURRENT BALANCE	AUTHORIZED	CURRENT BALANCE
Curbing Improvements	\$400,000.00	\$17,303.76	\$8,000.00	\$7,877.25
Drainage Improvements	\$220,000.00	\$220,000.00	\$7,000.00	\$6,386.15
Equipment	\$70,000.00	\$34,685.12	\$0.00	\$0.00
Facilities Improvements	\$460,000.00	\$280,757.40	\$13,000.00	\$8,250.65
Furniture	\$10,000.00	\$8,128.71	\$0.00	\$0.00
Master Plan	\$0.00	\$0.00	\$0.00	\$0.00
Parks Improvements	\$50,000.00	\$0.00	\$1,000.00	\$877.23
Public Land Purchase	\$0.00	\$0.00	\$0.00	\$0.00
Public Library	\$0.00	\$0.00	\$0.00	\$0.00
Road Improvements	\$1,050,000.00	\$0.00	\$21,000.00	\$20,754.46
Vehicles	\$650,000.00	\$171,494.00	\$0.00	\$0.00
Totals	\$2,910,000.00	\$732,368.99	\$50,000.00	\$44,145.74



2013 CAPITAL BUDGET



- **Curbing Improvements**
Curb Replacement Program (Various Locations)
- **Drainage Improvements**
Arvin Road Design; Balmoral Drive Design and Permitting; Lakeridge Drive Design and Permitting; Paul's Beach Design and Construction; Pomona Boulevard Design
- **Equipment**
Computer Kiosks (2); Human Resources Management System; Polar Trac Conversion Kit for Toro Ground Master; Tablet Computers (10)
- **Facilities Improvements**
Municipal Parking Lot Improvements (Parking Utility); Renovations to Restrooms and Locker Rooms (Arena Utility); Replacement Condenser and Related Equipment (Arena Utility); UST Removal at Public Works Yard
- **Furniture**
Office Furniture (Various Locations)
- **Parks Improvements**
Sports Court Backboards for Tennis Courts
- **Road Improvements**
2013 Road Resurfacing Program (Various Locations); Ferry Road (State Aid)
- **Vehicles**
Backhoe; Dump Truck-8 Yard; Mason Dump Trucks (2); Passenger Bus; Utility Services Truck

TOTAL: \$2,960,000.00



2014 CAPITAL BUDGET



	PROJECTS		SECTION 20	
	AUTHORIZED	CURRENT BALANCE	AUTHORIZED	CURRENT BALANCE
Curbing Improvements	\$450,000.00	\$450,000.00	\$0.00	\$0.00
Drainage Improvements	\$180,000.00	\$160,400.00	\$1,000.00	\$1,000.00
Equipment	\$6,334,000.00	\$570,773.88	\$200,000.00	\$200,000.00
Facilities Improvements	\$4,395,000.00	\$4,363,100.00	\$63,750.00	\$63,275.00
Furniture	\$44,000.00	\$3,292.21	\$0.00	\$0.00
Master Plan	\$50,000.00	\$50,000.00	\$0.00	\$0.00
Parks Improvements	\$335,000.00	\$60,714.94	\$3,000.00	\$3,000.00
Public Land Purchase	\$0.00	\$0.00	\$0.00	\$0.00
Public Library	\$0.00	\$0.00	\$0.00	\$0.00
Road Improvements	\$1,325,000.00	\$235,994.60	\$26,500.00	\$25,500.00
Vehicles	\$470,000.00	\$30,675.00	\$0.00	\$0.00
Totals	\$13,583,000.00	\$5,924,950.63	\$294,250.00	\$292,775.00

2014 CAPITAL BUDGET

- **Curbing Improvements**

Curb Replacement Program (Various Locations)

- **Drainage Improvements**

Balmoral Drive Design and Permitting; Lakeridge Drive Construction; Shoreland Circle Design

- **Equipment**

*Cable Studio Control Room Upgrades; Cable Studio Upgrades; Council Chamber Upgrades; Network Upgrade; Firearms; 20 Ton Trailer; Asphalt Hot Patch Trailer; Enclosed Trailers; Larger Mower; Liquid Brine System; Road Paver; Road Roller; Road Saw; Lift System; Vehicle Scan Tool; **Public Safety Radio Communications System***

- **Facilities Improvements**

*Overhead Garage Doors; Municipal Complex Sidewalk Repairs; Camp Robin Building Improvements Design; Storage Area Construction; Synthetic Ice Surface System (Arena Utility); **Energy Savings Improvement Program (ESIP)***

- **Furniture**

Chairs and Tables; Office Furniture (UCC)

- **Parks Improvements**

Geick Park Playground; Mannino Park Phase 2; Public Driving Range; Sport Court Resurfacing; VFW Building Improvements

- **Road Improvements**

2014 Road Resurfacing Program (Various Locations); Texas Road (State Aid)

- **Vehicles**

4-WD Vehicles (7); Midsize Dump Trucks (2); Utility Tractor; Utility Vehicle

TOTAL: \$13,877,250.00



2015 CAPITAL BUDGET



Category	Project Amount	Section 20	Total	Down Payment	Net Borrowing
Curbing Improvements	\$450,000.00	\$9,000.00	\$459,000.00	\$23,000.00	\$436,000.00
Drainage Improvements	\$480,000.00	\$9,000.00	\$489,000.00	\$24,500.00	\$464,500.00
Equipment	\$404,000.00	\$0.00	\$404,000.00	\$20,700.00	\$383,300.00
Facilities Improvements	\$360,000.00	\$7,000.00	\$367,000.00	\$19,000.00	\$348,000.00
Furniture	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Master Plan	\$100,000.00	\$0.00	\$100,000.00	\$5,000.00	\$95,000.00
Parks Improvements	\$25,000.00	\$0.00	\$25,000.00	\$1,300.00	\$23,700.00
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	\$1,600,000.00	\$30,000.00	\$1,630,000.00	\$81,500.00	\$1,548,500.00
Vehicles	\$520,000.00	\$0.00	\$520,000.00	\$26,000.00	\$494,000.00
TOTAL BY CATEGORY	\$3,939,000.00	\$55,000.00	\$3,994,000.00	\$201,000.00	\$3,793,000.00



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

- **Road Improvements**

Trans Old Bridge Road Improvements; Annual Road Resurfacing Program

- **Vehicles**

Medium Dump Trucks (4); Small Pick-Up Vehicles (3); 4 WD Vehicles (2)

TOTAL: \$3,994,000.00



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 short term BANs to long term BONDS.
- Issuance of long term BONDS. *Bond issues are \$10 Million or less and amortized over a 10 years period or less to obtain a better interest rate.*



Capital Funding Process



- Annual amortization for Township debt is approximately 10% of the total annual budget.
- AA positive outlook rating from Moody's Investor Services.
- Impact on borrowing rate.
- Impact on financing cost.

ANNUAL BOND AMORTIZATION

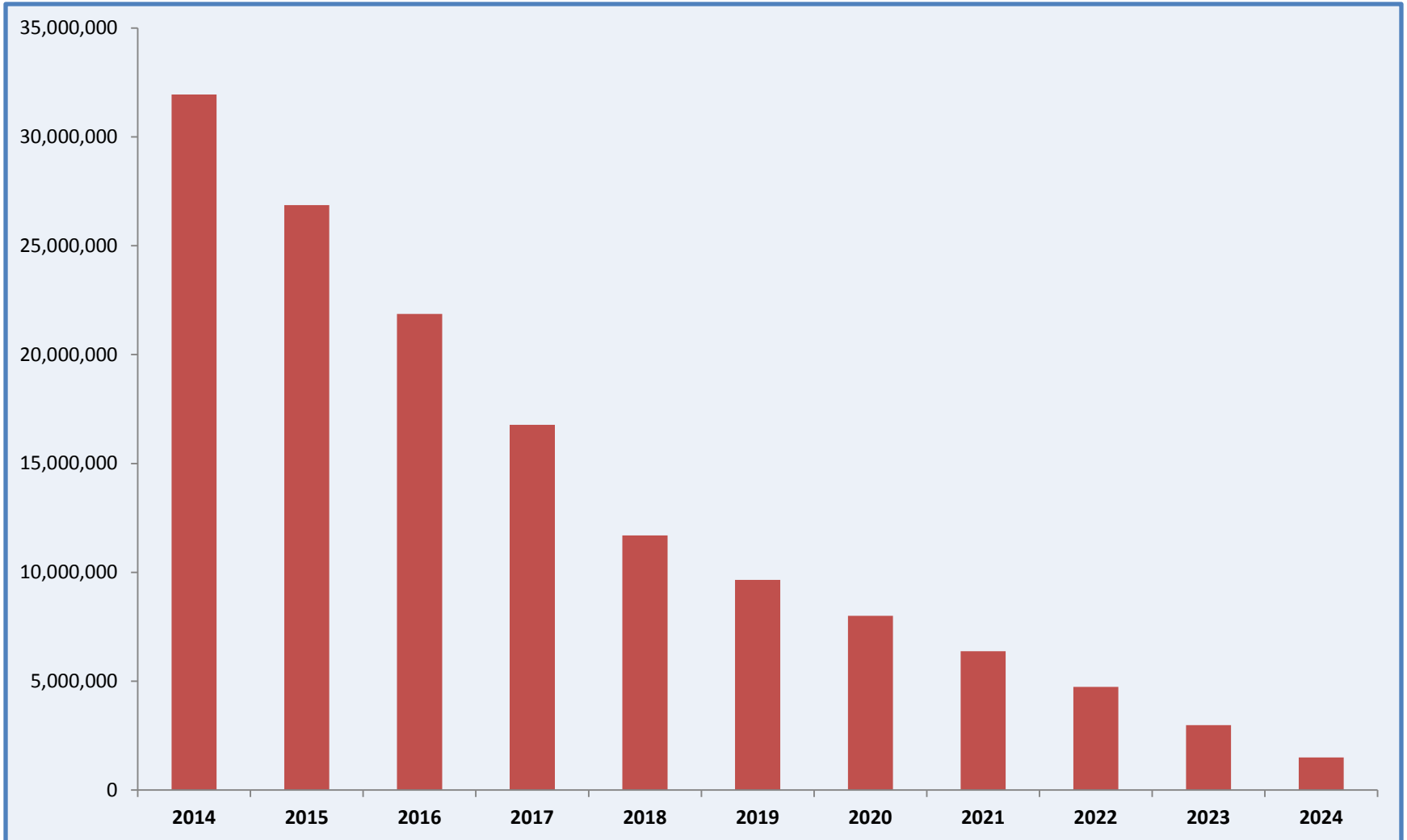
Year	Debt O/S	Principal Payment	Interest Payment	Total Payments
2015	\$26,861,677	\$5,000,791	\$763,151	\$5,763,942
2016	\$21,860,886	\$5,088,130	\$592,064	\$5,680,195
2017	\$16,772,756	\$5,075,065	\$417,756	\$5,492,820
2018	\$11,697,691	\$2,048,354	\$235,875	\$2,284,230
2019	\$9,649,336	\$1,650,433	\$190,123	\$1,840,555
2020	\$7,998,904	\$1,624,365	\$156,913	\$1,781,278
2021	\$6,374,539	\$1,634,792	\$123,663	\$1,758,454
2022	\$4,739,747	\$1,752,828	\$88,913	\$1,841,741
2023	\$2,986,919	\$1,490,052	\$51,613	\$1,541,664
2024	\$1,496,867	\$1,496,867	\$19,375	\$1,516,242

Amortization Includes:

- ✓ Township Issued Bonds.
- ✓ Environmental Infrastructure Trust Loan (Cedar Ridge Property Acquisition) .
- ✓ Green Acres Trust Loan (Geick Park, Rose Farm, Lambertson Road).

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

OUTSTANDING BONDS



RECOMMENDED COUNCIL ACTION ITEMS

- Adoption of bond ordinances for the 2015 capital budget.

