

# HOW TO PAVE THE YELLOW BRICK ROAD WITH GREEN

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HOW TO PAVE THE YELLOW BRICK ROAD  
with **GREEN!**

Pay-As-You-Go Financing  
VS  
Debt Financing

# PAVE the YELLOW BRICK ROAD with GREEN

- Currently Newington's Total General Fund Budget = \$118.7 million
- 5 Year Long-Range Capital Improvement Plan since mid 1980's [www.newingtonct.gov](http://www.newingtonct.gov)
- CIP Budget Process
  - ✓ Instructions
  - ✓ Prioritize
  - ✓ Criteria – 7 years useful life & \$25,000
  - ✓ Forms

# CIP REQUEST FORM

Department:	<ENTER DEPARTMENT NAME>
Project Title:	<ENTER PROJECT TITLE>
Project Location:	<ENTER PROJECT LOCATION>
Name of Person Completing the Form	<ENTER NAME OF PERSON COMPLETING FORM>

This is Priority #	Choose Priority from Dropdown list
Estimated useful life of item/project?	<ENTER USEFUL LIFE OF PROJECT>

Estimated Fiscal Year of the Project: (Click all applicable years)	<input type="checkbox"/> 2019-2020	<input type="checkbox"/> 2020-2021
	<input type="checkbox"/> 2021-2022	<input type="checkbox"/> 2022-2023
	<input type="checkbox"/> 2023-2024	

Project Description (May attach supplemental information, if necessary.) <TYPE IN PROJECT DESCRIPTION>
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Why is Project needed? Describe benefits to the Town. <TYPE IN TOWN BENEFITS>
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Source(s) of Cost Estimates <ENTER SOURCE(S) OF COST ESTIMATE>
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Sources of possible financing other than taxation.	
Any state/federal grants or private donations; list contact(s) of agencies	Estimate when Town would receive funding.
1. <FINANCE SOURCE>	<TIME ESTIMATE>
2. <FINANCE SOURCE>	<TIME ESTIMATE>

List alternatives considered	Estimated costs of each.
1. <ALTERNATIVE>	\$0.00
2. <ALTERNATIVE>	\$0.00

CAPITAL COST ESTIMATE: (Lines 1 through 6 apply to major construction projects only)	
1. Planning, Engineering, Architectural	\$0.00
2. Land Acquisition	\$0.00
3. Construction and Materials	\$0.00
4. Project Management, Clerk of the Works	\$0.00
5. Equipment Furnishings	\$0.00
6. Project Contingency	\$0.00
7. Other Expenditures	\$0.00
<b>TOTALS</b>	<b>\$0.00</b>

# SCHEDULE OF CIP REQUESTS

PROJECT TITLE	PRIORITY*	PROPOSED CAPITAL IMPROVEMENT PLAN					Total
		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	
2010 Revaluation	1	400,000					400,000
Backfile Conversion for 1976-1983	1	18,000	18,000	18,000	18,000	18,000	90,000
Backfile Conversion for 1984-2006	2				46,152		46,152
Computer System Replacement	1	460,000	225,000	225,000	225,000	225,000	1,360,000
Town Hall Renovation Phase II - V	1	600,000	1,390,000	1,390,000	1,390,000		4,770,000
Town Hall Mechanical Reserve	2	25,000	25,000	25,000	25,000	25,000	125,000
Municipal Parking Lot Improvements***	1	1,800,000					1,800,000
Library Expansion & Town Hall Site Planning	3	45,000					45,000
Historic Properties Upgrades	5	30,000	30,000	30,000	30,000	30,000	150,000
Town Hall Aesthetic Improvements	6	25,000					25,000
Roof Replacement NVA Bldg	4		100,000				100,000
Roof Replacement S&D Bldg	7			285,000			285,000
HVAC Replacement S&D Bldg	8		120,000				120,000
Roof Replacement Town Hall	9		100,000				100,000
Highway Bldg Expansion & truck/car wash	2	400,000					400,000
Highway Dept Cold Storage Bldg	3		155,000				155,000
Paving of Highway Dept Parking Lot	4		265,000				265,000
Highway Dept Training Facility	5			75,000			75,000
Central Electronics Replacement	1	30,000					30,000
Fire Dept Computer Assisted Dispatch *****	1	45,000					45,000
Firehouse Resurfacing Program	2		100,000				100,000
Apparatus Floor Resurfacing Co. 1	3		65,000				65,000
Computer Access Control System	4	52,500	52,500				105,000
Co. 1 Roof Replacement & Gutter Relining	5		60,000				60,000
SCBA Breathing Air Compressor Replacement	6	75,000					75,000

# PAVE the YELLOW BRICK ROAD with GREEN

- Currently Newington's Total General Fund Budget = \$118.7 million
- 5 Year Long-Range since mid 1980's [www.newingtonct.gov](http://www.newingtonct.gov)
- CIP Budget Process
- 4 Capital Funds
  - Public Building Fund
  - Public School Capital Improvement Project Funds
  - Land Acquisition Fund
  - Capital Non-Recurring Expenditure Fund
    - ❖ Equipment Replacement Reserve
    - ❖ Park & Playground Improvements
    - ❖ Information Technology

# EQUIPMENT REPLACEMENT SCHEDULE

Annual Appropriation = Straight Line Depreciation

HIGHWAY					ANTIC-						
		VEH.	PURCHASE	ANNUAL	IPATED	PROJECTED	VEHICLES TO BE REPLACED DURING				
		YEAR	PRICE	DEPRECI-	LIFE	REPL.	THE FISCAL YEAR BEGINNING JULY 1,				
MAKE	MODEL			ATION	CYCLE	COST	2007	2008	2009	2010	2011
FORD	P/U TRUCK	1998	23,000	2,500	9	32,798	32798	0	0	0	0
FORD	F-250	1995	22,080	1,385	12	37,001	37001	0	0	0	0
LEEBOY	PAVER	1987	26,575	1,309	20	56,925	56925	0	0	0	0
JCB	LOAD-ALL	1991	50,000	3,320	16	55,000	55000	0	0	0	0
TARCO	LEAF MACHINE	1998	14,000	1,250	10	21,187	0	21187	0	0	0
KENWORTH	TRI-AXLE	1987	24000	1,125	21	51,419	0	51419	0	0	0
M-B	PAINT MACHINE	1993	51,000	3,367	15	59,698	0	59698	0	0	0
INTERNATIONAL	DUMP TRUCK	1993	84,000	5,333	15	128,761	0	128761	0	0	0
SULLAIR	COMPRESSOR	1985	9,770	426	24	18,848	0	0	18848	0	0
TARCO	LEAF MACHINE	1999	15,900	1,440	10	21,928	0	0	21928	0	0
FORD F-250	PICKUP TRUCK	2001	26,107	1,888	8	35,134	0	0	35134	0	0
INTERNATIONAL	DUMP TRUCK	1994	88,000	5,667	15	133,268	0	0	133268	0	0
TARCO	LEAF MACHINE	2000	16,200	1,470	10	22,696	0	0	0	22696	0
INTERNATIONAL	DUMP TRUCK	1993	84,000	5,333	17	137,932	0	0	0	137932	0
ATHEY	SWEEPER	2000	81,000	7,700	11	207,845	0	0	0	0	207845
TARCO	LEAF MACHINE	2000	16,200	1,470	11	23,490	0	0	0	0	23490
FORD	DUMP TRUCK	1996	87,553	5,637	15	142,760	0	0	0	0	142760

# PAVE the YELLOW BRICK ROAD with GREEN



Balance Operating  
Budget

=

Eliminating  
Capital  
Improvements



**PAVE the YELLOW BRICK ROAD with GREEN**  
**ADOPTED BUDGET 1992-93**

	<b>Budget Appropriations</b>	<b>\$ Change</b>	<b>% Change</b>
<b>General Government</b>	<b>15,227,182</b>	<b>-251,637</b>	<b>-1.6</b>
<b>Board of Education</b>	<b>28,275,675</b>	<b>0</b>	<b>2.6</b>
<b>Debt Service</b>	<b>1,881,595</b>	<b>108,958</b>	<b>6.1</b>
<b>Metropolitan District Commission</b>	<b>1,371,235</b>	<b>77,897</b>	<b>6.0</b>
<b>Capital Improvements</b>	<b>376,000</b>	<b>-235,117</b>	<b>-38.5</b>
<b>Employee Leave Liability</b>	<b>360,638</b>	<b>-3,852</b>	<b>-1.1</b>

# PAVE the YELLOW BRICK ROAD with GREEN

CAPITAL IMPROVEMENT PROJECT FY 1992-93						
Project Title	Town Manager Proposed	Town Council Adopted	-----STATE AID-----			General Fund Budget
			LoCIP	Town Aid Roads	Other Funds (1)	
Computer System Tax & Assessor Lease	15,000	15,000			15,000	-
Police Dept Radio Frequency - Lease	17,181	17,181			17,181	-
Fire Headquarter Improvements	35,000	35,000			35,000	-
Fire CO#5 - New Equipment Garage	15,000	15,000			15,000	-
New Ambulance (2)	-	-			-	-
Road Reconstruction Program	281,600	281,600	231,313	50,287		-
Road Resurfacing Program	177,000	177,000		177,000		-
Knollwood Road Drainage Project	15,600	15,600			15,600	-
Sidewalk Repair Program	25,000	25,000			25,000	-
Recycling Equipment (3)	166,000	166,000				166,000
Underground Storage Tanks -Removal & Replacement	50,000	50,000			50,000	-
Parks & Grounds Resurfacing Program	15,000	15,000		15,000		-
Historic Homes Porch Repairs	25,000	25,000			25,000	-
Park + Play field Improvements	20,000	20,000			20,000	-
Appr. To Public School CIP Reserve (4)	160,000	160,000				160,000
Public School Fire Code Improvements	100,000	50,000				50,000
	1,117,381	1,067,381	231,313	242,287	217,781	376,000
(1) Other Funds include the Town Improvement Fund and the Capital Non-Recurring Expenditure Fund.						
(2) The Town will enter into a five year leasing program. The NVA will pay for the first year of the financing.						
(3) The Town will receive a 100% reimbursement from the State of Connecticut Department of Environmental Protection.						
(4) The additional appropriation of \$35,000 is proposed only to deter long-term financing.						

# HOW MUCH DEBT COULD WE AFFORD



# NEWINGTON'S DEBT MANAGEMENT POLICY

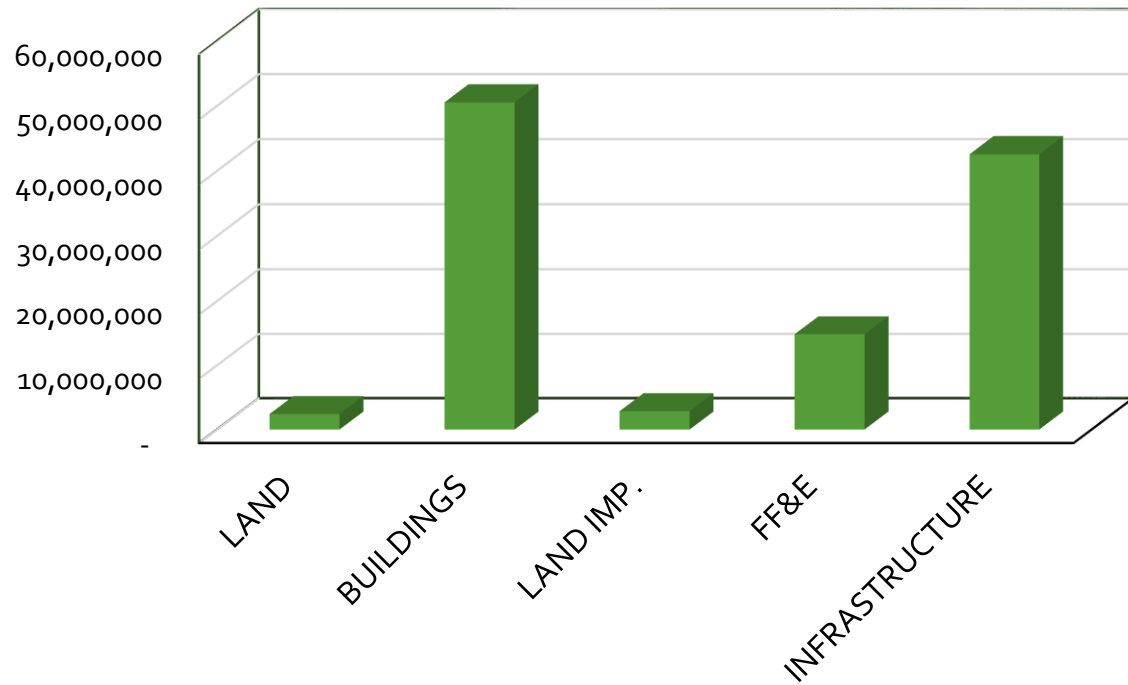
<b>FACTORS</b>	<b>NOT TO EXCEED</b>
<b>DEBT SERVICE AS A PERCENTAGE OF TOTAL GENERAL FUND EXPENDITURES</b>	<b>6%</b>
<b>OUTSTANDING BONDED DEBT AS A PERCENT OF ASSESSED VALUE</b>	<b>2%</b>
<b>OUTSTANDING BONDED DEBT PER CAPITA</b>	<b>\$1,000</b>
<b>TOTAL OUTSTANDING DEBT</b>	<b>\$30 MILLION</b>

# The Capital Improvement Budget Dispute

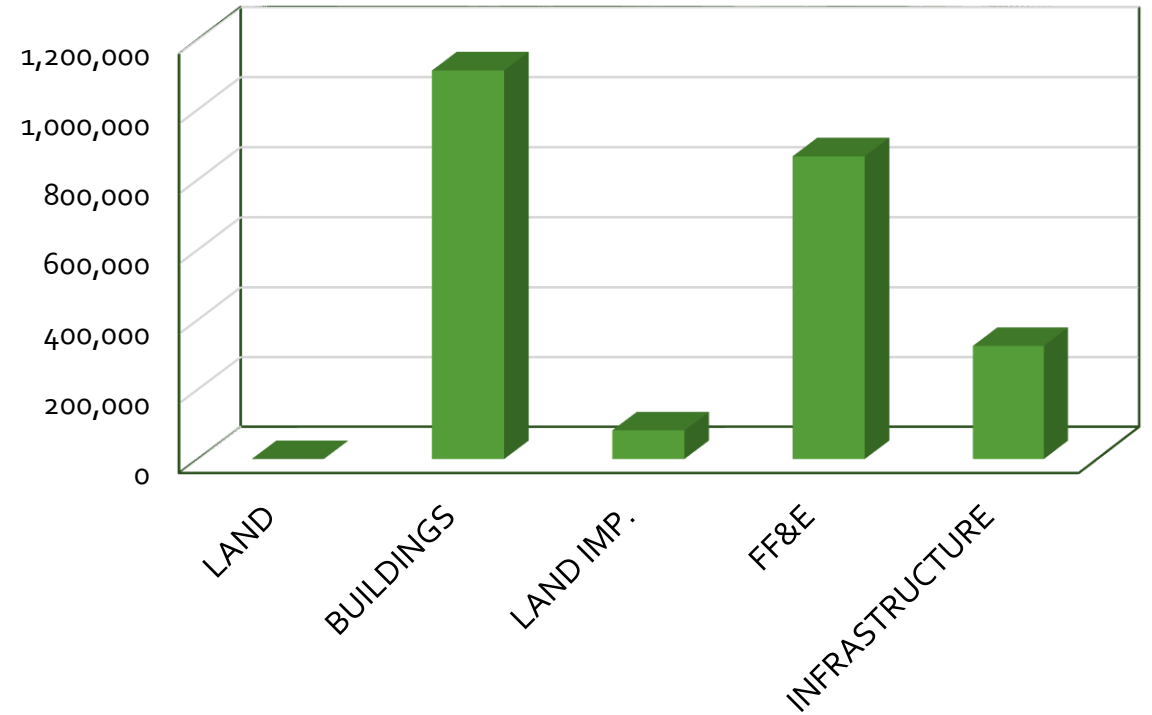
- Town Council established a **Capital Improvement Program Committee** composed of 3 Town Councilors and 2 Board of Education members
- Establish a town wide review process for all CIP requests with the intent of developing a consolidated prioritized list. This list will support Newington's short and longer range needs for new facilities and/or equipment, revitalization of the existing physical plant, as well as recognizing new or special initiatives.
- Develop a common understanding of Newington's debt capacity and ongoing financial resources that can be dedicated to capital improvement projects.
- Develop a set of potential parameters regarding the classification of projects as "Bonding Eligible" or "Pay as You Go"

# Financial Magnitude of CIP Needs (GASB 34)

ASSET VALUE - \$133.2 MILLION



DEPRECIATION - \$2,387,117



# Ten Year History CIP Funding

<b>Fiscal Year Ending</b>	<b>Contribution To CNRE Fund</b>	<b>Contribution to Public School CIP</b>	<b>Major Equipment Reserve &amp; Lease Purchase</b>	<b>Total Contributions</b>	<b>As Percent of Budget</b>
1998	1,722,162	125,000	366,728	2,213,890	4.07%
1999	3,719,387	125,000	445,200	4,289,587	7.88%
2000	1,267,777	125,000	849,551	2,242,328	3.87%
2001	1,500,943	125,000	780,546	2,406,489	4.07%
2002	1,596,911	125,000	428,009	2,149,920	3.46%
2003	1,035,730	125,000	495,004	1,655,734	2.58%
2004	567,905	125,000	495,004	1,187,909	1.75%
2005	920,275	125,000	344,273	1,389,548	1.95%
2006	2,292,920	125,000	513,204	2,931,124	3.90%
2007	1,942,620	125,000	555,927	2,623,547	3.25%
<b>Total</b>	<b>16,566,630</b>	<b>1,250,000</b>	<b>5,273,446</b>	<b>23,090,076</b>	<b>32.72%</b>
<b>Average</b>	<b>\$ 1,656,663</b>	<b>\$ 125,000</b>	<b>\$ 527,345</b>	<b>\$ 2,309,008</b>	<b>3.27%</b>





# Capital Improvements Committee Recommendations

## FUNDING LEVEL

### DEBT MANAGEMENT POLICY

- ❖ Town's total outstanding debt should not exceed \$30.0 million.
- ❖ Therefore, the maximum the Town will pay for future debt service payments is \$3.8 million.

### PAY AS YOU GO FUNDING

- ❖ Recognizing the merits of the Equipment Replacement Reserve Fund for vehicles, this concept was duplicated to all Town fixed assets (infrastructure and buildings).
- ❖ Therefore, \$2.5 million meets the objective to fund at a constant level equal to straight-line depreciation.

## Capital Improvement Plan Funding Policy

- ❖ The two components (\$3.8 million + \$2.5 million) formed a new base number of \$6.3 million.
- ❖ This funding level would remain constant for future years.
- ❖ In other words, the Town would consistently budget \$6.3 million, reduce it by the amount required for principal and interest payments and the excess would be used for “pay-as-you-go” projects.

# Capital Improvements Committee

## "Give me a List"

LIST OF CAPITAL IMPROVEMENT PROJECTS									
TITLE	Financing	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Grants	PROPOSED COST (Net of Grants)	(T) Town (S) School
Town Hall Improvements	B	6,300,000						6,300,000	T
Highway Facility Improvements	B	1,274,000						1,274,000	T
Lighting Retrofit/Energy Mgmnt Resources	B	1,064,653					(223,577)	841,076	S
<b><i>Mandated or Continuing Annual Appropriations:</i></b>									
Appr. To Public School CIP Reserve	P	125,000	125,000	125,000	125,000	125,000		625,000	S

# Capital Improvements Committee Recommendations

	ADOPTED BUDGET 2006-07	ADOPTED BUDGET 2007-08	CHANGE
<b>Debt Service</b>	\$3,150,848	\$2,595,927	\$-554,921
<b>Capital Improvements</b>	\$2,623,547	\$3,704,073	\$1,080,526
<b>Total</b>	\$5,774,395	\$6,300,000	\$525,605

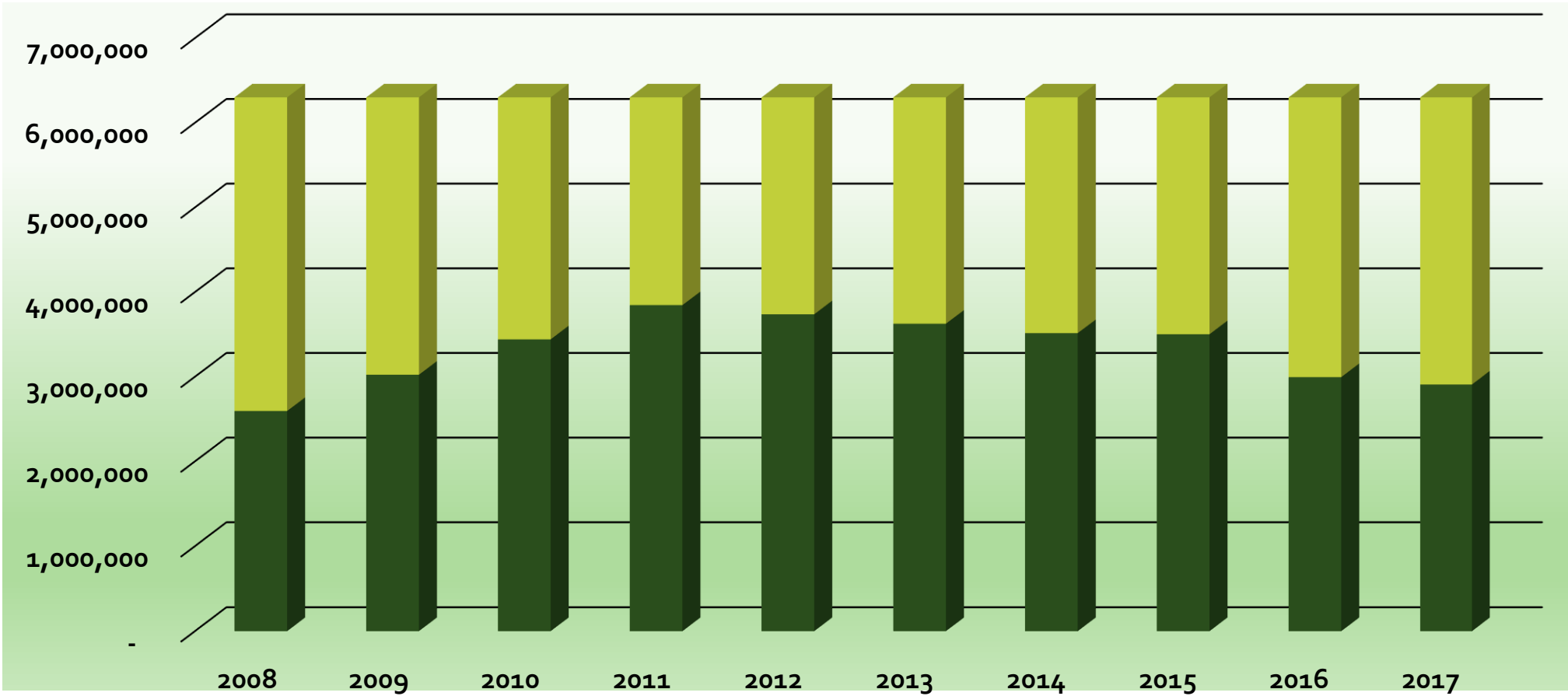
# Capital Improvements Committee Recommendations

Project Title	CIP Committee Recommendation	STATE AID		Other Funds	General Fund Budget
		LoCIP	Town Aid Roads		
Eddy Farm Conservation Easement Acquisition	572,000				572,000
Computer System Replacement	200,000				200,000
Town Hall Improvements	500,000				500,000
Sky Light Replacement - NVA	12,010			12,010	-
Road Reconstruction	834,000	206,200	127,800		500,000
Traffic Signal Repair & Replacement Reserve	25,000				25,000
Drainage Improvement Program	801,146			200,000	601,146
Road Resurfacing	65,000		65,000		-
Library Roof Replacement	100,000				100,000
Parks Garage - Roof Replacement	20,000			20,000	-
Park + Playfield Improvements	100,000				100,000
Lease Purchase Payments	211,654				211,654
Equipment Replacement Reserve	344,273				344,273
Appr. To Public School CIP Reserve	125,000				125,000
Field House expansion/update	425,000				425,000
<b>Subtotal Capital Improvements</b>	<b>4,335,083</b>	<b>206,200</b>	<b>192,800</b>	<b>232,010</b>	<b>3,704,073</b>
<b>Annual Debt Service Payments</b>					<b>2,595,927</b>
<b>GRAND TOTAL</b>					<b>6,300,000</b>

# PROPOSED LONG-TERM FINANCING SCHEDULE

Fiscal Year Ending June 30,	Existing Long-Term Debt	Town Hall \$5,000,000 Issued 6/2008 5.0%	Highway & Education Facilities \$5,000,000 Issued 6/2009 5.0%	Education Facilities \$5,000,000 Issued 6/2010 5.0%	Education Facilities \$5,000,000 Issued 6/2013 5.0%	Total Debt Service	Funding for Pay As You Go Projects Net of \$6,300,000
2008	2,595,927	0	0	0	0	2,595,927	3,704,073
2009	2,524,053	500,000	0	0	0	3,024,053	3,275,947
2010	2,454,329	487,500	500,000	0	0	3,441,829	2,858,171
2011	2,383,840	475,000	487,500	500,000	0	3,846,340 *	2,453,660
2012	2,312,890	462,500	475,000	487,500	0	3,737,890	2,562,110
2013	2,239,397	450,000	462,500	475,000	0	3,626,897	2,673,103
2014	2,165,472	437,500	450,000	462,500	0	3,515,472	2,784,528
2015	1,689,528	425,000	437,500	450,000	500,000	3,502,028	2,797,972
2016	1,233,432	412,500	425,000	437,500	487,500	2,995,932	3,304,068
2017	1,196,430	400,000	412,500	425,000	475,000	2,908,930	3,391,070
2018	1,158,992	387,500	400,000	412,500	462,500	2,821,492	3,478,508
2019	791,336	375,000	387,500	400,000	450,000	2,403,836	3,896,164
2020	764,796	362,500	375,000	387,500	437,500	2,327,296	3,972,704
2021	738,040	350,000	362,500	375,000	425,000	2,250,540	4,049,460
2022	711,064	337,500	350,000	362,500	412,500	2,173,564	4,126,436
2023	683,641	325,000	337,500	350,000	400,000	2,096,141	4,203,859
2024	655,953	312,500	325,000	337,500	387,500	2,018,453	4,281,547
2025	192,863	300,000	312,500	325,000	375,000	1,505,363	4,794,637
2026		287,500	300,000	312,500	362,500	1,262,500	5,037,500
2027		275,000	287,500	300,000	350,000	1,212,500	5,087,500
2028		262,500	275,000	287,500	337,500	1,162,500	5,137,500
2029		0	262,500	275,000	325,000	862,500	5,437,500
2030		0	0	262,500	312,500	575,000	5,725,000
2031		0	0	0	300,000	300,000	6,000,000
2032		0	0	0	287,500	287,500	6,012,500
2033		0	0	0	275,000	275,000	6,025,000
2034		0	0	0	262,500	262,500	6,037,500
2035		0	0	0	0	0	6,300,000
<b>TOTALS</b>	<b>26,491,983</b>	<b>7,625,000</b>	<b>7,625,000</b>	<b>7,625,000</b>	<b>7,087,500</b>	<b>56,454,483</b>	

# PROPOSED LONG-TERM FINANCING SCHEDULE



■ Annual Debt Service

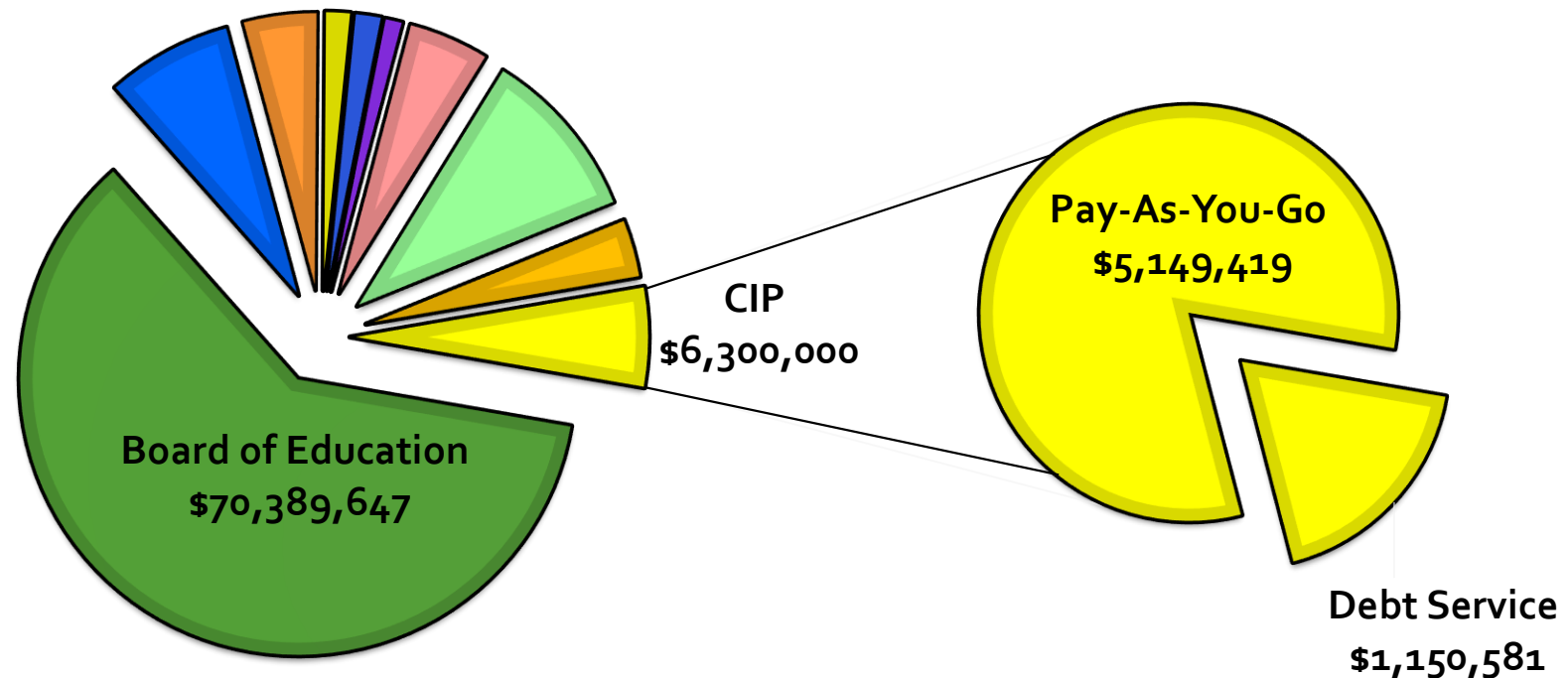
■ Pay-As-You-Go



# Capital Improvement Plan Funding Policy

Total Annual Budget \$115,858,962

Police & Fire	\$8,500,649	Public Works	\$4,978,602
Parks & Recreation	\$1,691,271	Public Library	\$1,753,155
Health & Community Services	\$1,195,766	MDC	\$3,915,150
Insurance, Benefits & Contingency	\$11,683,697	Other Departments	\$5,576,401
Board of Education	\$70,389,647	CIP	\$6,300,000

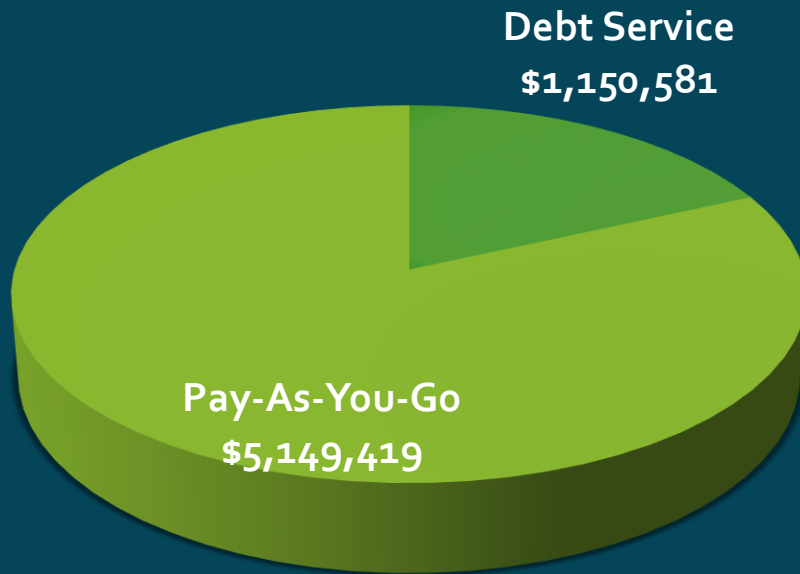






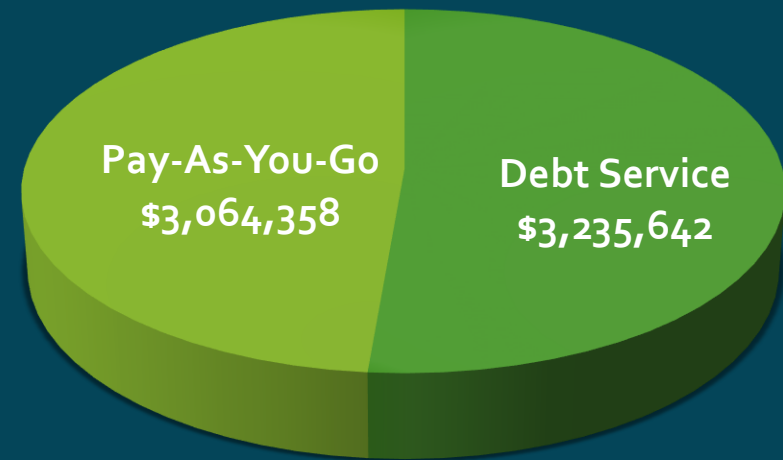
# Capital Improvement Plan Funding Policy

## CIP 2018



■ Debt Service   ■ Pay-As-You-Go

## CIP 2019

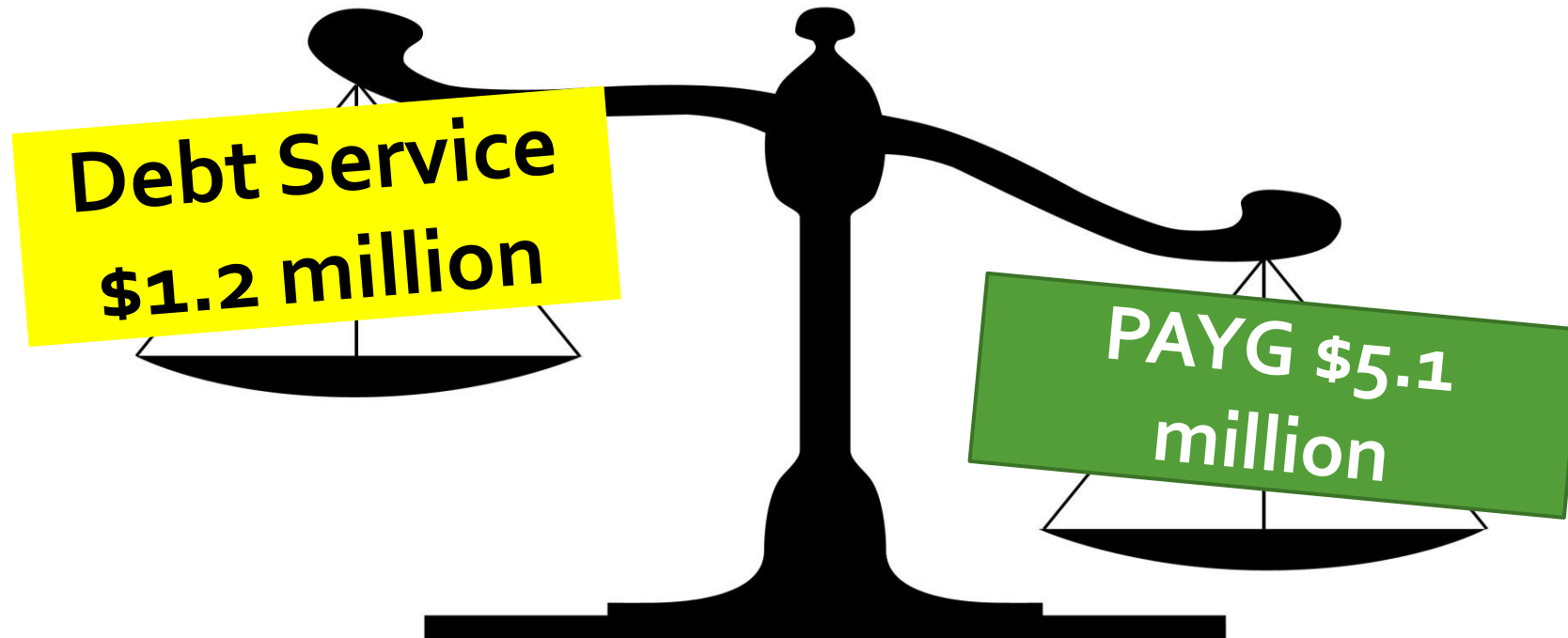


■ Debt Service   ■ Pay-As-You-Go

# HOW TO PAVE THE YELLOW BRICK ROAD with GREEN

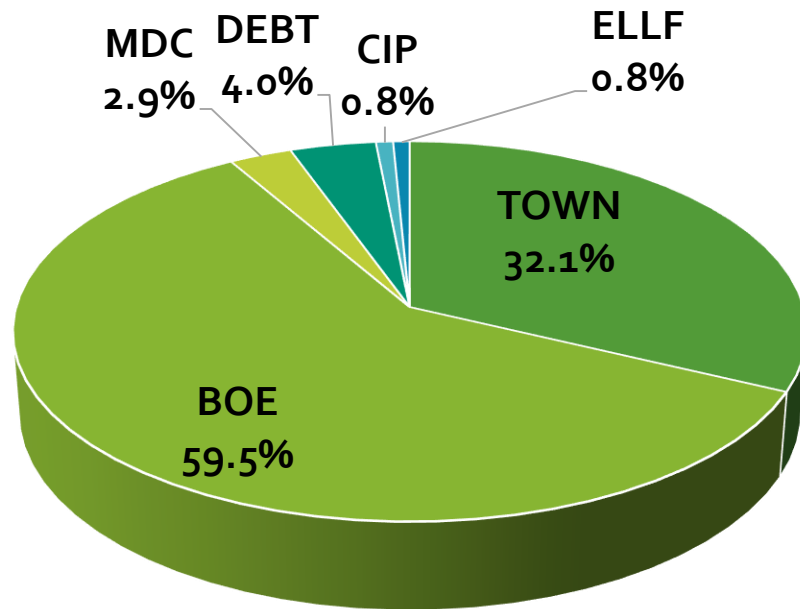
PROJECTS	EXPENDED \$
MIDDLE & HIGH SCHOOL CAREER TECH RENOVATIONS	\$3.2 MILLION
TOWN HALL IMPROVEMENTS	\$2.9 MILLION
ROAD RECONSTRUCTION	\$2.9 MILLION
SCHOOL ROOF REPLACEMENTS	\$1.8 Million
TOWN CENTER STREETScape AND MUNICIPAL PARKING LOT	\$1.0 Million
DRAINAGE IMPROVEMENTS	\$900,000
SYNTHETIC ATHLETIC FIELD	\$700,000

# HOW TO PAVE THE YELLOW BRICK ROAD with GREEN



# How our CIP has Improved

FYE 1993 - CIP \$376,000



FYE 2018 - CIP \$5,149,419

