



# Department of Public Works

**CAPITAL PLAN – CAPITAL BUDGET**

NOVEMBER 14, 2024

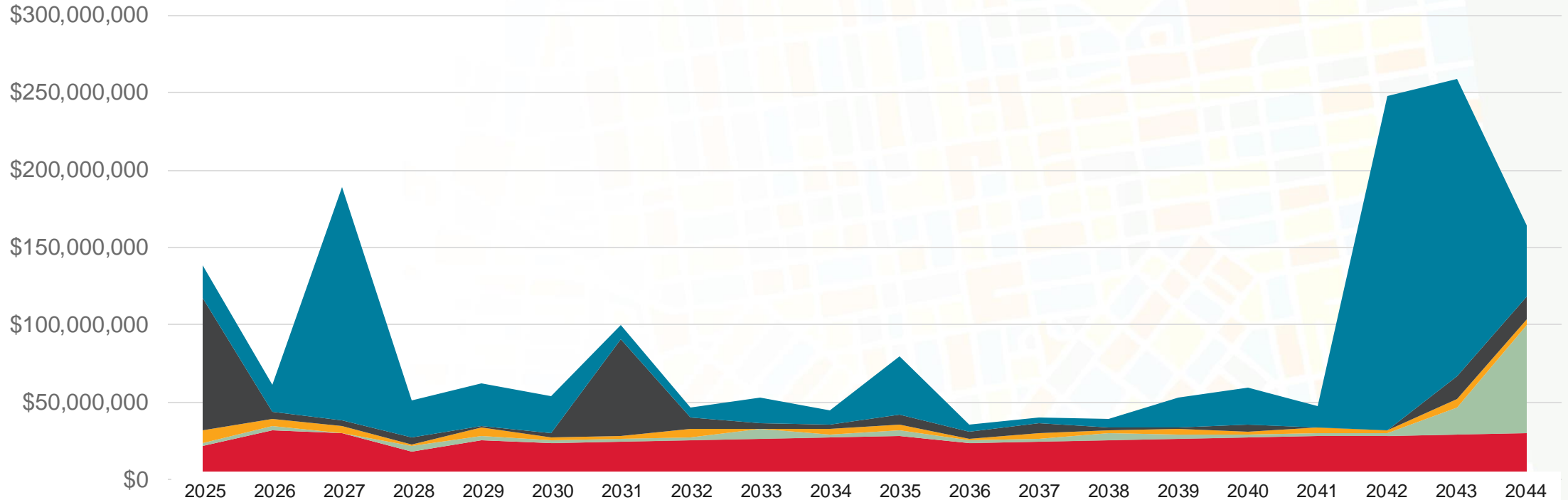
# Capital Budget Presentation – Nov. 14, 2024

- Investment Drivers
- Overview of capital projects, General<sup>1</sup> & Enterprise<sup>2</sup> Funds
  - Baseline Work – and Costs
  - Capital Initiatives – Schedule and Costs
- Impacts on City Budget, Rate payers
- Potential Funding Sources

<sup>1</sup>General Fund: *Department of Public Works, Engineering/PROW as well as Construction & Operations, Fire Bureau*

<sup>2</sup>Enterprise Funds: *Stormwater, Wastewater, Water, and Solid Waste*

# Overall Capital Budget (2025–2044)



	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Water	20,8	17,6	150,	23,9	27,9	24,7	9,57	6,63	16,8	9,14	37,7	3,99	3,95	5,45	19,1	24,0	13,5	215,	192,	46,4
Wastewater	85,2	4,33	3,44	4,35	1,02	2,23	62,0	7,29	3,34	2,70	6,57	4,34	6,13	1,74	911,	4,76	250,	352,	14,6	13,8
Stormwater	8,10	4,40	4,60	1,33	5,12	2,09	2,27	5,60	495,	3,74	3,19	1,39	3,40	1,40	3,77	1,42	3,43	1,43	5,53	3,81
C&O	1,96	2,72	717,	3,53	3,24	2,10	1,55	1,46	6,19	2,38	4,31	1,62	1,97	4,92	2,87	2,20	2,11	1,57	16,8	69,6
PROW	22,2	32,3	29,7	18,3	25,2	23,3	24,7	25,5	26,3	27,1	28,0	23,9	24,6	25,4	26,2	27,0	27,9	28,8	29,7	30,6



# Investment Drivers

## Public Right of Way

- Parks Master Plan
- Vision Zero
- Active Transportation Plan
- Maintaining Infrastructure
  
- Baseline vs. Additional Initiatives

# Public Right of Way (PROW)

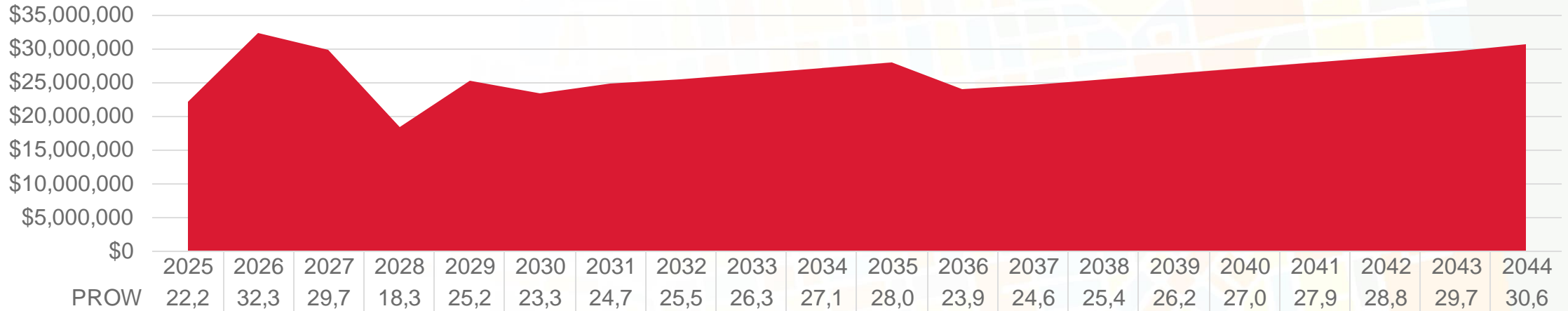
- Baseline:
  - Parks Master Plan (\$3M+/-)
  - Vision Zero (\$3M+/-)
  - Active Transportation (\$2.5M+/-)
  - Equitable Street Paving/ADA Ramps (\$1.5M+/-)
  - Traffic Signal Upgrades (\$1M+/-)
  - Lighting (<\$550K)
- Additional Initiatives:
  - Parks – Municipal Pool – 2028/29 (\$8M)
  - Water Street Bike Blvd – 2025/26 (\$7.7M)
  - NE Greenway – 2025/26 (\$5.7M)
  - SS4A / Vision Zero – 2025/2030 (\$16M)

# PROW Capital Improvement Plan (CIP)

Numbers in 000's

Investments	2025	2026	2027	2028	2029	Total	Funded	2025 Bond	Grants	2028 Bond
<b>Baseline</b>	17,205	15,550	14,030	15,630	8,750	77,785	21,798	14,968	16,638	24,350
Muni-Pool				800	3,200	4,000				4,000
Water St Blvd	1,250	5,200				7,635	7,635	0		0
NE Greenway	500	3,700				5,618	5,618	0		0
SS4A/VZ	<u>3,000</u>	<u>4,810</u>	<u>5,870</u>	<u>2,000</u>	<u>0</u>	<u>15,880</u>	<u>13,510</u>	<u>2,400</u>		<u>0</u>
	21,955	29,260	19,900	18,430	11,950	110,918	48,561	<b>17,368</b>	16,638	<b>28,350</b>
Target Bond								<b>14,000</b>		<b>16,000</b>

# Public Right of Way (2025–2044)



## Baseline

- Parks Master Plan
- Vision Zero
- Active Transportation
- Equitable Street Paving
- ADA Ramps
- Traffic Signal Upgrades
- Lighting

## Additional Initiatives

- Water Street Bike Blvd 2025/26
- NE Greenway 2025/26
- SS4A / Vision Zero 2025/30
- Municipal Pool 2028/29
- 2 Way Conversion 2029/35

## Caveats

- Changing State Requirements

## Budget Impacts

- Grants and Liquid Fuels funded





# Investment Drivers

## Construction & Operations

- **Maintaining our Parks & Public Property (Facilities) Portfolio**
  - 26 Public Parks and Recreational Areas, 5 Wading Pools, 1 Full-Size Pool, 8 Major Operational Facilities, 10 Public Restrooms (not including Utility Plants/stations)
  - Plan and replacement schedules based on Facility Condition Assessments (building shell, MEP components, technology, wear & tear).
- **Operational Efficiency**
  - Combining smaller, satellite offices and operations into centralized locations for reasons including management efficiency, economies of scale procurement, public convenience, reduction in time/fuel.
  - Combining similar functions across bureaus and departments under one roof (archiving, equipment storage, vehicle storage and maintenance, warehousing) and expanding capabilities and reducing costs (ex: increase revenue generation and eliminate lease payments for recycling operations).
- **Welcome Center Renovation**
  - Centralized Hub for implementing key goals identified in the Tourism Master Plan and implementing technology and focused advertising on realizing Lancaster as a tourist destination in conjunction with our key community partners.

# Construction and Operations

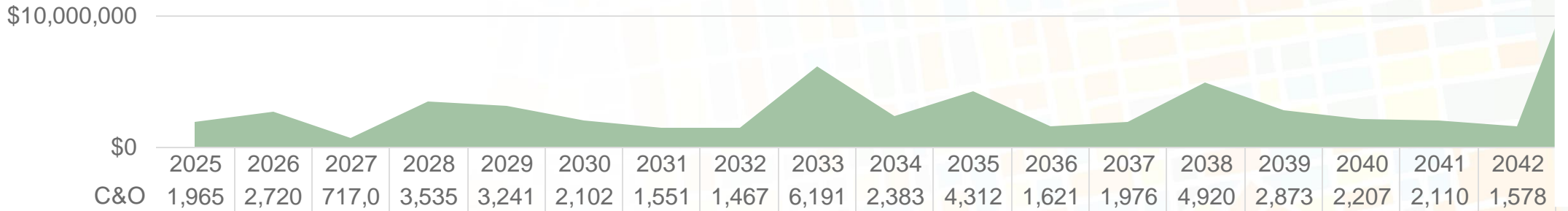
- **Baseline:**
  - Facility Condition Assessment Scopes (\$1-2M/yr average)
  - Miscellaneous Capital Reinvestments (\$1-2M/yr average)
    - Ex: Police Station Roof, Elevator, Windows (building at 20-year life = replacements)
- **Additional Initiatives:**
  - Equipment and Materials Storage Shed – 2025 (\$3M)
  - Welcome Center Renovation – 2025 (\$2.6M)
  - Ops Center Expansion incl Recycling Center– 2025/26 (\$6M)
  - Salt Shed Replacement "Right Sizing"– 2025/26 (\$1.2M)

# Construction and Operations CIP

Numbers in 000's

Investments	2025	2026	2027	2028	2029	Total	Funded	25 Bond	Grants	28 Bond
<b>Baseline/FCA</b>	1,236	5,986	861	1,061	1,000	10,812	4,387	1,530		2,061
Storage	2,850					3,000	3,000			
Welcome Center	2,350					2,600	1,570	1,030		
Operations Center	600	5,400				6,000	3,500	2,500		
Salt Shed	<u>50</u>	<u>1,150</u>				<u>1,200</u>	<u>1,200</u>			
	6,486	7,136	861	1,061	1,000	17,612	10,157	<b>5,393</b>		<b>2,061</b>
Target Bond								<b>5,000</b>		<b>4,000</b>

# Construction and Operations (2025–2042)



## Baseline

- Facility Condition Assessment Scopes
- Miscellaneous Capital Investments
  - Police Station Roof, Elevator, HVAC, Windows
  - Energy Upgrades, Green Roof, Solar, Climate Action

## Additional Initiatives

- Storage Shed 2025
- Welcome Center 2025
- Operations Center 2025/26
- Salt Shed 2025/26
- Asset Upgrades 2033/35
- Asset Replacement 2042/44

## Caveats

- Changes in Operations

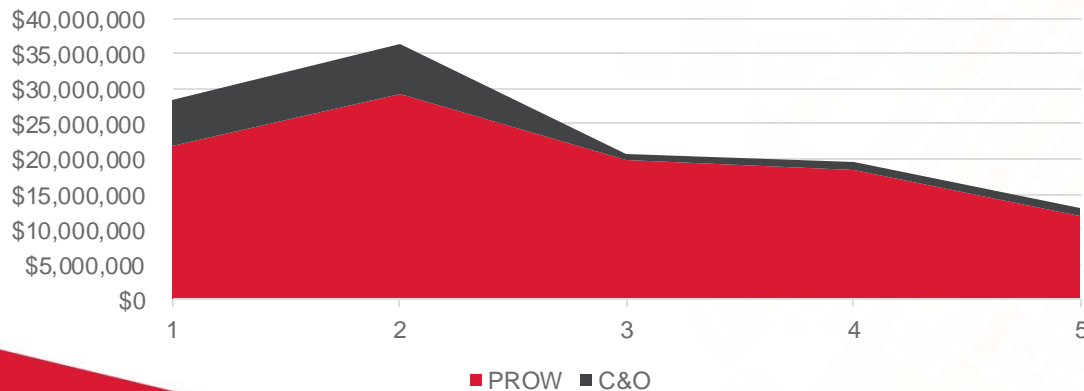
## Budget Impacts

- Normal Annual Asset Reinvestment of about \$2.5–3.5 Million
- Need to stay ahead of major capital repairs

# General Fund (PROW/C&O) CIP

Numbers in 000's

Investments	2025	2026	2027	2028	2029	Total	Funded	25 Bond	Grants	28 Bond
<b>PROW</b>	21,955	29,260	19,900	18,430	11,950	110,918	48,761	17,168	16,638	28,350
<b>C&amp;O</b>	<u>6,486</u>	<u>7,136</u>	<u>861</u>	<u>1,061</u>	<u>1,000</u>	<u>17,611</u>	<u>10,156</u>	<u>5,393</u>		<u>2,061</u>
<b>TOTAL GF</b>	28,441	36,396	20,761	19,491	12,950	128,529	58,918	<b>22,561</b>	16,638	<b>30,411</b>
<b>Target Bond</b>								<b>19,000</b>		<b>20,000</b>



## Challenges

- Reduce Bond Ask to be in line w/target
- Postpone projects
- Identify more Grant and other Funding opportunities



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## Investment Drivers

# Stormwater, Sustainability & Environment

- Operations & Maintenance
- EPA Consent Decree, Long-Term Control Plan
- Climate Action Plan



# Stormwater, Sustainability & Environment

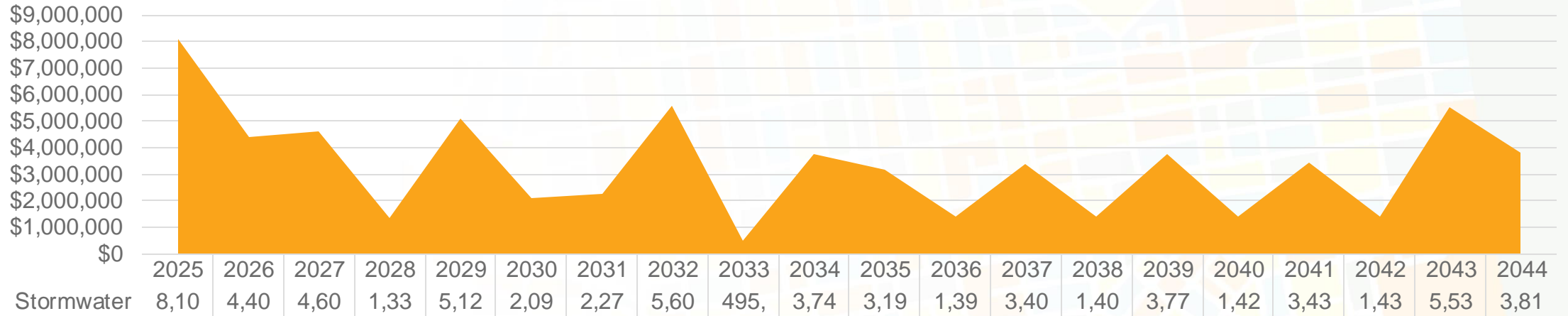
- **Baseline Work:**
  - Ongoing Corrective Action (\$120k/yr)
  - GI Projects (Varies)
    - Streets/ROW – Paving Plan, Vision Zero
    - Parks – masterplan implementation
    - Other
  - Stormwater Costs for Capital Improvements (\$350K)
  - MS4 Collection System Upgrades (\$350K)
  - Urban Canopy – Ongoing (\$900K/yr)
- **Additional Initiatives:**
  - Water Street Separation – 2025-27 (\$11M)
  - Duke Street Separation – 2025 (\$2.8M)
- **Not in Plan**
  - On-Site Solar (\$9.5M)

# Stormwater, Sustainability & Environment CIP

Numbers in 000's

Investments	2025	2026	2027	2028	2029	Total	Funded	25 Bond	Grants/ Fees	28 Bond
<b>Baseline/FCA</b>	2,049	5,524	2,751	4,049	1,723	16,467	871	3,599	6,224	4,022
Urban Canopy	1,020	750	900	750	750	4,200	2,700			1,000
Water St Sep	4,382	4,650	1,459			10,983	3,950	7,033		
Duke St Sep	<u>2,420</u>					<u>2,800</u>	<u>2,800</u>			
	9,871	10,924	5,110	4,799	2,473	34,450	10,321	<b>10,632</b>	6,224	<b>5,022</b>
Budget Targets								<b>10,000</b>		<b>5,000</b>
On-Site Solar	2,500			7,000		9,500			9,500	

# Stormwater, Sustainability & Environment (2025–2044)



## Baseline

- Asset Upkeep & Reengineering
- Urban Canopy

## Additional Initiatives

- Water St Separation 2025/27
- Duke St Separation 2025
- Capital Projects 2032/33

## Caveats

- Changes in Operations

## Budget Impacts

- Good Asset Upkeep = lower operations costs



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# Investment Drivers

## Wastewater

- Capital Reinvestment in Aging Infrastructure
- EPA Consent Decree, Long-Term Control Plan
- Limited Sites for Biosolid Disposal

# Wastewater

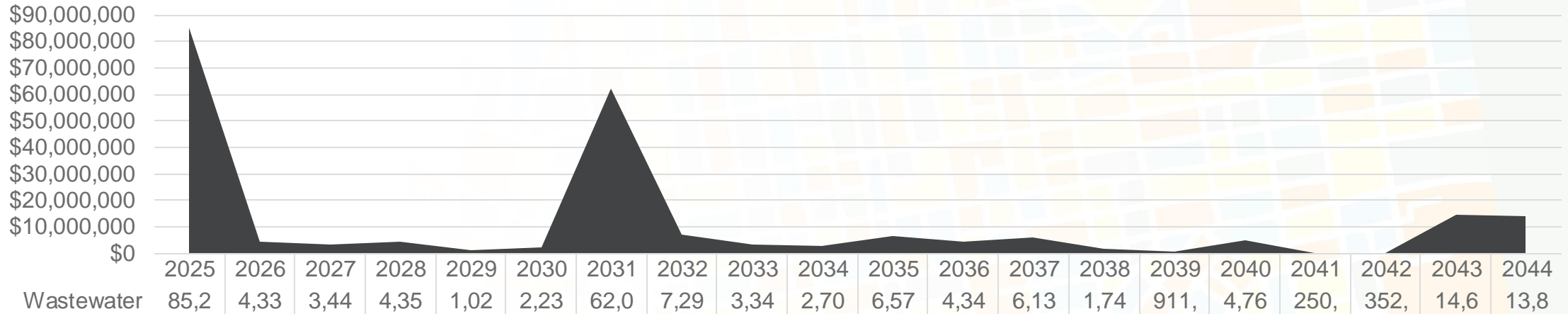
- Baseline Work:
  - Annual Escrow \$250K
  - Collections Systems Improvements \$1.5M/yr
  - Capital Reinvestment in Infrastructure \$4M/yr
- Additional Investments:
  - North Secondary & South Primary Clarifier – 2025 (\$16M)
  - Conestoga Gardens Interceptor – 2025/26 (\$7.5M)
  - Anaerobic Digesters – 2025/27 (\$79.5M)
  - Consent Decree/LTCP – 2025 – 2040 (\$50M +/-)

# Wastewater CIP

Numbers in 000's

Investments	2025	2026	2027	2028	2029	Total	Funded	25 Bond	Grants	28 Bond
<b>Baseline</b>	19,584	14,101	6,189	8,128	520	60,808	27,673	24,491		4,631
NSClarifiers	11,769					11,769	5,937	5,831		
CGInterceptor	3,750	3,750				7,500	7,217	282		
Digester	23,500	23,500	32,200			79,200	39,956	39,243		
LTCP/CnstDec	<u>538</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>11,300</u>	<u>1,038</u>	<u>6,261</u>		<u>4,000</u>
	59,141	43,351	40,589	10,128	2,520	170,577	81,821	<b>76,108</b>		<b>8,631</b>
Target Debt								<b>47,000</b>		<b>20,000</b>

# Wastewater (2025–2044)



## Baseline

- Asset Upkeep

## Initiatives

- Consent Decree 2025 - 2040
- Digesters 2025/27
- AWWTP Liquid Exp 2030/32

## Caveats

- PFOS/PFOA Solids
- Unfunded Regulatory Mandates

## Budget Impacts

- Roughly **50%** of capital costs are borne by the Partners
- Major impact of Consent Decree Starting in 2025
- Reduce bond ask / Phase Projects Differently



# Investment Drivers

## Water

- Operations & Maintenance
- State and federal regulations
- Climate change

# Water

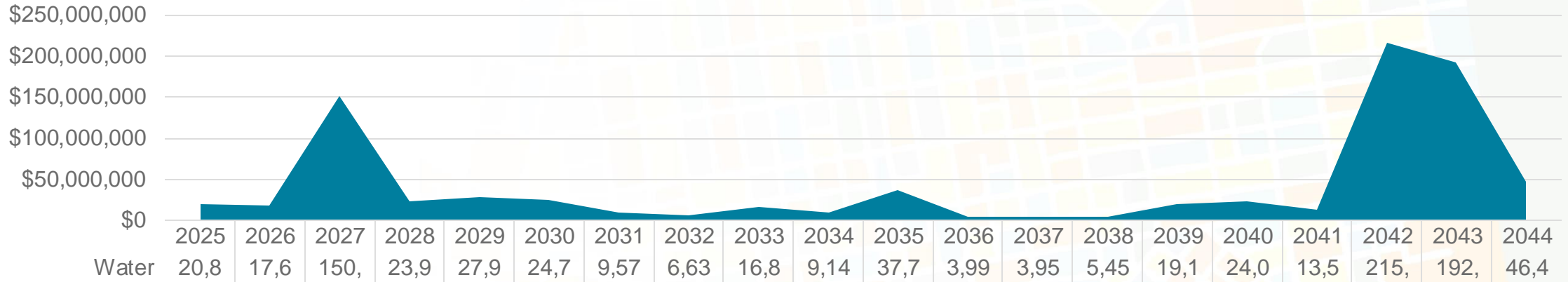
- **Baseline Work – and Costs – consisting of:**
  - Transite Pipe Replacement \$2M/yr
  - Cast Iron Pipe Replacement / Lining \$2.25M/yr
  - Water Meters & Valve Replacements \$500K/yr
  - Capital Reinvestment in Infrastructure \$4M/yr
- **Additional Capital Expenditures – Schedule and Costs**
  - Phase II LD Transmission Main – 2025/26 (\$39M)
  - Phase III LD Transmission Main – 2027/28 (\$12.5M)
- **Federal Mandates**
  - Lead Service Line Replacements – 2025 – 2037 (\$40M)
  - PFOS/PFOA – 2025 – 2029 (\$88M)

# Water CIP

Numbers in 000's

Investments	2025	2026	2027	2028	2029	Total	Funded	25 Bond	Grants	28 Bond
Baseline/FCA	17,607	14,963	9,140	24,097	10,345	86,148	14,557	63,930		34,442
Ph III LDTM	19,359	19,359				38,718	3,132	35,586		
<u>Ph II LDTM</u>			<u>6,202</u>	<u>6,202</u>		<u>12,405</u>	<u>0</u>	<u>6,202</u>		<u>6,202</u>
	36,966	34,322	15,342	30,299	10,345	137,271	17,689	<b>99,516</b>		<b>40,644</b>
Target Debt								<b>50,000</b>		<b>30,000</b>
Lead SLR	1,269	10,087	9,337	2,069	18,738	42,196	0	21,389		540
PFAS/PFOA	2,000	42,900	42,900			87,800	0	87,800		

# Water (2025–2044)



## Baseline

- Asset Upkeep/Reinvestment

## Initiatives

- Ph III LDTM 2025/26
- Ph II LDTM 2027/28
- Lead Service Replacement 2025 - 2037
- PFOS/PFOA 2026 - 2031
- Conestoga Transmission Main 2034/36

## Caveats

- Unfunded Regulatory Mandates
- Requirements may change w/new Administration

## Budget Impacts

- Bond Ask currently beyond targets
- Major Asset Replacements in 20 years
- LDTM Relining

# Fire Apparatus Replacement CIP

Numbers in 000's

Unit	Yr Put Into Svc	2025	2026	2027	2028	2029	Replace Year	Future Cost
Truck 64-1	2019	74	74	74	74		2034	2,500
Truck 64-2	2020	127	127	127	127	127	2035	3,000
Eng 64-1	2024	89	89	89	89	89	2040	1,600
Eng 64-2	2020	Reserve						
Eng 64-3	2019	70	70	70	70	70	2034	1,600
Eng 64-4	1999	Reserve						
Eng 64-5	<u>2017</u>	<u>Reserve</u>					<u>2032</u>	<u>1,600</u>
		360	360	360	360	286		10,300

# Estimated Financing

- 6-year outlook
- \$200 Million total
  - \$39 Million for General Fund
  - \$80 Million for Water
  - \$67 Million for Wastewater
  - \$15 Million for Stormwater

# Impacts on Debt and Rate Payers

- Debt targets
  - 10% for General Fund
  - Under 40% for Enterprise Funds
- Rate Payers
  - Utility costs between 2% and 4% of median income
  - Focus on keeping rates as close to 2% of median income as possible
  - Focus on gradual increases rather than high impact increases

# Potential Funding Sources

- Bonds
  - Reasonable interest
  - More flexible usage
- Pennvest
  - Lower interest
  - Restricted projects
- Lease
  - Used for vehicles
- Grants
  - Not guaranteed
  - Projects must qualify
- Utility Fees
  - Used to cover annual expenses





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**CAPITAL PLAN – CAPITAL BUDGET**

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