

**Potter County Comprehensive Plan –
Preserving and Enhancing the Quality of Life for Current and Future Residents of Potter County**

Chapter 13 – Capital Improvement Program

Introduction

The purpose of a capital improvement program is to present a budgeting technique for acquisition, major construction, community facility development/improvement, and/or other improvements over a fixed period of time (usually five or six years). Successful plan implementation requires an effective capital improvement programming process to ensure that plans for community services are carried out. Such a program can also attain other more specific purposes and/or accomplish the following:

1. Allow various improvement proposals to be tested against a set of adopted policies and goals.
2. Better scheduling of public improvements that require more than one year to complete.
3. Provide the opportunity to purchase land before costs go up.
4. Provide for long range financial planning and management.
5. Help stabilize tax rates through proper debt management.
6. The capital improvement budget is a compilation of projects together with the amounts and sources of revenue and/or funding for the coming fiscal, or calendar year.
7. Offer an opportunity for citizens and public interest groups to participate in decision making.
8. Contribute to more effective and efficient management of municipal affairs.
9. The capital improvement budget is normally regarded as the first year of the capital improvement program, and is treated in the capital improvement section of the annual municipal budget.

Two major components of the Capital Improvement Program are (1) capital improvements, and (2) the capital improvement budget. It is extremely important to understand exactly what constitutes a capital improvement and a capital improvement budget before attempting to establish an overall capital improvement program.

In general, a capital improvement is any valued asset that is expected to provide use or service to the community for a number of years. These improvements are normally considered nonrecurring expenditures for physical facilities associated with the governing body. Some examples of capital improvements are streets and highways, water/sewer system projects, maintenance equipment, landscaping, and other municipal facilities, or equipment.

As mentioned above, the capital improvement program itself is a multi-year schedule of projects and a planned budget of expenditures necessary for their financing. The program normally covers a five to six-year period that includes the upcoming budget year and a five-year period beyond. It is generally proposed that the capital improvement budget and capital improvement program be prepared and amended annually. Adoption of various revisions that may be necessary should be done annually and as part of the regular municipal operating budget.

Within the capital improvement program conceptual framework presented in the chapter, an emphasis is placed on thoroughly examining finances over a five-year period. Understanding the financial situation is necessary to establish a definitive financial status of the community to utilize in determining its financial capabilities in order to program and fund selected capital projects. Once the financial status is determined, recommendations are formulated to establish the proper administrative framework and time line for capital programming that are "tailored" to the municipal management structure.

Procedures for collecting and evaluation of project requests for programming consideration may also be developed when the financial status is established. A basic inventory of existing facilities should be reviewed with recommendations for expansion of this listing to include other facilities or information necessary to form a more definitive database. A significant source of information has been already inventoried in this plan. Once this final listing is determined, the county will be able to evaluate these facilities as to their eventual renewal, replacement, expansion, or retirement. The concluding segments of this section discuss the adoption of the Capital Improvement Program and the importance of monitoring the Capital Budget on an annual basis.

It is recommended that the county institute the following programming process to assure that a financial plan be provided for the realization of the comprehensive plan recommendations. Due to the numerous procedures involved in the annual review and revisions to the budget program, it is recommended that the capital improvement program, adopted pursuant to the comprehensive plan, not be included in the plan text, but maintained as a separate and supporting document.

Developing Financial Policies

It is critical to the capital improvement process that a clearly defined financial policy be developed that is sensitive to the financial capabilities of the county and its municipalities and acceptable to its residents. Such a policy must satisfactorily deal with the issues of taxation, debt service level, utilization of service and user fees, identification and availability of appropriate grants and funding sources. The policy must also establish realistic levels of municipal services.

Inventory of Existing Facilities

A general inventory of community facilities and services should be outlined in the capital improvement plan. For capital programming purposes, it is recommended that the inventory of existing facilities only address those facilities and services managed by the county or local municipality and include each facility along with its age, condition, estimation of usage, and target year for replacement, expansion, retirement, or new facility construction. Examples of facilities, whether existing or proposed, to be included in the inventory, include:

1. Municipal buildings and centers
2. Municipal public works buildings/vehicles/equipment
3. Municipal streets, signs, storm drainage, and other infrastructure
4. Other facilities as identified

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Determine Status of Previously Approved Projects

A detailed accounting should be made of all capital projects previously approved for implementation. This should be accomplished in the early phases of the programming process, so as to account for all outstanding capital financing obligations and to assure their inclusion in the program review and evaluation process.

Financial Analyses

The data required to evaluate the financing capacity of the county and local municipalities is developed through the following four-step process:

1. Collect all available data pertaining to critical financial elements over the previous five to ten years and compute the historical trends.
2. Using these historical trends and other information, project the trends of critical financial elements for six future years.
3. Calculate the amount of money to finance new capital outlays based on the data derived from information collected in Step 2.
4. Determine how each proposed capital project outlay might affect the local tax rate.

The financial analysis segment is one of the most critical elements of the capital improvement programming process. Successful implementation of a capital improvement program and completion of its projects are dependent upon adequate financing. The number of public improvement projects that can be funded depends on the following variables:

1. The level of recurring future operating expenditures.
2. The current level of bonded indebtedness.
3. The legal limit of debt it may incur.
4. Any potential sources of additional revenue available for financing capital improvement projects.

Methods of Financing Capital Improvements

There are a variety of methods by which capital improvement projects can be financed. It is important to understand that whatever method of financing may be determined appropriate, a reliable source of funding extending over the entire duration of each project is necessary. The following funding sources are some of the more traditional methods of capital project financing and should be seriously considered in preparing the capital improvement program.

Current Revenues

Capital projects can be funded from current revenues. This funding source is best applied to those projects of modest cost that will require cash allocations over two or three years. Specific revenues could be placed aside and accumulated annually over a period of years until the balance is large enough to pay cash for the improvement. This type account is normally called a capital reserve fund, and has the potential to earn a sizable amount of interest if invested properly.

It should be noted that this method will save interest payments that would be incurred if the funds were borrowed. By utilizing this method, the county or local municipality also avoids reducing its remaining borrowing capacity, while maintaining or improving its bond rating.

Municipal Bonds

Bond issues are a very common method used by local governments to acquire project funding. There are several different types of bonds that should be addressed. These include:

General Obligation Bond - This type of bond is required to be guaranteed for payment by the full faith and credit of the municipality. Because of this guarantee, lower interest rates may be obtained.

Special Assessment Bonds - These bonds are repaid through assessments levied against property owners that will benefit from the particular capital improvement project being constructed. This type of bond is appropriate when used to finance street, water, sewers, storm drainage, or similar improvements that increase property values and benefit adjacent properties.

Revenue Bonds - As their name suggests, revenue bonds are normally sold for projects that generate revenue. They are repaid through revenue receipts acquired through service charges or fees paid by the users of such facilities as sewer and/or water.

Short Term Notes

Another financing option available is short-term notes issued by banks. It is possible that using short-term notes may result in lower interest rate charges.

The Pennsylvania State Government has several funding programs available to local governments for project financing. Several programs that could be applied include the Community Facilities Program, Site Development Program, and Business Infrastructure Program. Information on these programs is available from the Pennsylvania Department of Community and Economic Development. The Pennsylvania Community Development Block Grant Program administered by the Pennsylvania Department of Community and Economic Development is a very popular funding source used by local governments for capital project funding.

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Evaluate and Program Projects

This phase of the programming process is the very important to the overall coordination of the program. A Capital Improvements Committee must thoroughly review each of the capital project proposals for clarity, accuracy, and completeness. The Capital Improvements Committee has the vital role of selecting and prioritizing projects. Prioritizing can be completed through completion of the following tasks:

1. Evaluate the general project design.
2. Evaluate the relative need and cost of each project proposal.
3. Determine the project implementation schedule.
4. Establish the financial programming for the selected projects.
5. Determine the legal appropriateness.

The Committee may revise these tasks to meet its own preferences and needs. However, it must determine the extent of detail and accuracy it needs within a certain criteria. A commonly used priority system the Township may wish to utilize involves dividing the proposed projects into four categories: (1) essential (2) desirable, (3) acceptable, (4) deferrable. The project proposals can be further described in terms of whether a project contributes to public safety, prevents hazards, satisfies a critical need, or would be beneficial, but not essential. Another type of priority system the Township may wish to utilize involves classifying projects in terms of criteria such as protection of life, public health maintenance, conservation of natural resources, and replacement of obsolete facilities.

Capital Improvements Program Adoption

Upon completion of the Capital Improvement Program and Capital Improvement Budget, the Capital Improvements Committee should forward the program to the local governing body for final review and adoption. Copies should be made available to each member of the governing body prior to the formal presentation and discussion. This procedure provides each member of the governing body an opportunity to become thoroughly familiar with each proposal and present any questions prior to the legislative meeting. If necessary, the governing body should hold any necessary meetings with key personnel involved in the process to discuss any issues that may surface.

It is recommended that the governing body hold at least one formal public hearing to provide for public input and assurance that the program is acceptable. In approving the Capital Improvements Program, it is recommended that the capital budget be approved first, thus formally incorporating it into the upcoming annual budget. Adoption of the remaining five to six year program, which is subject to annual review, revision, and authorization, should follow.

Monitoring the Capital Budget

Successful capital improvement program implementation and coordination requires careful and accurate monitoring of project implementation. It is important that monitoring responsibility

assignments and reporting procedures be specifically identified. Reporting periods must also be established in accordance with the scope and complexity of the program.

Relationship of a Capital Improvement Program to the Comprehensive Plan

Chapter 14 provides a list of Implementation Tasks and Activities that have been developed through the comprehensive planning process. The majority of these tasks require a financial commitment from the county or local municipality. It is evident through this planning process that the county or local municipalities may not have the necessary funds to implement the tasks in one given budget year. This is where the Capital Improvement Program and Budget can assist in the implementation of the tasks. The information provided in this chapter provides an overview and purpose of a capital improvement program.

Capital Improvement Projects

It is the intent of this plan to identify capital improvement projects that can be implemented over the next ten years and that by support of this plan, may be eligible for grants of low interest loans. Act 67 and 68 amendments to the Pennsylvania Municipalities Planning Code have put an emphasis on consistency between capital projects and the comprehensive plan. In particular, public funding of capital projects stand a higher chance of being awarded a grant or low interest loan if the project is identified as a priority.

The county has reached out to the local municipalities and other service organizations and requested a list of potential capital projects that they would like included in the county’s comprehensive plan. The following is a list of those municipalities that responded and a list of potential projects:

Municipality	Project
Coudersport Borough	<p>Problem – Drainage off Dutch Hill which causes street flooding and in some instances homes flooded.</p> <p>Proposed Project - Construction of a detention basin or basins located between Dutch Hill and Locust Street as well as Dutch Hill and Spruce Street.</p> <p>Problem – Stormwater velocity in the area of Seventh Street Hill. Stormwater usually cuts ditches along the edge of the street as well as breaking up portions of the edge of the street.</p> <p>Proposed Project – Installation of inlets and storm sewer pipe to convey the water.</p> <p>Problem – Undersized storm sewer pipe in the area of Gordnier Street and Ross Street.</p> <p>Proposed Project – Replace undersized pipes with appropriately sized pipes.</p>

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<p>Problem – Stormwater drainage to the Allegheny River in the areas of Beech Street, Chestnut Street, and S. East Street.</p> <p>Proposed Project – Install piping and inlets to convey stormwater directly to the Alleghany River.</p> <p>Problem – Alleghany River Sedimentation and stream restoration in the CARP File area.</p> <p>Proposed Project – Remove an island that has built up over several years and possibly place gabion baskets along the banks of the river to control flooding and erosion. Gabion baskets are also needed along the river in the west end of the borough to control flooding.</p> <p>Problem – Narrow streets causing edges to break and crumble.</p> <p>Proposed Project – Widen and repave Park Avenue from East Second Street to Ross Street, and Park Avenue to Mill Street. Ross Street is also a candidate for widening and repaving.</p> <p>Problem – Borough-wide sidewalk replacement.</p> <p>Proposed Project – Replace deteriorated sidewalks and install new sidewalk throughout the entire borough.</p> <p>Problem – Insufficient storage area for salt, sand, and storage. Weather causes clumping of material.</p> <p>Proposed Project – Construction of a new sand and salt shed with additional equipment storage at the borough shop.</p> <p>Problem – Old clay sewer lines contributing to inflow and infiltration in the Borough’s sewer system.</p> <p>Proposed Project – Replace approximately 50,000 linear feet of lime to improve infiltration problems.</p> <p>Problem – Existing bridge over the Allegheny River north of CARP Field. Bridge is used by pedestrians, snowmobiles, and four wheelers.</p> <p>Proposed Project – Replace or repair bridge.</p> <p>Problem – Replacement of the tennis and basketball courts at CARP Field, including of the floor in the pavilion. The walkway around the pavilion needs to be replaced. Replace the restrooms at Mitchell Park and relocate them closer to the pavilion. The restrooms also need</p>	<p>improvements to make them handicapped accessible.</p> <p>Proposed Project – Replace tennis and basketball courts, pavilion floor, and walkway around the pavilion. Relocate and improve the restroom facilities at Mitchell Park.</p> <p>Problem – The parking area at CARP Field should be paved and an additional parking area constructed that is closer to the community pool.</p> <p>Proposed Project – Install new parking area at CARP Field closer to the community pool and pave both.</p> <p>Problem – Community swimming pool is in need of improvements.</p> <p>Proposed Project – Rehabilitate or replace community swimming pool.</p> <p>Problem – Skateboarding along sidewalks, and in public spaces.</p> <p>Proposed Project – Construct a skateboard park at CARP Field.</p> <hr/> <p>Potter County 911 Program</p> <p>Proposed Purchase - 100 KW backup generator at the Courthouse</p> <p>Proposed Purchase - 100 KW backup generator at the Human Services Building.</p> <ul style="list-style-type: none"> ➤ The Potter County Emergency Management Agency is requesting that the Potter County Human Services Building become a backup Emergency Operation Center in case of disaster within Potter County or the surrounding area. ➤ The building is also being considered as a backup judiciary facility in case of disaster within Potter County or the surrounding area. ➤ The building is also be utilized as an emergency/temporary shelter facility in case of disaster within Potter County or the surrounding area. <hr/> <p>Potter County Bureau of Elections</p> <p>Proposed Purchase – 1-2 voting machines for each of the county’s 33 precincts. In addition, the bureau identified training of poll workers and staff on the use of the new machines.</p>
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The American Legion Post No, 192	<p>Problem – The American Legion is designated an emergency shelter and a lack of a generator restricts the use of the building.</p> <p>Proposed Purchase – Purchase of a generator, with appropriate wattage.</p>
Assessment and Tax Claim Bureau	<ul style="list-style-type: none"> ➤ Six computer systems of the current technology available ➤ One copier capable of producing multiple size copies up to 11" x 17" ➤ One fax machine consisting of current technological capabilities ➤ Two printers consisting of modern technology for day to day printing ➤ One scanner of modern technology to scan documents ➤ Several wall mounted map storage units with the ability for expansion for storage of maps
Mapping and GIS Department	<ul style="list-style-type: none"> ➤ Two GPS units consisting of current technology for use in the field to identify locations throughout the county ➤ Various modern measuring instruments used to identify property boundaries ➤ Computer upgrades to include memory expansion and improved boundaries ➤ 36" or 48" copier/plotter to provide copies of maps or digital images
Abbott Township	<ul style="list-style-type: none"> ➤ Municipal park with children's swing sets and a walking and fitness trail
Allegany Township	<ul style="list-style-type: none"> ➤ Bridge on township road 398 Long Road.
Bingham Township	<ul style="list-style-type: none"> ➤ Act 537 Plan and sewage system
Galeton Borough	<ul style="list-style-type: none"> ➤ Replace all sewer lines in the north and west sewer sheds
Genessee Township	<ul style="list-style-type: none"> ➤ Various bridge improvement projects
Hebron Township	<ul style="list-style-type: none"> ➤ Repair to bridge on Toad Hollow Road, and improvements to Castle Hollow Road
Keating Township	<ul style="list-style-type: none"> ➤ Various improvements to township roads
Sharon Township	<ul style="list-style-type: none"> ➤ New municipal building
Summit Township	<ul style="list-style-type: none"> ➤ Re-roof municipal building
Ulysses Borough	<ul style="list-style-type: none"> ➤ Pave all remaining dirt roads, and install new water well
Ulysses Township	<ul style="list-style-type: none"> ➤ Bridge improvements on Telescope Road and Horseshoe Road