

CITY OF NANTICOKE

CAPITAL BUDGET

2011

Narrative

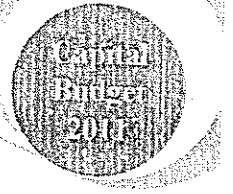
Charts

Budget

Debt Schedule

Vehicle Schedule

CITY OF NANTICOKE CAPITAL BUDGET 2011



OVERVIEW

Capital budgeting is a very important planning tool for municipalities as it allows them to provide for the necessary infrastructure to maintain or enhance future service levels. The City's Capital Budget is a five year plan to finance long term outlays, such as fixed assets like facilities and equipment. Capital projects include buildings, structures, facilities, land or land rights, construction, equipment, vehicles and/or furnishings.

Capital budgets provide the basis for the implementation of official plans, master plans and strategic plans and also provide the financial mechanism to implement Council's planning and fiscal policies.

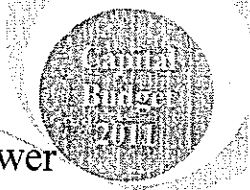
The budget process is an attempt to predict the future, performed in an analytical and procedural manner to ensure that the forecasted budget is as accurate as possible.

PROJECTS

INFRASTRUCTURE

K- Route - A road repair/reconstruction project for Alden Road (all), Prospect Street (Wash. St to Middle Rd), and Union Street (Alden Rd to Walnut St.) The scope of work includes installation of a new storm water system, curbing, curb ramps, sidewalks and a total reconstruction of Alden Road (K0005). The scope of work also includes milling and paving and the installation of curb ramps on sections of East and West Union Street and a section of Prospect Street. Construction is slated for Spring 2011. Preliminary design work for this project has been ongoing throughout 2010. This project is funded 80% \$2,016M federal funding (pass through PADot) and 20% match by the City of Nanticoke of \$504,000 for a total budgeted project cost of \$2,520,000. A portion of





the local match for this project will come from the Capital fund, Sewer fund, and Liquid Fuels fund.

Streetscape – Streetscape improvements for Market (Walnut St. to Broad St.) and Main Streets (Walnut Street to Market St.) are planned to begin in 2010. The improvements will establish a gateway to the City and incorporate: traffic calming; safe pedestrian travel; clear signage and direction; and aesthetic improvements to the corridor. These improvements will reflect the City's historic, cultural, and environmental character.

Main and Market Street section of this project to be started in mid 2011. Subsequent phases of this project will be initiated as approved by PADOT.

The total budget for this project is \$6.720M with \$5.6 M earmarked federal funding from the SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act) program item 2436 and a \$1.120M local match.

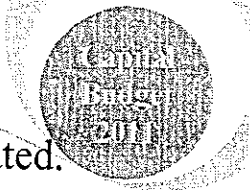
Patriot Park – Renovations of the park including safety improvements, curbing, lighting, landscaping/greening, two pavilions, fencing, environmental improvements, monuments improvements as part of the later Streetscape phases. There is no start date for this portion of the project at this date.

Street Paving – The following street paving projects will be underway in 2011:

Hanover Street (Washington St. to Noble St.) Project to be bid Spring 2011. This project is to be funded with the City's 2010 CDBG (Community Development Block Grant) allocation.

W. Grand Street (Line St. to Hanover St.) – Street paving and sewer work are planned for 2011. This project was bid and awarded late 2010.





The existing sewers are a combination system that should be separated. This project will be funded by a DCED Urban development grant.

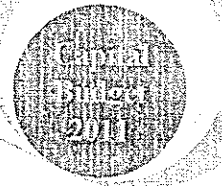
ECONOMIC DEVELOPMENT

Luzerne County Community College Health Sciences Center – The City is partnering with Luzerne County Community College to renovate the former Kanjorski Center into a Health Science Institute. This project is part of the ongoing development and revitalization of downtown Nanticoke. The City will pass through \$1.02M of LSA (Local Share Account) gaming funds grants to the College for renovations of the building. Additional funding for the project has been obtained by the College through \$9.2M of bond funding. Work on this project has been ongoing in 2010 and will continue in 2011. The facility is slated to open for Summer 2011 and will house 300 staff/faculty and students.

Luzerne County Community College Culinary Arts Building - The City partnered with Luzerne County Community College to facilitate the building of a \$7M state of the art Culinary Arts teaching facility. Wrap up of the financial portion of this project will extend into 2011. The project was funded through LSA grant of \$1M; a Growing Greener II grant of \$1M; and a \$2.5 RACP grant from the Commonwealth as well as private funding. The 22,000 square foot facility houses 250 staff/faculty and students.

Main Street Façade Grant – The City received a DCED grant for Main Street Façade improvements. The project is planned to improve the overall look of the downtown by fostering an attractive shopping environment and walking district as well as preserving the architectural heritage of downtown properties. Funding must be used for signs, paint design and storefront improvements to enhance the character of the buildings. The grant is for \$30,000, the City match will be \$30,000 and property owners will match \$30,000. The City match will be paid from the Capital fund. Project scope is Jifkin St. to Market St.





Lexington Village – The City continues to work with Royal Bank to fully complete the development project. Engineering fees are reimbursed by Royal bank, but other expenses associated with this project are paid for by the Capital fund or General fund.

Lower Broadway Park – The City would like to begin work, as per the Greater Nanticoke Area Recreation Park Master Plan (October 2005), on development of the Lower Broadway park during the next five years. The park development plans include a skate park, three basketball courts, mountain bike trails, and softball field. This was estimated at a cost of \$1.1M. Additionally, safety improvements, curbing, lighting, monument restoration, and construction of historical markers are planned. There are currently no funds available for development of the park. The City plans to seek out grant funding to begin this project. This project is key part of the revitalization downtown and ties in the economic development currently occurring and provides a destination and recreation facilities for residents and visitors to the downtown.

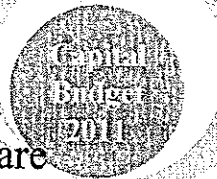
FACILITIES

CITY HALL – The following projects are slated to improve 15 East Ridge Street where the administrative and police services are located.

Pedestrian Walkway – The pedestrian walkway in the back of the building needs to be repaired. Sand blasting, painting, and repairs are estimated at \$3,600. This will be funded out of the General fund or Capital fund.

Ceiling (Police Department) – The ceiling and grid in the police department was in a state of disrepair. A new ceiling and grid will be installed. The estimate on this work is \$20k. This work will be bid on 1/1/2011. This item was planned for 2010, but was delayed until the completion of grant funded electrical work was completed in the ceiling. This will be funded out of the Capital fund.





Fire House (3 E. Ridge Street) – Firehouse building improvements are slated for 2011 and possibly beyond. Replacement of cracked windows, broken doors, a security system and a new HVAC system are proposed repairs. This project will be funded with 2007 CDBG grant dollars. Estimates for this work are at \$200k, CDBG funds available are \$167,493 other funding sources will be explored or the project will be modified to match the funding available.

Fire House (Hanover Station) – The Hanover firehouse station is in need of new curbing and paving in front; a new ADA ramp in back. A funding source for this project has not been identified to date. The City will determine the feasibility of using 2011 or 2012 CDBG grant dollars for this project.

Public Garage – A heater is needed to keep the garage temperate during the winter so that employees can do mechanical maintenance work on the equipment and vehicles. The heater will be paid for from General or Capital fund.

Other City Facilities - No capital improvements are slated for the Stickney Fire House.

COMMUNITY STABILIZATION

Demolition of 140 Pine Street – This run down property was signed over to the City. The City will demo the collapsing garage on the property as part of the City’s effort to clean up blighted properties. This project will be funded with federal home program grant dollars. This project will be complete by early 2011.

Other Demolition Projects – As properties are identified and acquired and as funding permits, other eyesores throughout the City will be demolished. Home Program funds and General Fund will be used to finance the acquisitions and demolitions.



CVS Building – The CVS building is in a state of disrepair. The City is currently exploring options to either sell the CVS building for the appraised value or funds are being sought to demo the CVS building.

VEHICLES

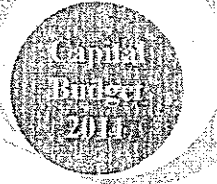
Mini Pumper (fire apparatus) – In 2009, the City entered into a lease to purchase agreement for a \$250K mini pumper fire truck. The truck is partially funded by the volunteer fire companies. The remainder of the lease payments is paid for out of the General Fund.

Fire Apparatus – The City currently has a backup fire apparatus that is over 30 years old (\$300K). This engine should be replaced if funding allows. The ladder truck is a 1999 Pierce and the City should begin to make plans to replace this vehicle. Replacement cost is estimated at \$1M.

Police Cars – The City currently has a full complement of police cars. A new police vehicle is purchased for the City every three years by the Nanticoke Municipal Housing Authority (\$25K). The General Fund is used to pay for outfitting of the police car (\$6K)

A new K-9 outfitted vehicle will be procured using the proceeds of a Hanover Twp. / Nanticoke Joint K-9 unit grant (\$40K).

Public Works Vehicles – The City has an aging complement of public works vehicles. Replacement of the vehicles will be contemplated pending appropriate funding sources. Reasonably soon, the City will need to replace the 2002 F550 Dump truck that is used for asphalt and winter maintenance including plowing and salting (\$60K). The City backhoe will need to be replaced within the next five years. The backhoe is used for sewer repairs as well as winter maintenance, and excavation projects (\$80K).



MISCELLANEOUS

The following projects are on the City wish list, the City is pursuing possible financing sources for these projects: Public Works department skidster (\$47K); emergency generator for the police department (\$25K-\$40K), security system for public buildings (\$10K); and new servers (\$12K). Over the next five years, the City will also begin to explore financing sources for the bridge on North Market Street over Newport creek.

The City will also undertake any projects that receive grant funding subsequent to the date of this plan, but within in the five year time frame covered by this capital budget. Grants will be actively pursued based on availability, applicability, resources and need.

CONCLUSION

The City of Nanticoke is working diligently to provide City residents with both a solid operating and capital plan and budget that allows for maximum results from grant and taxpayer dollars. Capital expenditures for 2011 are projected at approximately \$7.5M with a majority of funding coming from federal and state sources. The capital plan is a guideline. Projects will be completed as funding allows.

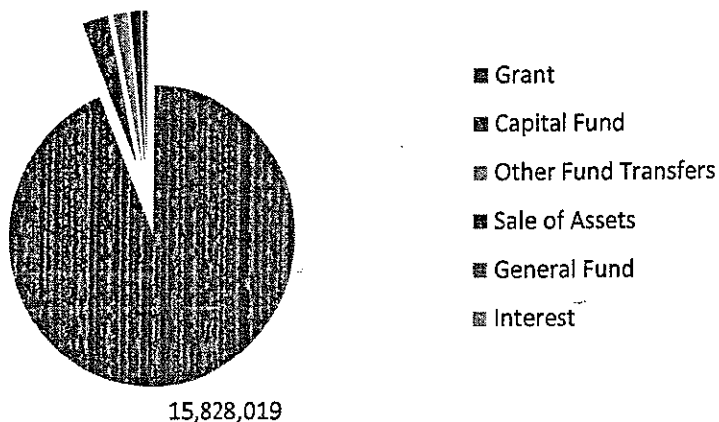


**City of Nanticoke
Capital Budget
2011**

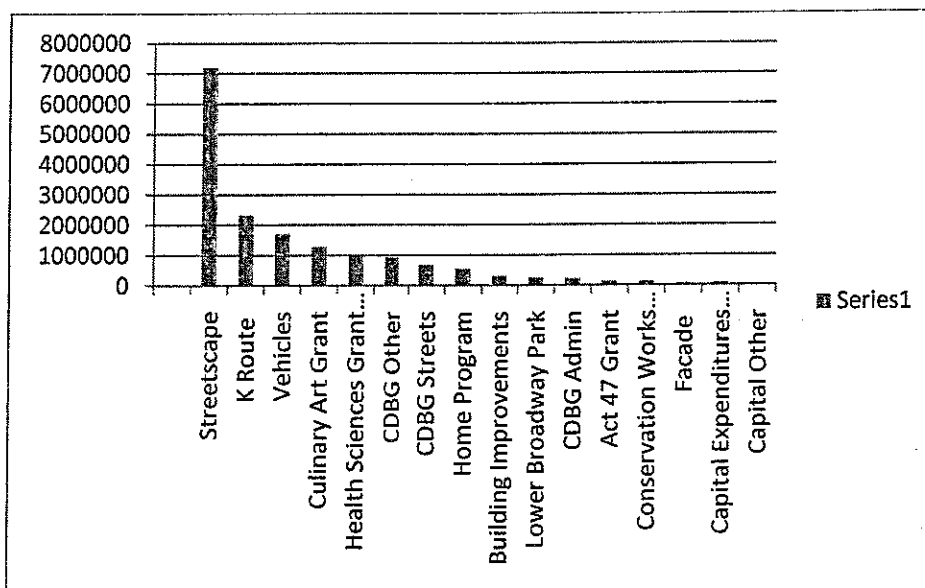
FUNDING SOURCES

Funding Sources for the Capital Budget consist primarily of Grant dollars. Total funding for 2012-15 is estimated at \$16.875M with 94% or \$15.828M coming from grants.

Budget 2012-15 FUNDING SOURCES



Budget 2012-15 EXPENDITURE BY PROJECT



Project Expenditures

Capital expenditures are primarily for downtown development, road repair, building improvements, and equipment acquisition. Total funding for 2012-15 is estimated at \$16.875M with \$10M of slated for Streetscape and K Routes.

City of Nanticoke
 Capital Budget
 Budget 2011

FUNDING SOURCES	Budget 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015
K Route Grant	\$ 1,816,000	\$ -	\$ -	\$ -	\$ -
Street Scape Grant	1,500,000	500,000	2,000,000	-	2,000,000
Facade Grant	30,000	-	-	-	-
LSA Culinary	-	-	-	-	-
RCAP Culinary	1,276,153	-	-	-	-
Health Science Grant	1,023,000	-	-	-	-
GGII Grant Culinary	-	-	-	-	-
Conservation Works Grant (HVAC)	125,000	-	-	-	-
Joint Grant Hanover Twp Canine	40,000	-	-	-	-
Act 47 Grant	133,436	-	-	-	-
Home Program Demo	25,000	25,000	-	-	-
Home Program	100,000	100,000	100,000	81,000	1,906,000
CDBG	551,365	375,000	375,000	375,000	375,000
Sale of Assets	-	175,000	-	-	10,000
General Fund	8,000	8,000	8,000	38,000	38,000
Other Funding Sources Match	224,815	9,500	20,000	20,000	20,000
Other Funding Sources Grants	-	-	646,500	55,250	-
Interest	1,000	1,000	1,000	1,250	1,500
Total Funding	6,853,769	1,193,500	3,150,500	570,500	4,350,500
PROJECTED EXPENDITURES					
K Route Grant	1,816,000	-	-	-	-
K Route Match	503,580	-	-	-	-
Streetscape Grant	1,500,000	500,000	2,000,000	-	2,000,000
Streetscape Match	300,000	100,000	400,000	-	400,000
Culinary Art Grant	1,276,153	-	-	-	-
Facade Grant	30,000	-	-	-	-
Facade Match	30,000	-	-	-	-
Health Sciences Grant LSA	1,023,000	-	-	-	-
Lower Broadway Park	-	-	250,000	-	-
Joint Grant Hanover Twp K-9 Vehicle	40,000	-	-	-	-
Conservation Works HVAC	125,000	-	-	-	-
Act 47 Grant	133,436	-	-	-	-
Capital Expenditure Legal/Engineer	15,000	2,500	2,500	2,500	2,500
Capital Admin	10,000	-	-	-	-
Capital Expenditure Walkway	3,600	-	-	-	-
Capital Expenditure Ceiling	20,000	-	-	-	-
Capital Expenditures Generator	-	-	40,000	-	-
Capital Expenditures PW Equipment	-	-	-	-	60,000
CDBG Streets	335,000	335,000	-	-	-
CDBG Admin	50,000	50,000	50,000	50,000	50,000
CDBG Firehouse Main	167,000	-	-	-	-
CDBG Firehouse Hanover	-	-	50,000	-	-
CDBG Other	-	-	275,000	325,000	325,000
Home Program	100,000	100,000	100,000	100,000	100,000
Home Program Demo	25,000	25,000	-	-	-
Vehicles	8,000	106,000	8,000	118,000	1,438,000
Total Expenses	7,510,769	1,218,500	3,175,500	595,500	4,375,500
Other Sources/Uses					
Fund Balance Capital	497,000	-	-	-	-
Transfer from GF/Other Funds	160,000	25,000	25,000	25,000	25,000
Total Other Sources/Uses	657,000	25,000	25,000	25,000	25,000
Net Income	-	-	-	-	-

City of Nanticoke
Debt Service Schedule
2011

Year	Total Principal by Year	Total Int	Total P&I
2010	472,981	143,391	616,372
2011	491,162	126,474	617,636
2012	507,702	110,778	618,480
2013	530,714	90,467	621,181
2014-2018	1,794,780	243,922	2,038,702
2019-2023	238,638	12,642	251,280
	-	-	-
Total	4,035,977	727,674	4,763,651

Year	Series 2004	Series 2005	Recovery Loan	Act47 Loan	Series 2005 Biz	Total Principal by Year
2010	105,233	69,748	70,000	20,000	208,000	472,981
2011	110,438	72,724	70,000	20,000	218,000	491,162
2012	115,864	73,838	70,000	20,000	228,000	507,702
2013	121,628	81,086	70,000	20,000	238,000	530,714
2014-2018	31,334	118,446	210,000	100,000	1,335,000	1,794,780
2019-2023	-	-	-	-	238,638	238,638
Total	484,497	415,842	490,000	180,000	2,465,638	4,035,977

Year	Int Biz	Int Series 04&05	Total Int
2010	106,176	37,215	143,391
2011	97,440	29,034	126,474
2012	88,284	22,494	110,778
2013	78,708	11,759	90,467
2014-2018	235,620	8,302	243,922
2019-2023	12,642	-	12,642
	-	-	-
Total	618,870	108,804	727,674

CITY OF NANTICOKE CAPITAL VEHICLE PLAN

ITEM: Vehicles												
Project and Acquisition Expenditures by Function												
	Year	Make	Model	Condition	Original Cost	2111	2112	2013	2014	2015		
Fire Department												
Mini Pumper	2009	KME	Mini Pumper	N	225,576	\$ 8,000	\$ 8,000	\$ 8,000	\$ 38,000	\$ 38,000		
Engine 2	2001	Pierce	Engine	G	260,000	0	0	0	0	0		
Truck 1 Aerial	1999	Pierce	Truck	G	586,000	0	0	0	0	1,000,000		
Rescue 1	1999	Amer Fire/Rescue	Rescue	G	185,000	0	0	0	0	0		
Support Vehicle	1998	Ford	Explorer	G	13,000	0	0	0	0	0		
Engine 4	1974	Hahn	Engine	F	50,000	0	0	0	0	400,000		
Fire Safety Trailer	2002	Surrey	Trailer	F	25,000	0	0	0	0	0		
Special Services Trailer	2008	Haulmark	Trailer	G	4,500	0	0	0	0	0		
Support 1	1986	Chevy	Pick Up	F	9,000	0	0	0	0	0		
Fire Department Totals					1,358,076	\$ 8,000	\$ 8,000	\$ 8,000	\$ 38,000	\$ 1,438,000		
Police Department												
Black Pick Up Truck	2002	GMC	Sonoma	F	GOVT SEIZURE	0	0	0	0	0		
Brown Unmarked Police Vehicle	2006	Pontiac	Grand Prix	G	10,000.00	0	0	0	0	0		
White Marked Police Vehicle	2007	Ford	Crown Vic	P	25,274.00	0	37,000	0	0	0		
White Marked Police Vehicle	2010	Ford	Crown Vic	E	30,025.32	0	0	0	0	0		
White Marked Police Vehicle	2008	Ford	Crown Vic	G	25,274.00	0	0	0	0	0		
White Marked Police Vehicle 4x4	2007	Ford	Expedition	E	25,375.40	0	0	0	0	0		
Black Unmarked Police Vehicle 4x4	2004	Chevy	Trailblazer	F	10,000.00	0	0	0	0	0		
White Marked Police Vehicle Dog	2007	Ford	Crown Vic	F	25,274.00	40,000	0	0	0	0		
Police Department Totals					125,948.72	0	37,000	0	0	0		
Code Department												
Car 1	1996	Chevy	Blazer	G	15,000.00	0	0	0	0	0		
Code Department Totals					15,000.00	0	0	0	0	0		
Department of Public Works												
Blue Dump Truck Ford F550	2002	Ford	F550/250	G	38,558.00	0	61,000	0	0	0		
Burgundy Pick Up (10 Cyl)	2000	Ford	F350	G	21,204.00	0	0	0	0	0		
Recycling Truck	1997	GMC	C-6500	F	49,500.00	0	0	0	0	0		
Recycling Truck	1993/94	GMC	TopKick	F	46,700.00	0	0	0	0	0		
Trailer 1					0	0	0	0	0	0		
Trailer 2					0	0	0	0	0	0		
Case 590 Super M Backhoe		Case		F	80,000.00	0	0	0	80,000	0		
Sterling Bullet Dump Truck	2009	Sterling		E	42,000.00	0	0	0	0	0		
F350 Super Duty Pick Up Truck	2010	F350 Ford		E	37,000.00	0	0	0	0	0		
Public Works Totals					314,962.00	0	61,000	0	80,000	0		
Project Totals					1,798,986.72	\$ 8,000	\$ 106,000	\$ 8,000	\$ 118,000	\$ 1,438,000		