

CITY OF OCEAN CITY
CAPE MAY COUNTY, NEW JERSEY
RESOLUTION 17-53-055

**TO ADOPT CAPITAL PLAN 2017 TO 2021
AND SPECIFIC DEBT SERVICE GUIDELINES**

WHEREAS, Capital Planning is an integral part of city management; and

WHEREAS, the values and priorities of the people of Ocean City are reflected through the actions of its elected officials; and

WHEREAS, the City Administration and the City Council have formulated a collective vision of the future of the city which, when applied to the Capital Plan results in the following broad categories: Beach and Bay Restoration, Paving and Drainage Improvements, Boardwalk Rehabilitation, Public Building Rehabilitation, Recreation Facility Restoration, Acquisition of Equipment (Large Equipment, Departmental Equipment, City-Wide Communication Equipment), Public Facilities Rehabilitation, and Parking and Intermodal Transportation Improvements; and

WHEREAS, certain financial facts are relevant to the debt position of the city of Ocean City:

Outstanding Permanent Debt as of 12/31/2016	\$ 81,037,030.28
Percentage of Net Debt of Equalized Valuation as of 12/31/2015	0.839%
Percentage of Net Debt of Equalized Valuation as of 12/31/2016	1.045%

Existing Debt Authorizations not permanently funded:

<u>Ordinance #</u>	<u>Amount</u>
13-04	\$ 98,600.00
13-20	\$ 322,500.00
14-05	\$ 353,050.00
14-13	\$ 9,750.00
14-15	\$ 2,600,000.00
14-33	\$ 63,250.00
14-35	\$ 20,000.00
14-42	\$ 12,500.00
15-09	\$ 1,878,635.00
15-17	\$ 1,058,350.00
15-29	\$ 1,995,000.00
16-01	\$ 16,629,275.00
16-10	\$ 475,000.00
16-19	\$ 18,461,750.00
	\$ 43,977,660.00

WHEREAS, a capital plan for year 2017 with summary information for years 2018 to 2021 has been formulated by the Mayor, City Council and staff; and

WHEREAS, the level of funding associated with the plan by which a debt management policy is established is outlined as follows:

Total Proposed Capital Plan 2017 to 2021	\$ 111,976,000.00
Total Proposed Debt Associated with the Capital Plan	\$ 106,377,200.00

; and

WHEREAS, the level of funding associated with the Capital Plan, on an annual basis, is outlined in Exhibit A; and

WHEREAS, it is recognized that certain components of the capital plan will be eligible for grants and other funding sources and it is in the best interest of the City of Ocean City to monitor and pursue these opportunities as potential offsets to debt service; and

WHEREAS, the debt service schedule which currently exists includes the effects of this Capital Plan over the life of the plan is outlined in Exhibit B; and

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WHEREAS, the Capital Plan does not appropriate any funds but rather provides a framework for financing various projects within a context of financial capability and sustainability; and

WHEREAS, the Capital Plan will be reviewed each year and modified as appropriate recognizing the most up-to-date data available; and

WHEREAS, certain standards should be reviewed regularly to enable City Council and the Administration to understand trends and forecast the financial health of the City and chart its financial course; and

WHEREAS, among these standards are:

- That the debt service appropriation, which includes Bond Principal, Interest, Bond Anticipation Note Principal, Interest, and Green Acres Debt should be maintained in the 15-20% range of the total Budgetary Appropriations.
- All efforts should be made to smooth the debt service appropriation each year in order to maintain level impacts to the tax levy each fiscal year.
- That the approach of issuing permanent debt consistent with the capital and debt management plan, considers both the market conditions and maintaining maturity schedules of between 10 to 15 years be utilized.

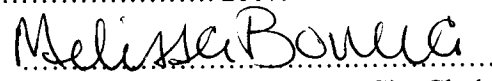
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ocean City that it adopts the Capital and Debt Management Plan for 2017 to 2021; and

BE IT FURTHER RESOLVED that the City Administration and Council endorse the standards set forth above as part of this capital and debt management plan.


Peter V. Madden, Council President

Offered by COUNCILMAN HARTZELL Seconded by COUNCILMAN WILSON

The above resolution was duly adopted by the City Council of the City of Ocean City, New Jersey, at a meeting of said Council duly held on the 9TH day of FEBRUARY 2017.


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City Clerk

NAME	AYE	NAY	ABSENT	ABSTAINED
Barr	X			
Bergman	X			
DeVlieger	X			
Hartzell	X			
Madden	X			
McClellan	X			
Wilson	X			

CATEGORY - DRAFT	2017	2018	2019	2020	2021
PAVING AND DRAINAGE					
Paving and Drainage Improvements by Ratings	\$ 6,750,000	\$ 6,750,000	\$ 5,650,000	\$ 5,400,000	\$ 5,150,000
Outfalls - 6th, 7th, 12th, 13th, and 15th Street	\$ 400,000	\$ 600,000	\$ 400,000	\$ 600,000	\$ 400,000
Paving and Drainage Improvements - Neighborhood Projects	\$ 3,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Alley Improvements	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Subtotal	\$ 10,400,000	\$ 8,600,000	\$ 7,300,000	\$ 7,250,000	\$ 6,800,000
BEACH AND BAY					
Dredging	\$ 7,500,000	\$ 5,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
ADA Beach Paths (Materials - 15, fence, fill)	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Dune Fence	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Beach Mats	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Beach Fill		\$ 2,000,000			\$ 2,000,000
Subtotal	\$ 7,610,000	\$ 7,110,000	\$ 2,110,000	\$ 2,110,000	\$ 4,110,000
BOARDWALK					
Isolated Replacements	\$ 150,000	\$ 150,000	\$ 75,000	\$ 75,000	\$ 75,000
Street End Improvements	\$ 1,600,000				
Reconstruction	\$ 4,700,000				
Boardwalk pavilions	\$ 110,000				
Subtotal	\$ 6,560,000	\$ 150,000	\$ 75,000	\$ 75,000	\$ 75,000
PUBLIC BUILDINGS & PROPERTIES					
Public Safety Building		\$ 17,500,000			
Music Pier - Boilers		\$ 100,000			
Renovations - Comfort Stations	\$ 50,000	\$ 75,000	\$ 50,000	\$ 75,000	\$ 75,000
LED lighting initiative & replacement components for city owned lighting	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
City Hall Plumbing Improvements	\$ 350,000				
City Hall Stabilization Project (Grant Match - \$200,000)	\$ 200,000				
Public Works-HVAC System Replacement (Equipment Only, In-House Team Install) (Reached Useful Life & R-22 Conversion to 410A)	\$ 40,000				
5th Street and Asbury Avenue - Public Restrooms	\$ 300,000				
29th Street Fire House - Building Contents	\$ 100,000				
Civic Center-HVAC System Replacement (Reached Useful Life & R-22 Conversion to 410A)		\$ 250,000			
AFC-Pool-HVAC System Replacement	\$ 15,000				
Community Center - AC System Replacement-3AH Units (Reached Useful Life & R-22 Conversion to 410A)	\$ 250,000				
Community Center-AC System Replacement (Reached Useful Life & R-22 Conversion to 410A)					\$ 500,000
46th St Facility-HVAC System Replacement (Reached Useful Life & R-22 Conversion to 410A) Awaiting professional direction from CAE & Czar, although 2016 budget dollars may not fund HVAC	\$ 200,000				
Vehicle Maintenance - Underground Storage Tank Replacement w/Above Ground Storage Tanks	\$ 150,000				
Parking Lot Building	\$ 30,000				
General	\$ 500,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Subtotal	\$ 2,210,000	\$ 18,250,000	\$ 375,000	\$ 400,000	\$ 900,000

CATEGORY - DRAFT	2017	2018	2019	2020	2021
PUBLIC AREAS - RECREATIONAL FACILITIES					
Bleachers		\$ 15,000		\$ 15,000	
Downtown Streetscaping		\$ 1,225,000	\$ 1,225,000	\$ 1,225,000	
Playground Equipment	\$ 20,000		\$ 30,000		
Stainton Wildlife Refuge Rehabilitation			\$ 225,000		
Land Acquisition (Open Space)	\$ 2,000,000				
Open Space - Site Improvements	\$ 150,000				
Pool Renovations	\$ 100,000				
Citywide Landscaping	\$ 175,000	\$ 150,000	\$ 150,000	\$ 125,000	\$ 125,000
34th Street Playground Improvements	\$ 50,000				
52nd St Game Surface Restoration (Hockey & Basketball Courts w/ Boundary Lines; Poured-in-Place Rubber System with Covered Structure)	\$ 150,000				
Replacement Chain Link Fence (Black Vinyl) Various Locations	\$ 50,000		\$ 50,000		\$ 50,000
8th St Playground-New Play Equipment and Poured-in-Place Rubber Safety System	\$ 180,000				
North St Playground-New Play Equipment and Poured-in-Place Rubber Safety System	\$ 100,000				
General Property Improvements	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Subtotal	\$ 3,275,000	\$ 1,690,000	\$ 1,980,000	\$ 1,665,000	\$ 475,000
LARGE EQUIPMENT AND TRUCKS					
Beach Tractor included but not limited to a comparable surf rake	\$ 75,000				\$ 80,000
Mini Trash Packer				\$ 80,000	
4 x 4 Crew Cab Stake Body Beach Truck	\$ 40,000	\$ 40,000			\$ 40,000
4 x 4 Extended Cab Pickup			\$ 27,000		
Heavy Duty Dump Truck with Brine Unit and plow	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000
Asphalt Machine	\$ 75,000				
F-250 Pickup with plow		\$ 40,000			
Transportation/Airport - Maintenance Cargo Van Replacement			\$ 35,000		
Ford Focus pool cars (4 units)	\$ 36,000		\$ 36,000		
Ford Transits (3 units)	\$ 25,000	\$ 25,000			\$ 25,000
Load N Pack		\$ 180,000		\$ 180,000	
Wheel Loader		\$ 200,000		\$ 200,000	
Street Sweeper	\$ 220,000				\$ 220,000
Ford Focus pool cars (Zoning)		\$ 36,000	\$ 36,000	\$ 18,000	
Van-Plumbing Services-E Transit 150	\$ 50,000				
Storm Trucks	\$ 15,000		\$ 15,000		
Fire Dept. - 2 - New Ambulances		\$ 400,000			
Fire Dept. - Replacement SUV		\$ 60,000		\$ 75,000	
Fire Dept. - Replacement 100' Ladder Truck	\$ 1,200,000				

CATEGORY - DRAFT	2017	2018	2019	2020	2021
INTERMODAL/ TRANSPORTATION/PARKING					
Traffic Lights		\$ 150,000			
Signage - Citywide	\$ 132,000	\$ 132,000	\$ 132,000	\$ 132,000	
Historic District Improvements	\$ 150,000				
Parking Lot/Boat Ramp Improvements (Tenn. Ave.)	\$ 175,000				
Parking Meter and Parking Lot Improvements				\$ 40,000	
Transportation Center - Parking Lot	\$ 100,000				
Subtotal	\$ 557,000	\$ 282,000	\$ 132,000	\$ 172,000	\$ -
YEARLY TOTALS:	\$ 33,430,500	\$ 37,876,000	\$ 13,131,500	\$ 13,874,500	\$ 13,663,500
FIVE YEAR TOTAL =	\$ 111,976,000				

CITY OF OCEAN CITY

GRAPH DATA - Existing

Year	Principal	Interest	Green Acres	BANS P & I	Debt Service		Rate Change
					2019 Issue	2020 Issue	
2016	8,745,000	1,666,050	38,709	210,700	72 Million	56 Million	
2017	9,640,000	2,365,418	38,709	378,745	12,422,872.10	10,660,459.04	111,150.00
2018	10,120,000	2,032,838	38,709	850,000	13,041,546.54	12,422,872.10	1,762,413.06
2019	10,515,000	1,642,313	38,709	1,250,000	13,446,021.54	13,041,546.54	618,674.44
2020	7,100,000	1,280,438	38,709	200,000	14,079,146.54	13,446,021.54	404,475.00
2021	5,200,000	1,025,938	38,709	500,000	16,805,646.54	14,079,146.54	633,125.00
2022	5,300,000	858,938		900,000	17,410,937.50	16,805,646.54	2,726,500.00
2023	6,100,000	727,938			17,575,937.50	17,410,937.50	605,290.96
2024	6,450,000	578,938			18,154,937.50	17,575,937.50	165,000.00
2025	5,750,000	422,938			17,458,937.50	18,154,937.50	579,000.00
2026	6,000,000	285,000			17,619,000.00	17,458,937.50	160,062.50
2027	4,200,000	136,500			16,109,500.00	17,619,000.00	(1,509,500.00)
2028	4,200,000	42,000			16,033,000.00	16,109,500.00	(76,500.00)
2029	-	-			11,900,000.00	16,033,000.00	(4,133,000.00)
2030	-	-			11,997,000.00	11,900,000.00	97,000.00
2031	-	-			12,382,000.00	11,997,000.00	385,000.00
2032	-	-			12,246,000.00	12,382,000.00	(136,000.00)
2033	-	-			12,104,000.00	12,246,000.00	(142,000.00)
2034	-	-			5,356,000.00	12,104,000.00	(6,748,000.00)
2035	-	-			-	5,356,000.00	(5,356,000.00)
Totals							
					10,660,459.04	10,660,459.04	
Net Valuation to Increase by							
					11,400,000.00	11,400,000.00	
					11,457,000.00	11,457,000.00	
					11,514,285.00	11,514,285.00	
					11,571,856.425	11,571,856.425	
					11,629,715.707	11,629,715.707	
					11,687,864.286	11,687,864.286	
					11,746,303.607	11,746,303.607	
					11,805,035.125	11,805,035.125	
					11,864,060.301	11,864,060.301	
					11,923,380.602	11,923,380.602	
					11,982,997.505	11,982,997.505	
					12,042,912.493	12,042,912.493	
					12,103,127.055	12,103,127.055	
					12,163,642.691	12,163,642.691	
					12,224,460.904	12,224,460.904	
					12,285,583.209	12,285,583.209	
					12,347,011.125	12,347,011.125	
					12,408,746.180	12,408,746.180	
					12,470,789.911	12,470,789.911	
					12,533,143.861	12,533,143.861	

2015 Budget	0.093
10,549,309.04	11,300,000,000