

Finance Committee Meeting

Topic: FY 2023 Capital Proposal



City of Lockport, NY

April 26th, 2023

Availability of Bonds as a Resource



- Bonding is long term debt that is incurred for specific projects typically over the length of its life. Municipalities use bonds to pay for large capital expenditures and infrastructural requirements.
- As bond payments expire, the City can take on new bonds with the goal of keeping the tax rate as flat as possible in order to promote good tax equity.

Expiring Bonds

The City of Lockport has a number of current bonds expiring in upcoming years. This includes our 2014 bonds ending with last payments in FY 2024. Required principal and interest payments within the operating funds would then decrease by \$750k in FY 2025. Additional bonds expiring in FY 2025 would again decrease the operating budgets by \$349,008 beginning in FY 2026.



Outstanding Bond Authorizations

Currently, there are the following bond authorizations outstanding that have not yet been bonded:

Gulf Interceptor (Sewer)	\$7,738,000
UV Project (Sewer)	\$3,800,000
Fire Truck (General)	\$1,717,191

It should be noted that the Gulf Interceptor is anticipated to only utilize Clean Water State Revolving Fund (CWSRF) low/no interest loan in the amount of \$3.1 million after netting out anticipated grants. Similarly, the UV project is anticipating to utilize CWSRF in the amount of \$2,125,000 net of other anticipated awards.

How to Budget for Bonds

- When we have an known amount of debt payments expiring, we can take out new bonds with the intent to keep the budgeted costs flat in each operating fund.
- While each project will have a different life and annual interest/principle payment, using the fire truck authorization as an example, we could potentially take out \$3 million in general fund bonds and \$2.5 million in Water Fund bonds with a goal of keeping a flat rate throughout the FY 2026 budget. We will have better figures once project RFP costs begin materializing.

Other Available Funding Sources

Capital projects do not have to be funded through bonds alone. There are other funding sources to make note of at this point in time, including:

- Remaining ARPA Funds
- NYSDOT funds
- Fund balance
- Prior bond proceeds from uncompleted / cancelled projects

These are detailed in the memo.



Recommended Projects

Water and Sewer Infrastructure Study	This project would consist of having a contracted group perform a study measuring the City's current water and sewer infrastructure and lines to determine what repairs and corrective action should be done.
Sidewalk and Railing on Gooding Street	This project would improve the Gooding Street infrastructure to make the area safer for citizens.
Chestnut Street Improvements and Traffic Calming	This project would improve the infrastructure to promote better efficiency and safety of the area.
Compost Door Replacements	This project, contingent on upcoming compost facility actions, would replace the delinquent doors at the facility.
Ford F450 in Water Distribution	This piece of equipment would serve water distribution and better the efficiency of the department.
Lincoln and Locust Street Improvements	This project would solidify the area to be a four-stop corner, with better cross walks and other safety improvements for students and pedestrians.
Lead Inventory	As per upcoming State requirements, the City will need to maintain a database and inventory of lead lines connecting to City infrastructure.
New Garage Building Structure	This structure would drastically improve and solidify the public works and garage equipment, allowing better storage, inventory, and management matters of City equipment.

Recommended Projects

Fire Apron Repair	This project would fund a new apron outside the back and side area of City Hall.
Compost Lease Agreement	Since 2021, our Engineering team has been looking at options to pursue for the Compost Plant. It is recommended to RFP the facility and have vendors present options to the Council and City.
Pool Renovation	This project fund improvements at the City pool, creating ADA compliance and better facilities for our public and youth to use.
Splash Pad	This project would create a new splash pad in Outwater Park for our citizens and youth to enjoy.
EV Stations	This project, led in coordination with NYPA Advisory Services, would fund a number of electronic vehicle stations in City Hall for a future EV City fleet as well as in parks for the Public to use and pay for.
Solar Panels	This project, led in coordination with NYPA Advisory Services, would provide solar panels on municipal buildings / lots. This would alleviate monthly payments of utility costs in City infrastructure.
Water and Sewer Infrastructure Repairs	After a study is finished to document the age and condition of City water and sewer infrastructure, funding would be made to alleviate decaying areas.
Lead Line Replacements	While it is unknown how NYS will distribute funding for this project, it is important to note of potential upcoming bonding for this project.
Violence Prevention Policy Recommendations	A newly revised FY 2023 Violence Prevention Policy contains a number of improvements that the City should make to ensure employee safety. This funding would supply costs for major repairs, such as fencing and lighting at Water Treatment.

Next Steps for Each Project

- 1) The City Engineer will begin reaching out to a pre-approved list of engineering firms to determine which groups have expertise in which function areas. The Engineer will discuss with them the scope of the project and inquire as to the design costs.
- 2) The Council will be presented with a resolution to authorize the Mayor to enter into such contract and to have the City begin the bond ordinance process (if the project is going to be funded via bonds) and/or to approve funds to start the design.
- 3) Once the design is completed, an RFP will be published. A resolution will award the contract and funding source (by moving funds and/or a full bond ordinance).

If the design and engineering work is to be done in-house, an RFP will be published and the Council will then vote on awarding the contract and funding source.

Example Resolution

012418.15

By Alderman Devine:

Whereas, the Chief Operator of the Waste Water Plant informed the Mayor that the Plank Road culvert is deteriorated and in need of repair, and

Whereas, per Engineering Department request, the City's consulting engineering firm, Nussbaumer and Clarke, Inc. performed a condition assessment of the Plank Road culvert and determined that the culvert superstructure has reached the end of its anticipated service life and should be replaced in order to maintain its integrity and safety; and

Whereas, Nussbaumer & Clarke, Inc. submitted a proposal dated December 5, 2017 to provide engineering services related to the design of the replacement of the Plank Road culvert superstructure; now, therefore, be it

Resolved, that the Mayor, subject to Corporate Counsel approval, is hereby authorized to execute an agreement with Nussbaumer & Clarke, Inc., 3556 Lake Short Road, Suite 500, Buffalo, NY 14219, for a fee Not-to-Exceed of \$19,100 for the Scope of Work included in its proposal and to be charged to Capital Projects, and be it further

Resolved, that the City Attorney and City Treasurer are hereby directed to prepare the necessary Bond Ordinances to authorize the issuance of debt to fund said project.

Seconded by Alderman Farrell and adopted. Ayes 6.

