



**Town Board Presentation
January 25, 2018**

Good morning members of the Town Board,

Before you is a copy of the Proposed 2018 Capital Budget and 2019-2022 Capital Plan. Our process began with asking department heads to submit project requests and descriptions and thus by doing so, we were able to obtain, direct from the personnel who know most, what they need. It is a combination of equipment acquisitions and infrastructure improvements. We asked them not only to prioritize their projects for 2018 but to also take a longer view of the needs of the Town resulting in the 2019 to 2022 plan. Most departmental requests were recommended to be included in the plan.

As we have heard and seen from local and national reports that infrastructure and maintenance ignored results in spending spikes and of course many inconveniences. Smithtown over the past several years has been upgrading facilities and equipment in a **systematic** and **sustainable** way while continuing to pay for road maintenance, pension and employee accrual payouts out of the operating budget.

Approximately \$9.2 million of projects are proposed to start in this year. Approximately, \$8.4 million of that amount is scheduled to be financed using bonds. However, of this amount, \$2.4 million will be borne by the customers of the Saint James Water district and factored into the water rates over a period of 40 years for the replacement of water mains running under Lake Avenue.

Also included within the 2018 plan is \$2.2 million for the Highway and Traffic Safety Departments for the planned Lake Avenue repaving and road reconstruction. The balance of the projects, approximately \$4.6 million is in keeping with the Towns borrowing approach of attempting to keep a level amount of debt service. Of course these projects will be funded through a combination of grants and bonding. Two item of significant note is \$350K for Brady Park LED lighting. Parks Buildings and Grounds expects significant operating cost savings in both utilities, labor and repairs similar to that experienced with the LED street lighting project completed in 2016. In addition, \$250k has been allocated for the design and engineering for the renovation of the Senior Center.

Here are the highlights for 2019:

This plan has identified a total of \$6.6 million in proposed capital projects costs which includes \$2.2 million for Flynn Memorial Park. The improvements to Flynn Memorial Park will create a premier park. Also included in 2019 is \$550k for Senior Center renovation construction costs.

Included in 2020's plan of \$6.7 million is \$2.8 million for the reconstruction of the Town's Marina. The timing of this project allows ample time to design and obtain necessary DEC permits. Also included \$250,000 of funding for upgrades to the Smithtown Landing Country Club.

As time advances more projects will come into focus in these years however at this time highway has identified as they did in earlier years the need for a steady replacement of equipment at \$550K per year for 5 years. They feel that modernizing the fleet and replacing trucks and heavy duty equipment will in the long run save maintenance costs and improve efficiency.

As to the fiscal impact of these projects, our debt remains among the lowest in of all Towns on Long Island. We try to match our borrowing in order to keep debt service at a relatively stable level while allowing for the increasing costs of goods and services due to inflation. This year, because of the Saint James, Lake Avenue revitalization, our borrowing is higher than normal. Had this project not been undertaken our borrowing would have been in line with prior year amounts.

Recognizing that the public may want to weigh in on our plan, the Town Board has requested that for the first time I put a summary of the two capital plans on the Town's website. We invite speakers to comment this evening at the regularly scheduled Town Board meeting and to email their comments to Comptroller@tosgov.com . These comments will be evaluated and considered for the plan which we expect to adopt on February 6, 2018. After approval of the plan, we will sell bonds capitalizing on still historically low interest rates and on our AAA bond rating from Moody's.

Donald P. Musnug CPA
Comptroller