



MEMORANDUM

TO: Borough Council
Mayor Burton

FROM: Christopher Bashore, Borough Manager

DATE: December 17, 2019

RE: Five Year Capital Improvement Program for the Borough of Malvern

Before Borough Council is an update to the Borough’s 5-Year Capital Improvement Plan (CIP). In 2018, Borough Council formed an ad hoc committee consisting of Council President Grossman, Vice-President Uzman, and Councilor Meisel to review the and update the CIP. Borough Council previously reviewed and adopted a five (5) year CIP at the November 6, 2018 meeting. Pursuant to section 25-16.A. of the Borough’s Administrative Code, a five-year capital improvement program is to be submitted with the annual operating budget. As part of the 2020 budgeting process, it is recommended that this document be updated in order to reflect the following:

1. Projects that have been completed in the last year.
2. Projects that have been moved to other years and have been adjusted in the budget.
3. New projects that have been discussed by Borough Council and/or other committees.

The projected final cost for capital projects in the 2019 budget is \$1,391,867, while the proposed 2020 budget allocates \$3,310,769 towards capital projects across various funds.

The CIP is divided among several categories and outlined as follows:

- Existing debt/projects
- Projects contingent on grant funding
- Public Works
 - Sewer Projects
 - Facility/Vehicle Upgrades
 - Paving & Roadway Infrastructure
 - Pedestrian Enhancements
- Public Safety

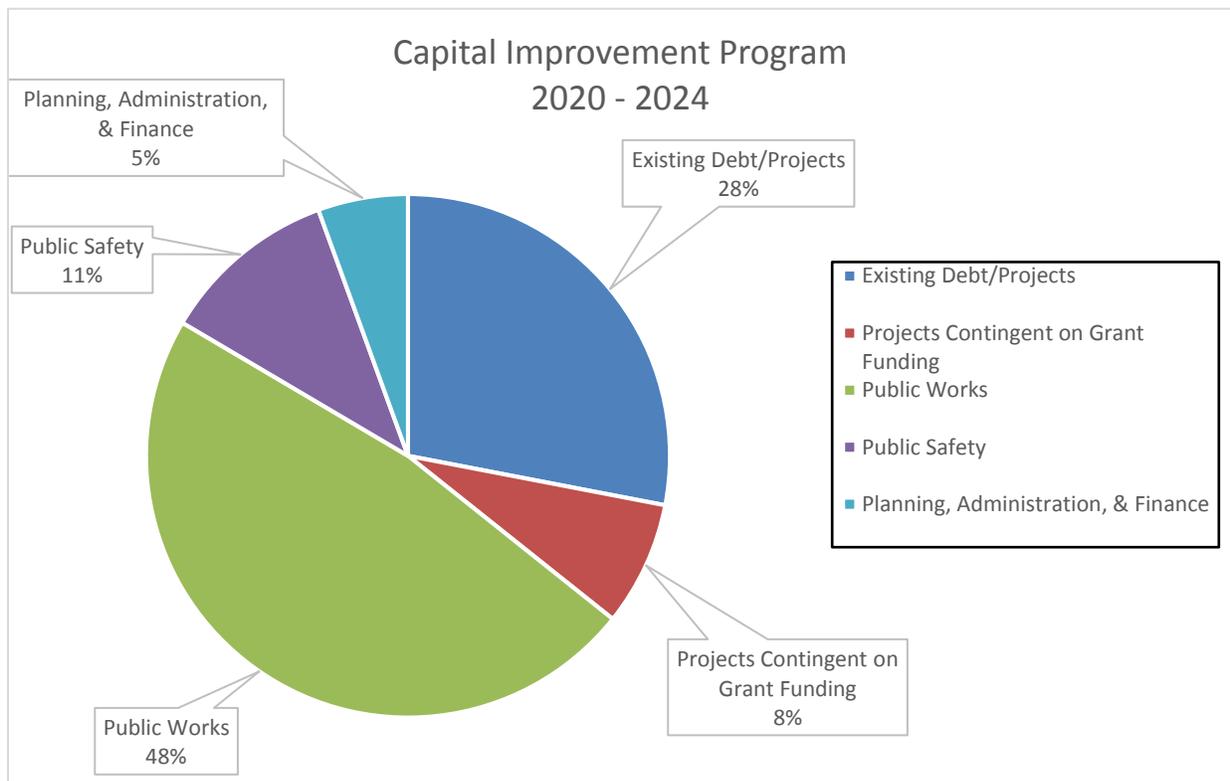
- Planning, Administration, & Finance

Outlining these projects will assist with future budgeting and will also assist in determining how certain projects will be financed (e.g., grants, debt incurrence, existing funds on hand). The total projected cost over the period of 2020 – 2024 is **\$7,429,049**.

Article IX, Section 904 of the Borough’s Home Rule Charter defines items to be included in the capital budget as those expenditures amounting to \$10,000 or more. The Borough’s budget allocates certain capital projects in the General and Highway Aid Funds, but the vast majority are budgeted in the Sewer Capital Reserve and the Capital Reserve Funds.

Certain projects outlined have existing funding through either grants or debt service, including the traffic signal upgrade project at the intersection of N. Warren Ave. and King St. (funded by grants from the PA Department of Community and Economic Development and the PA Department of Transportation). Please be advised that, due to the significant cost of these projects, several may continue over into subsequent years. Additionally, many items include allocations for multiple years.

The chart below outlines the allocation over the five (5) year period amongst the different categories in the CIP:



The total allocations to each category per year is as follows:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Existing debt/projects	\$1,278,569	\$323,741	\$324,856	\$82,484	\$50,000	\$2,059,649
Projects contingent on grant funding	\$0	\$410,000	\$125,000	\$15,000	\$15,000	\$565,000
Public Works	\$1,576,000	\$490,000	\$493,000	\$497,000	\$455,000	\$3,511,000
Public Safety	\$210,000	\$170,000	\$175,000	\$180,000	\$150,000	\$885,000
Planning, Admin. & Finance	\$246,200	\$38,200	\$48,000	\$43,000	\$33,000	\$408,400
Total	\$3,310,769	\$1,431,941	\$1,165,856	\$817,484	\$703,000	\$7,429,049

This document is intended to serve as a tool to be used for budgeting purposes. The Borough has committed itself to the enhancements on N. Warren Avenue due to the grants that have been awarded. Other projects may be reviewed on a case-by-case basis. In addition, due to the long term nature and planning involved in several of these projects, these items may extend into subsequent years. The Borough may be reaching a point where major capital projects are best completed through grants and/or loan financing. Reviewing the Borough's existing debt burden indicates that the remaining debt service obligations represent approximately 13% of projected 2019 expenditures, with both loans being paid off by the end of 2023. With rates on financing remaining low, it may be beneficial to finance large scale projects in the future.

Please let me know if you have any questions. Thank you.

**Capital Improvement Program
2020 - 2024**

Capital Projects		2019	2020	2021	2022	2023	2024	Total	Notes
Existing debt/projects		Projected Final							
1	Debt Service Principal (2002 Series & 2013 Series)	\$ 258,000	\$ 262,000	\$ 266,000	\$ 271,000	\$ 32,000	\$ -	\$ 831,000	Renovations to Borough Hall & Public Works Facilities Bonds paid off in Dec. 2022 and Jan. 2023
2	Debt Service Interest (2002 Series & 2013 Series)	\$ 15,336	\$ 11,569	\$ 7,741	\$ 3,856	\$ 484	\$ -	\$ 23,649	
3	Multimodal Pedestrian Imp.	\$ 69,474	\$ 930,000	\$ -	\$ -	\$ -	\$ -	\$ 930,000	\$560,000 funded by PennDOT & DCED Grants
4	Woodland Ave. Revitalization	\$ 158,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Project closed out in 2019
5	VFSA Construction Fund	\$ 94,249	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000	Includes a portion of sewage disposable costs for 2019. Will not be included in 2020.
6	Randolph Woods Master Plan	\$ 6,250	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
Total - Existing debt/projects		\$ 602,179	\$ 1,278,569	\$ 323,741	\$ 324,856	\$ 82,484	\$ 50,000	\$ 2,059,649	
Capital Projects		2019	2020	2021	2022	2023	2024	Total	Notes
Projects Contingent on Grant Funding		Projected Final							
1	Randolph Woods Dev/ & Greenway Trail w/Willistown	\$ -	\$ -	\$ 70,000	\$ 25,000	\$ 15,000	\$ 15,000	\$ 125,000	
2	Patriot's Path	\$ -	\$ -	\$ 340,000	\$ 100,000	\$ -	\$ -	\$ 440,000	Joint project between Malvern Borough, E. Whiteland Twp., & Tredyffrin Twp.
Total - Projects Contingent on Grant Funding		\$ -	\$ -	\$ 410,000	\$ 125,000	\$ 15,000	\$ 15,000	\$ 565,000	
Capital Projects		2019	2020	2021	2022	2023	2024	Total	Notes
Public Works		Projected Final							
Sewer Projects									
1	Ruthland Ave. Pump Station Upgrade	\$ 323,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Replace Pump at Station #2	\$ 7,560	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 10,000	
3	Repair joints for I & I	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 325,000	
4	Repair Sewer Mains	\$ -	\$ 5,000	\$ 7,000	\$ 10,000	\$ 12,000	\$ 15,000	\$ 49,000	
Sub-Total - Sewer Projects		\$ 330,976	\$ 85,000	\$ 82,000	\$ 85,000	\$ 62,000	\$ 70,000	\$ 384,000	
Facility/Vehicle Upgrades									
1	Municipal Building Renovations	\$ 63,398	\$ 25,000	\$ -	\$ -	\$ 50,000	\$ -	\$ 75,000	2020 allocation for building security improvements
2	Public Works Capital Expenditures	\$ 31,170	\$ 76,000	\$ 50,000	\$ 50,000	\$ 30,000	\$ 30,000	\$ 236,000	Equipment, vehicles, and building upgrades
3	Parking Facility Improvements	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Repaving of King St. & Burke Park lots in 2019
4	Park Improvements	\$ 14,166	\$ 200,000	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 270,000	Includes upgrades to Quann Park and Battlefield trails
5	Trail Construction	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	Construction of trail to connect to the required pedestrian access for Malvern Prep
Sub-Total - Facility/Vehicle Upgrades		\$ 158,734	\$ 401,000	\$ 65,000	\$ 65,000	\$ 100,000	\$ 50,000	\$ 311,000	
Paving & Road Infrastructure									
1	Maintenance & Repairs - Streets	\$ 135,000	\$ 265,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 865,000	Budgeted in multiple funds
2	Bridge Repairs	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 90,000	
Sub-Total - Paving & Road Infrastructure		\$ 135,000	\$ 285,000	\$ 170,000	\$ 170,000	\$ 165,000	\$ 165,000	\$ 955,000	

**Capital Improvement Program
2020 - 2024**

Capital Projects	2019	2020	2021	2022	2023	2024	Total	Notes
Public Works	Projected Final							
Pedestrian Enhancements								
1 Wayfinding Signs	\$ -	\$ 50,000	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ 56,000	Should retain a consultant to coordinate this project Could seek VPP grant for initial study that should be completed
2 Old Lincoln Highway Improvements	\$ 590	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ 275,000	Drainage improvements
3 Sidewalk Improvements	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000	
4 Streetscape Improvements	\$ -	\$ 330,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 410,000	2020 includes costs for improvements to Crest Ave. May be used for additional sidewalk improvements, street tree installation, lighting, etc.
Sub-Total - Pedestrian Enhancements	\$ 590	\$ 805,000	\$ 173,000	\$ 173,000	\$ 170,000	\$ 170,000	\$ 1,491,000	
Total - Public Works	\$ 625,300	\$ 1,576,000	\$ 490,000	\$ 493,000	\$ 497,000	\$ 455,000	\$ 3,511,000	

Capital Projects	2019	2020	2021	2022	2023	2024	Total	Notes
Public Safety	Projected Final							
1 Traffic Analysis Engineering Studies	\$ 17,648	\$ 30,000	\$ 30,000	\$ 50,000	\$ 40,000	\$ 40,000	\$ 190,000	
2 Traffic Safety Improvements	\$ 82,895	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	Specific projects to be recommended by the Public Safety Committee. Based on review of the traffic study.
3 Police Capital Expenditures	\$ 46,913	\$ -	\$ 40,000	\$ 25,000	\$ 40,000	\$ 10,000	\$ 115,000	Vehicle purchase in 2021 & 2023
4 Street Lighting	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000	DVRPC Regional Streetlight Program - upgrade to LED
Total - Public Safety	\$ 147,456	\$ 210,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 150,000	\$ 885,000	

Capital Projects	2019	2020	2021	2022	2023	2024	Total	Notes
Planning, Administration, & Finance	Projected Final							
1 Zoning Ordinance Amednments/Update	\$ 12,933	\$ 15,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 43,000	
2 General Code - Reformat of Code of Ordinances	\$ 3,999	\$ 3,200	\$ 3,200	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,400	
3 Streambank Stabalization	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000	Awaiting approval from PA DEP on the Borough's Pollution Reduction Plan Potentially eligible for grant funding
4 Comprehensive Plan Update	\$ -	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	Grant funding being sought
5 King Street - Shade Tree Plan	\$ -	\$ 25,000	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 110,000	STC looking to develop capital program to manage and replace trees on King St.
6 Audio/Video Equipment for Meeting Room	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	Upgrade of microphones and potential teleconferencing equipment
7 Official Map	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000	
8 Document Imaging	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000	
9 General Expense	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000	Used for application fees for loans and/or grants.
Total - Planning, Administration, & Finance	\$ 16,932	\$ 246,200	\$ 38,200	\$ 48,000	\$ 43,000	\$ 33,000	\$ 408,400	

Total CIP Budget - 2020 to 2024 \$ 1,391,867 \$ 3,310,769 \$ 1,431,941 \$ 1,165,856 \$ 817,484 \$ 703,000 \$ 7,429,049