

City of Long Beach

2021/2022 Capital Budget & 2021/2022 – 2025/2026 Capital Improvement Plan



Demolition of 1 Million Gallon Standpipe

New Life Guard Headquarters

Prepared By:

Department of Public Works

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OFFICE OF THE COMMISSIONER
CITY OF LONG BEACH
DEPARTMENT OF PUBLIC WORKS

TO: CITY MANAGER

Attached for your consideration is the 2021/2022 Capital Budget and the 2021/2022 through 2025/2026 Capital Improvement Plan. This will be my first Capital Budget/Plan as Public Works Commissioner. In consideration of the financial stress outlined by the City Manager and the City Councils desire to secure a more stable outlook for the City, the Department of Public Works goal was to present an achievable 5 year capital plan that minimizes the increase in the annual Principal and Interest payment.

While we will potentially add \$9.7 million dollars in new debt in 2021/22 we will pay down \$9.6 million dollars in existing long term debt and capital lease payments, (inclusive of \$1.1 million to be paid on the debt issued by the Risk Retention Fund to provide for legal settlements). Because the BAN issued in 2021 was all new money, a principal payment is not required next year.

Capital projects are financed over the useful life of the asset generally through municipal bonding. Capital improvements are paid over the period of their useful life so those taxpayers who benefit from the project during its useful life support the asset through their property taxes. As an example a new water tank would be financed over 40 years, if in year 17 a property owner sold their property to a new owner the original property owner would have paid for 17 years of that benefit and the new owner for the next 23 years of the benefit that the tank provided.

Several projects from the previous Capital Budget/Plan are either in progress or have been successfully completed. Highlights from the 2020/2021 plan include:

- Reconstruction of Edwards Blvd. between Park and Broadway (in progress)
- Asphalt overlays
 1. Wisconsin – Park to Beech
 2. Wisconsin – Beech to Oceanview
 3. Harrison Street- Monroe to Lincoln Blvd
 4. Harrison Street – Lincoln to Franklin Blvd.
 5. Harrison Street – Franklin to Neptune Blvd.
 6. State Street – Lincoln to Franklin Blvd.
 7. Penn – Long Beach Road to Monroe
 8. Penn – Monroe to Lincoln Blvd.
 9. Penn – Lincoln to Franklin Blvd.
 10. Broadway (southside) – Long Beach Road to Monroe Blvd.
 11. Broadway (southside) – Monroe to Lincoln Blvd.

12. Broadway (northside) – Neptune to Roosevelt Blvd.
- Reconstruction of Lifeguard Headquarters at Riverside Blvd. as well comfort stations at New York and Neptune Blvd. (in progress)
 - Northshore Bulkhead project (in progress)
 - Drainage Improvements Project (commencing Spring 2021)
 - Design and/or Construction Projects (design and/or construction with funds from prior and/or the 2021/2022 Capital Budget)
 1. Enclosure of Open Air Basins at Water Purification Plant
 2. Design and Construction of Well #19
 3. Rehabilitation of the City/LIRR Parking Garage
 4. Rehabilitation of City Hall Facade
 5. Walks utility upgrades
 6. Ice Arena Hazard Mitigation
 7. MLK Hazard mitigation
 8. Animal Shelter Hazard mitigation
 9. 150 West Pine Hazard Mitigation
 10. Rehabilitation of City Hall elevators
 11. Replacement of Pool Liner at Recreation Center

As we did last year prior to preparing this year's Capital Plan a review was made of completed Capital Projects from years past that still had available funds and could not be added to cover cost of new projects. These projects can be closed out and may allow the City Council to pass a resolution to make a debt payment.

Capital Projects for the 2021/22 include FEMA and other Grant Funds. These funds will have to be bonded by the City and will be reimbursed through FEMA, NY State and other agencies which have awarded the City Grants.

Thank you for your consideration.

Joseph Febrizio

Introduction

The 2021/2022 Capital Budget and 2021/2022 to 2025/2026 Capital Improvement Plan advance projects that improve the health, safety, and quality of life of City residents. Additionally, the projects address issues in a priority order, making our Government more efficient and responsive. Projects within this year's plan were limited to those projects that depended on funding from other agencies grants and projects that are absolutely a priority for the future of the City.

An annual Capital Budget and Plan is required by Article 6, Section 101-d of the City Charter. The purpose of this document is to present the needs identified by the City Manager to the citizens and the City Council.

How Projects Were Selected

The methods used in previous Capital Plans were as follows:

- Visual inspection
- Consultation and review with other Commissioners, Department Heads, Division Heads, Superintendents, and Chief Plant Operators.
- Discussions with relevant DPW staff
- Priorities identified throughout the previous year
- Projects that have completed the design phase
- Needs and mandates identified by other municipal agencies, i.e. NYSDEC, NCDOH, etc.
- Projects that were identified in previous Capital Plans
- Superstorm Sandy Recovery Projects
- Grant funded projects.

Due to the fiscal stress the City finds itself in this year Projects included in the 2021/2022 Capital Budget and the 2021/2022 to 2025/2026 Capital Improvement Plan were selected at a level to achieve a 5 year capital plan that minimizes the increase in the annual Principal and Interest payment So, in order to accomplish this we only included projects that met the following Criteria:

- Time critical
- Reduced Operating Expense by Capital Charge Back of In-House Labor
- Included Funding from Various Grants, FEMA, and/or GOSR
- Had significant importance to the future of the City
- Safety Issues
- Environmental Concerns

Highlights of the 2021/2022 Program

Projects funded completely by the City in General Fund:

<u>Project</u>	<u>New Funds</u>	<u>Existing Bonded Funds</u>
City Hall Façade Rehabilitation	\$0	\$750,000
Roadway Reconstruction	\$800,000	\$31,396
Road Overlays	\$150,000	\$159,201
New Back-Up Generator for City Hall	\$130,000	\$120,000

Projects funded completely by the City in Sewer Fund:

<u>Project</u>	<u>New Funds</u>	<u>Existing Bonded Funds</u>
Sewer Collection System Upgrades	\$600,000	\$282,500
WWTP – Building Repairs	\$0	\$653,240
Sewer System Upgrades Compliance	\$0	\$356,179
Sewer Main Lining	\$0	\$305,190

Projects funded completely by the City in Water Fund:

<u>Project</u>	<u>New Funds</u>	<u>Existing Bonded Funds</u>
Distribution System Upgrades	\$0	\$1,213,825
Hydrant & water Service Repl.	\$ 0	\$271,184
Park Place WTP/Cover Separation Tanks	\$ 0	\$928,300
Installation Well 19	\$4,000,000	\$0
High Pressure Sand Filter Rehabilitation	\$250,000	\$0

Projects funded by Grants and City Funds in General Fund:

<u>Project</u>	<u>New Funds</u>	<u>Funds From Others</u>
Park Avenue Resiliency	\$975,000	\$1,275,000
Pool Liner Recreation	\$115,000	\$100,000
Heavy Duty Trolley	\$68,000	\$540,000

Additionally, the City will continue its progress on the addressing flood protection for the Bayfront by working with Federal and State Officials to advance projects being funded through various programs and grants.

The Department of Public Works has designated \$31.1 million for General Fund projects in the five-year Capital Improvement Plan. This does not include \$60 million in funding available to the City through, inter alia, the New York Rising Community Reconstruction Program, Federal Emergency Management Agency Hazard Mitigation Grant Program, NYS Capital Assistance Fund and NC CDBG Funds.

Also included in the proposal are six hundred thousand (\$600,000) for Sewer Fund projects, and \$4.3 million for Water Fund projects. There is a \$12.6 million carryover in the Water Fund to undertake projects related to the water plant and the distribution system.

Not included in the Sewer Funds are projected cost and funding for the ongoing efforts for the consolidation of the Water Pollution Control System into Nassau County's Bay Park Plant. These have not been included as there are several initiatives being led by Nassau County DPW working with Long Beach's DPW Staff to fund this project which is estimated to cost approximately \$94 million dollars. As per the IMA which the City entered into with Nassau County Long Beach's share will not exceed \$18 million. To date through CFA, IMG and WIAII Grants the City has secured \$12.5 million towards the City's share.

Nassau County and Long Beach have submitted a report to FEMA to apply for 406 Hazard Mitigation Funds in the amount of \$96 Million dollars to build a new pump station which would replace the City's pump station and be protected to the 500-year storm event. If approved this would cover the City obligation. This project must be completed by 2023 by NYSDEC Consent Order.

The cost of this project would be included in next years Five Year Capital Plan as the exact cost will be better defined.

Major Projects Requested

Major projects proposed in the 2021/2022 plan include:

- Continue Roadway Reconstruction
 - Doyle (Chester to Pine)
- Continue Asphalt Overlay Program
- Continue Tide Flex Valve Replacement
- Streetscape Initiative Improvements
- Public Safety (PD Vehicles, Precinct and Technology Upgrades)
- Building Improvements
- Design, Permitting, and Construction of Federal and State Funded Bulkhead Projects
- Sewer Upgrade Projects
- Water Distribution System Upgrades

Plan Summary

The City of Long Beach Department of Public Works requests \$4.8 million in 2021/2022 General Fund improvements and has identified an additional \$25 million from 2022/2023 through 2025/2026. In addition, \$4.9 million has been requested for Sewer and Water Fund projects. Proposed appropriations, excluding grant funded projects are shown in the table below:

CITY OF LONG BEACH CAPITAL PROGRAM – 2021/2022 – 2025/2026

	2021/22	2022/23	2023/24	2024/25	2025/26
General Fund	\$4,786,500	\$ 8,785,000	\$6,730,000	\$5,761,000	\$4,650,000
Sewer Fund	\$600,000	\$ 700,000	\$ 700,000	\$275,000	\$ ZERO
Water Fund	\$4,350,000	\$ 2,900,000	\$2,800,000	\$1,800,000	\$1,800,000

Project Types

The Capital Plan is developed to designate projects that will make improvements to City infrastructure. Projects shown in the plan fall into one of the following categories:

- Roads and Drainage – Paving, curb rehabilitation, sidewalk, road reconstruction, and drainage improvements.
- Shoreline – Tide flex valve installation and bulkhead replacement.
- Transportation – Projects related the City’s transit system including buses and bus shelters.
- Public Safety - Improvements to Police and Fire Department assets.
- Buildings – Improvements, construction, and rehabilitation of municipal facilities.
- Grounds – Tree and dune planting
- Parks – Rehabilitation of City parks and playgrounds.
- Technology – Improvements to City technology systems, such as new computers, records management, police radios, etc.
- Other – Miscellaneous including Recreation, Building Department, Economic Development, Vehicles, etc.
- Equipment – Includes light weight, medium weight and heavy duty motor equipment needed in the various public works departments
- Sewer and Water Funds – Projects in this category are for improvements to the City’s Water Distribution System network and sewer collection systems. The Wastewater and Water Treatment Plant are incorporated in this section.

Expenditure Types

The Capital Improvement Plan Funding for three general kinds of expenditures. They are as follows:

- Design and Construction Charges – Represents costs associated with design and/or construction of Capital Assets such as buildings, parks, and roadways.
- Equipment Purchases – Major equipment such as sanitation trucks, street sweepers, backhoes, and emergency service vehicles fall under this category. Technology equipment is also part of this category.
- Internal Labor and Management Charges – City staff, both in construction and administration plays an important role in advancing a Capital Program. Therefore, these are appropriately included as an acceptable Capital expenditure.

Capital Program Development Process

Each year, the Department of Public Works begins development of the Capital Plan and Program. The four main purposes of the plan are as follows:

1. To direct resources towards the City's strategic priorities. Including the ongoing improvement of the City's infrastructure.
2. To maintain reliable City services through long-term strategic planning rather than short-sighted ad-hoc project approvals characteristic of crisis management.
3. To provide City government officials with a management tool that allows the exploration of options as needs change and new obligations arise.
4. To meet regulatory mandates and laws; and
5. To comply with the constraints, and advance the objectives of the City's operating budget.

The process utilized to develop the Capital Budget and Plan provides for a defined program implementation that is effective. The current plan follows this premise as well. The development process is organized as follows:

- Project Requests – Departments submit project proposals to the Department of Public Works electronically. The request includes a project justification, estimated cost and a description of the work and/or equipment requests.
- Project Prioritization – Within the framework of the City’s operating budget and the constraints of allowable debt, the City allocates Capital resources based on priorities including the following:
 - Health and Safety Risks – Projects to correct existing or potential hazards to the public or to City employees are top priorities.
 - Legal Mandates – Projects may be required to meet obligations of a consent order. For example, improvements to our sewer system, or renovations for compliance with the Americans with Disabilities Act. Other legally mandated projects, such as those required to comply with building codes may not have to be completed on any specific schedule.
 - Impact on the Operating Budget – Potential to enhance revenues or reduce costs makes a project a higher priority, while projects that will result in increased operating costs may become a lower priority.
 - Non-City Funding Sources – The priority of a project increases if City funds can leverage a significant investment of other dollars. This year’s plan for example, call for a significant amount of grant funding which has enabled the City to increase the projects scheduled for the upcoming year.
 - Potential Economic Impacts – Positive impacts for business or community development heighten the priority of a project.

Capital Financing Plan

The City resources available for Capital Projects are limited. Moreover, this administration has worked to conserve financial resources and achieve stability in its operating budget while addressing the City's infrastructure needs. The City is working to maximize Capital Funds available from other sources, such as grants. Capital Improvement Funding Sources are as listed below:

- General Obligation (G.O.) Improvement Bonds – The City is permitted to borrow money from lenders, pledging the full faith and credit of the City to pay principal and interest that is usually supported by the issuer's taxing power. Bond funding current and proposed capital projects includes those issued by the City.
- Prior Year Carryovers – These are budgeted funds from prior years that remain with a project until they are expended or until the project is completed.
- Pay-As-You-Go – Pay –As-You-Go projects are financed from current revenues to avoid incurring debt financing or issuing new debt. However, these funds are not deemed available for Capital Projects unless they are included in the City's Annual Operating Budget and approved by the City Council. Currently, Pay-As-You-Go funding is not utilized. However, the City will gradually transition to annual operating budget allocations for Capital Projects.
- Grants – Certain City Agencies/Departments receive dedicated funds from State and/or Federal sources for specified projects. In some cases, the City receives funding from other sources. Grant providers include:
 - Federal Transit Authority (FTA)
 - New York State Department of Transportation (NYSDOT)
 - New York State Energy and Research Development Authority (NYSERDA)
 - New York Power Authority (NYPA)
 - New York Rising Community Reconstruction Program (NYRCRP)
 - FEMA Public Assistance Program
 - Transportation Investment Generating Economic Recovery (TIGER) Grants
 - Community Development Block Grants (CDBG)
 - State Revolving Fund (SRF)
 - Transportation Assistance Program (TAP)
 - Consolidated Local Street and Highway Improvement Program (CHIPS)

Tables

The following tables are listed below:

- Five (5) year plan overview chart.

PUBLIC HEARING
THURSDAY, MAY 6, 2021
7:00 PM

COMMENTS

Question 1:

Why do we need Eco Dev studies?

Answer:

Response to the question

Eco Dev Zoning Study

The City's current Zoning Code is over 35 years old. It does not respond to current issues facing the city and its residents, examples:

- as homes have been raised due to Superstorm Sandy, there is greater impact on neighbors' properties because of the taller buildings: we need to answer what is the best way to deal with side and rear yard requirements for light and air, especially where there are narrow properties?
- for new development: retaining water on site to reduce street and neighborhood flooding;
- provide updated requirements for developers to respect and help preserve the unique community character of our diverse neighborhoods;
- require a percentage of new housing to be affordable to help retain local residents in the community as housing costs increase;
- address issues with our three downtowns to make them more viable and help expand the tax base, and, at the same time, more responsive to community issues, such as parking, refuse, noise, etc.

Based on the comments received at the May 6, 2021 Public Hearing we have evaluated the schedule for this work. It is anticipated that it will not be initiated under after July 1, 2022. Thus, \$100,000 has been removed from 2021/2022 Capital Budget. It has been earmarked for the 2022/2023 Capital Budget.

Eco Dev EAF and EIS for Zoning

Under NYS SEQRA requirements, a Zoning Code Update as proposed for the city, requires a full Environmental Impact Statement (EIS). The cost is based upon estimates from other, local communities.

Based on the comments received at the May 6, 2021 Public Hearing we have reviewed the Capital Budget request for the EAF/EIS for the Zoning Study. We have determined that existing funding is available (\$265,000) in prior year capital budgets that can be utilized for this work. Therefore, \$265,000 has been removed from the 2021/2022 Capital Budget.

Eco Dev Parking

One of the most important issues for Long Beach, if not the most important, is how to deal with the impacts of limited parking and increased traffic, especially during the summer months. From speaking with experts in the field, a full community parking study will give us the necessary knowledge to address these issues.

Based on comments received at the May 6, 2021 Public Hearing this project has been removed from the Capital Budget. Funding in the amount of \$100,000 is earmarked in the 2022/2023 Capital Budget/Plan for this work.

Question 2:

What is the status of the “Walks” Project?

Answer:

Based on the Technical Report prepared for the project by D&B Engineer’s and Architect’s, the licensed professional consulting engineering firm retained to undertake the design of the project, the intent was to construct the project in five phases. The phase and corresponding cost is delineated below:

Phase 1	Improvements within Roadway: New York Avenue to Grand Blvd. Installation of water mains and services along West Walnut and Olive Street between New York and Grand Blvd.	\$880,000
Phase 2	Improvements within Roadway: Grand to Lindell Blvd. Installation of water mains and services along West Walnut and Olive Street between Grand and Lindell Blvd.	\$880,000
Phase 3	Improvements within Walkway: New York to Grand Blvd. Includes installation of Water Services within walkways, new lighting units, conduit, cable, etc., stormwater drainage piping, and new concrete walkways. Abandon 4” diameter water mains behind homes.	\$1,607,500
Phase 4	Improvements within Walkway: Grand to Lindell Blvd. Includes installation of Water Services within walkways, new lighting units, conduit, cable, etc., stormwater drainage piping, and new concrete walkways. Abandon 4” diameter water mains behind homes.	\$1,607,500
Phase 5	Sanitary Sewer Investigation (lining, pipe bursting, etc.	\$55,000
TOTAL		\$5,030,000

There is currently \$1.2 million in the Capital Budget for the “Walks” Project. This is not sufficient funds for the project. Approximately \$1.76 million is needed for the Phase 1 and Phase 2 component of the project. Ideally, Phase 1 and Phase 2 would be bid as one project to realize the best price for the City. In addition, the design, once completed by D&B Engineers and Architects is required to be submitted to the Nassau County Health Department for approval.

Therefore, the intent is to finalize the design and obtain approval from the Nassau County Department of Health over the next 12 months, request the balance (approximately \$560,000) for the first and second phase of the project in the 2022/2023 Capital Budget and commence construction on Phase 1 and Phase 2 in September 2022.