



## MEMORANDUM

**TO:** Borough Council  
Mayor Burton

**FROM:** Christopher Bashore, Borough Manager

**DATE:** December 15, 2020

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

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Before the Borough Council this evening is an updated five-year Capital Improvement Program (CIP) for the Borough of Malvern. This was updated as part of the 2021 budget process and was reviewed by the Finance & Administration Committee at their October 13, 2020 meeting. Previous CIPs have been adopted in 2018 and 2019. Pursuant to section 25-16.A. of the Borough's Administrative Code, a five-year CIP is to be submitted with the annual operating budget. As part of the 2021 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 2020 budget is \$1,531,948, while the proposed 2021 budget allocates \$2,339,241 towards capital projects/purchases across various funds. This represents a reduction of \$971,528 (29%) compared to the 2020 budget for capital projects/purchases, primarily due to the completion of the N. Warren Avenue Transit Project.

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 2021 – 2025 is **\$7,368,781**.

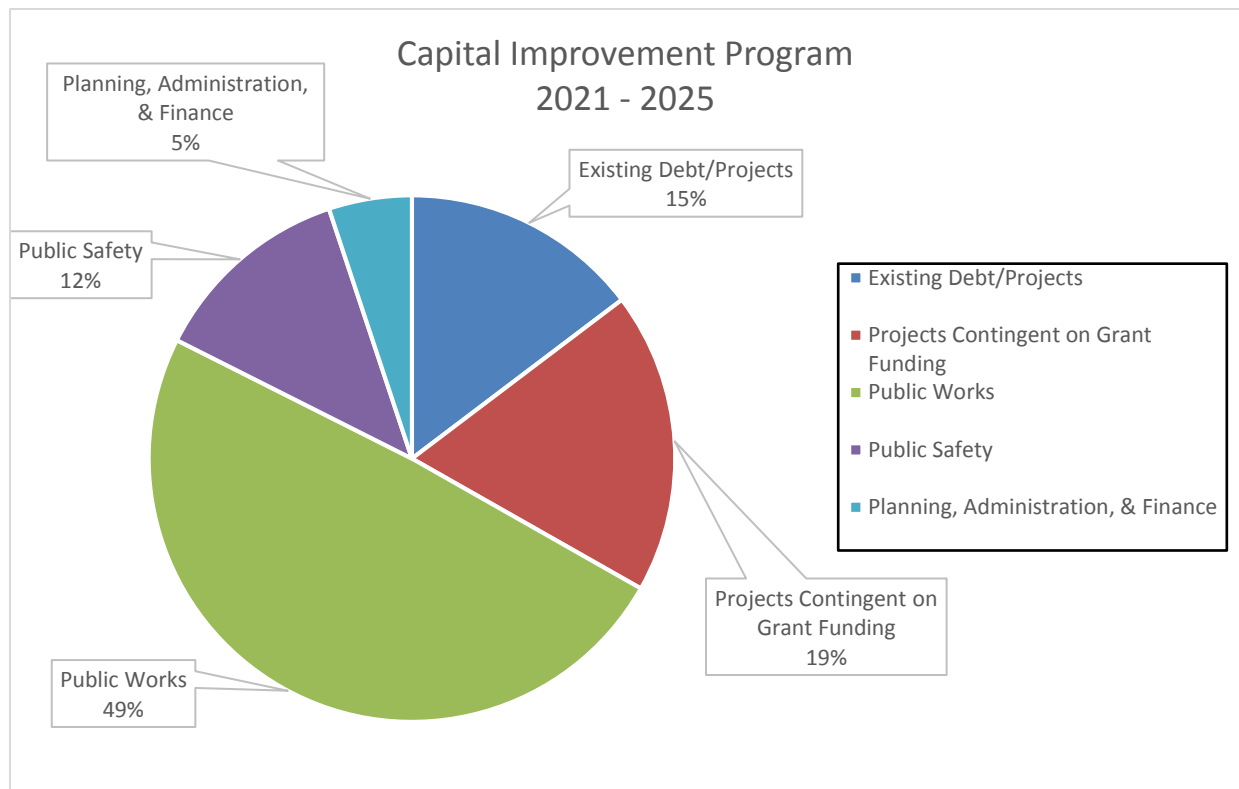
Article IX, Section 904 of the Borough’s Home Rule Charter defines items to be included in the capital budget as those expenditures amounting to \$10,000 or more. The Borough’s budget allocates certain capital projects in the General and Highway Aid Funds, but the vast majority are budgeted in the Sewer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

Certain projects have been shifted to reflect the receipt of grant funding, including the update to the Comprehensive Plan (grant funding secured through the Chester County Vision Partnership Program) and the improvements to Quann Park (grant funding secured through Chester County and the PA Department of Conservation & Natural Resources). 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. Due to the COVID-19 pandemic and discussions about projects, certain capital projects and purchases have been shifted. For example, vehicle replacements in the Malvern Police Department previously planned for 2021, have been shifted to 2022, 2023, and 2025.

This update to the CIP also includes costs associated with the Randolph Woods Master Plan. As noted during the presentation, completion will be contingent on determinations of Borough Council and the success in securing grant funding to complete the project. The 2021 budget includes projects costs for “Phase A” of the plan, which included the installation of a pump track and deer management provisions.

The drainage improvements for Old Lincoln Highway have been updated. This has been primarily allocated for 2023, with design work budgeted in 2021. In the event that the Borough proceeds with this project and determines that a bond issue is the best course of action, this will allow the Borough to clear out its existing debt obligations before securing new debt for the project. Please be advised that the staff will explore grant funding for this project if that is available.

The chart on the next page 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
<b>Existing debt/projects</b>	\$575,241	\$324,856	\$82,484	\$50,000	\$50,000	<b>\$1,082,581</b>
<b>Projects contingent on grant funding</b>	\$325,000	\$0	\$640,000	\$100,000	\$300,000	<b>\$1,365,000</b>
<b>Public Works</b>	\$1,021,000	\$510,000	\$1,143,000	\$497,000	\$455,000	<b>\$3,626,000</b>
<b>Public Safety</b>	\$204,000	\$175,000	\$195,000	\$160,000	\$185,000	<b>\$919,000</b>
<b>Planning, Admin. &amp; Finance</b>	\$214,000	\$53,200	\$33,000	\$43,000	\$33,000	<b>\$376,200</b>
<b>Total</b>	<b>\$2,339,241</b>	<b>\$1,063,056</b>	<b>\$2,093,484</b>	<b>\$850,000</b>	<b>\$1,023,000</b>	<b>\$7,368,781</b>

This document is intended to serve as a tool to be used for budgeting purposes. The Borough has committed itself to certain projects 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 4% of projected 2019 expenditures (not including interfund transfers), 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  
2021 - 2025**

<b><u>Capital Projects</u></b>	<b><u>2020</u></b>		<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>Total</u></b>	<b><u>Notes</u></b>
<b><u>Existing debt/projects</u></b>	<b><u>Projected Final</u></b>								
1 Debt Service Principal (2002 Series & 2013 Series)	\$ 262,000		\$ 266,000	\$ 271,000	\$ 32,000	\$ -	\$ -	\$ 569,000	Renovations to Borough Hall & Public Works Facilities Bonds paid off in Dec. 2022 and Jan. 2023
2 Debt Service Interest (2002 Series & 2013 Series)	\$ 11,569		\$ 7,741	\$ 3,856	\$ 484	\$ -	\$ -	\$ 12,081	
3 Multimodal Pedestrian Imp.	\$ 981,041		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$560,000 funded by PennDOT & DCED Grants
4 Quann Park Improvements	\$ 11,089		\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ 185,000	Grant funding received from DCNR & Chester County (\$113,779)
5 VFSA Construction Fund	\$ -		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000	Projects to be determined annually.
6 Comprehensive Plan Update	\$ 5,000		\$ 66,500	\$ -	\$ -	\$ -	\$ -	\$ 66,500	Vision Partnership Program grant received from Chester County (\$31,890)
7 Randolph Woods Master Plan	\$ 25,416		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total - Existing debt/projects</b>	<b>\$ 1,296,115</b>		<b>\$ 575,241</b>	<b>\$ 324,856</b>	<b>\$ 82,484</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 1,082,581</b>	

<b><u>Capital Projects</u></b>	<b><u>2020</u></b>		<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>Total</u></b>	<b><u>Notes</u></b>
<b><u>Projects Contingent on Grant Funding</u></b>	<b><u>Projected Final</u></b>								
1 Randolph Woods Development	\$ -		\$ 325,000		\$ 300,000	\$ -	\$ 300,000	\$ 925,000	
2 Patriot's Path	\$ -		\$ -	\$ -	\$ 340,000	\$ 100,000	\$ -	\$ 440,000	Joint project between Malvern Borough, E. Whiteland Twp., & Tredyffrin Twp.
<b>Total - Projects Contingent on Grant Funding</b>	<b>\$ -</b>		<b>\$ 325,000</b>	<b>\$ -</b>	<b>\$ 640,000</b>	<b>\$ 100,000</b>	<b>\$ 300,000</b>	<b>\$ 1,365,000</b>	

<b><u>Capital Projects</u></b>	<b><u>2020</u></b>		<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>Total</u></b>	<b><u>Notes</u></b>
<b><u>Public Works</u></b>	<b><u>Projected Final</u></b>								
<b><u>Sewer Projects</u></b>									
1 Upgrades to Pump Station	\$ 11,181		\$ 9,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 14,000	
2 Inflow & Infiltration Evaluation & Repair	\$ -		\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 325,000	
3 Repair Sewer Mains	\$ -		\$ 7,000	\$ 7,000	\$ 10,000	\$ 12,000	\$ 15,000	\$ 51,000	
<b>Sub-Total - Sewer Projects</b>	<b>\$ 11,181</b>		<b>\$ 91,000</b>	<b>\$ 82,000</b>	<b>\$ 85,000</b>	<b>\$ 62,000</b>	<b>\$ 70,000</b>	<b>\$ 390,000</b>	
<b><u>Facility/Vehicle Upgrades</u></b>									
1 Municipal Building Renovations	\$ 4,800		\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	No major improvements planned at this time
2 Public Works Capital Expenditures	\$ 75,648		\$ -	\$ 70,000	\$ 50,000	\$ 30,000	\$ 30,000	\$ 180,000	Equipment, vehicles, and building upgrades
3 Park Improvements	\$ -		\$ 25,000	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 95,000	
4 Trail Construction	\$ -		\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	Construction of trail to connect to the required pedestrian access for Malvern Prep
<b>Sub-Total - Facility/Vehicle Upgrades</b>	<b>\$ 80,448</b>		<b>\$ 125,000</b>	<b>\$ 85,000</b>	<b>\$ 65,000</b>	<b>\$ 100,000</b>	<b>\$ 50,000</b>	<b>\$ 230,000</b>	
<b><u>Paving &amp; Road Infrastructure</u></b>									
1 Maintenance & Repairs - Streets	\$ 96,689		\$ 280,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 880,000	Budgeted in multiple funds
2 Bridge Repairs	\$ -		\$ 20,000	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 90,000	
<b>Sub-Total - Paving &amp; Road Infrastructure</b>	<b>\$ 96,689</b>		<b>\$ 300,000</b>	<b>\$ 170,000</b>	<b>\$ 170,000</b>	<b>\$ 165,000</b>	<b>\$ 165,000</b>	<b>\$ 970,000</b>	

**Capital Improvement Program  
2021 - 2025**

<b><u>Capital Projects</u></b>		<b><u>2020</u></b>		<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>Total</u></b>	<b><u>Notes</u></b>
<b><u>Public Works</u></b>		<b><u>Projected Final</u></b>								
<b><u>Pedestrian Enhancements</u></b>										
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	\$ 11,275		\$ 75,000	\$ -	\$ 650,000	\$ -	\$ -	\$ 725,000	Drainage improvements
3	Sidewalk Improvements	\$ -		\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000	
4	Streetscape Improvements	\$ 1,000		\$ 230,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 310,000	2021 includes costs for improvements to Crest Ave. May be used for additional sidewalk improvements, street tree installation, lighting, etc.
<b>Sub-Total - Pedestrian Enhancements</b>		<b>\$ 12,275</b>		<b>\$ 505,000</b>	<b>\$ 173,000</b>	<b>\$ 823,000</b>	<b>\$ 170,000</b>	<b>\$ 170,000</b>	<b>\$ 1,841,000</b>	
<b>Total - Public Works</b>		<b>\$ 200,593</b>		<b>\$ 1,021,000</b>	<b>\$ 510,000</b>	<b>\$ 1,143,000</b>	<b>\$ 497,000</b>	<b>\$ 455,000</b>	<b>\$ 3,626,000</b>	
<b><u>Capital Projects</u></b>		<b><u>2020</u></b>		<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>Total</u></b>	<b><u>Notes</u></b>
<b><u>Public Safety</u></b>		<b><u>Projected Final</u></b>								
1	Traffic Analysis Engineering Studies	\$ 9,833		\$ 25,000	\$ 30,000	\$ 50,000	\$ 40,000	\$ 40,000	\$ 185,000	
2	Traffic Safety Improvements	\$ 2,154		\$ 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	\$ -		\$ 9,000	\$ 45,000	\$ 45,000	\$ 20,000	\$ 45,000	\$ 164,000	Vehicle purchase in 2022, 2023, & 2025
4	Street Lighting	\$ 6,994		\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000	DVRPC Regional Streetlight Program - upgrade to LED
<b>Total - Public Safety</b>		<b>\$ 18,981</b>		<b>\$ 204,000</b>	<b>\$ 175,000</b>	<b>\$ 195,000</b>	<b>\$ 160,000</b>	<b>\$ 185,000</b>	<b>\$ 919,000</b>	
<b><u>Capital Projects</u></b>		<b><u>2020</u></b>		<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>Total</u></b>	<b><u>Notes</u></b>
<b><u>Planning, Administration, &amp; Finance</u></b>		<b><u>Projected Final</u></b>								
1	Zoning Ordinance Amednments/Update	\$ 7,121		\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 35,000	
2	General Code - Reformat of Code of Ordinances	\$ 4,138		\$ 4,000	\$ 3,200	\$ 3,000	\$ 3,000	\$ 3,000	\$ 16,200	
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	King Street - Shade Tree Plan	\$ 5,000		\$ 25,000	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 110,000	
5	Audio/Video Equipment for Meeting Room	\$ -		\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000	It is recommended that we allocate funds for hybrid meetings.
6	Official Map	\$ -		\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	
7	Document Imaging	\$ -		\$ 40,000	\$ -	\$ -	\$ 10,000	\$ -	\$ 50,000	
8	General Expense	\$ -		\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000	Used for application fees for loans and/or grants.
<b>Total - Planning, Administration, &amp; Finance</b>		<b>\$ 16,259</b>		<b>\$ 214,000</b>	<b>\$ 53,200</b>	<b>\$ 33,000</b>	<b>\$ 43,000</b>	<b>\$ 33,000</b>	<b>\$ 376,200</b>	
<b>Total CIP Budget - 2020 to 2024</b>		<b>\$ 1,531,948</b>		<b>\$ 2,339,241</b>	<b>\$ 1,063,056</b>	<b>\$ 2,093,484</b>	<b>\$ 850,000</b>	<b>\$ 1,023,000</b>	<b>\$ 7,368,781</b>	