

**Nassau County Legislature
Office of Legislative Budget Review**

**Review of the
Proposed 2012 Capital Budget
and
2012-2015
Capital Improvement Plan**

Maurice Chalmers,
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Inter-Departmental Memo

To: Hon. Norma Gonsalves, Acting Presiding Officer
Hon. Kevan Abrahams, Minority Leader
All members of the Nassau County Legislature

From: Maurice Chalmers, Director
Office of Legislative Budget Review

Date: October 18, 2012

Re: 2012 Capital Budget and 2012-2015 Capital Improvement Plan

Enclosed is an overview of the proposed 2012 Capital Budget and Four Year Capital Improvement Plan (CIP). The enclosed document provides an economic impact analysis, and an overview of prior capital spending as well as the proposed spending.

If my office can be of any further assistance, please let me know.

The Office of Legislative Budget Review (OLBR) has completed its review of the proposed 2012 to 2015 Capital Improvement plan. The following table depicts the overall fiscal and economic impact of the proposed plan.

Table 1

Tally of Proposed 2012 to 2015 Capital Improvement Plan				
	2012	2013	2014	2015
Projects	53	86	54	48
Funding	\$112.2	\$180.0	\$156.9	\$116.6
Jobs	576	1,183	1,032	766
*out years jobs figures use construction multipliers				

The plan contains \$112.2 million in County and non-County funding for 53 existent projects in 2012. OLBR estimates that this level of spending will generate 576 jobs in Nassau County. OLBR finds that the proposed annual capital spending levels fall within the spending parameters outlined in the adopted Multi-Year Financial Plan. The following report provides a summary of 2011’s capital spending, a categorical and project based description of the funded 2012 projects, an analysis by industry of the economic impact of the budgeted 2012 spending, and an analysis of the proposed out-year spending.

Historic Actual Capital Spending

Table 2

5 Year Actual Capital Improvements Spending in millions							
	2007	2008	2009	2010	2011	5 Yr Total	% of Total
Roads	\$23.4	\$28.4	\$27.2	\$14.8	\$13.6	\$107.4	11.3%
Public Safety	20.2	13.7	14.8	25.9	24.6	99.2	10.5%
Parks	4.8	9.9	12.3	9.7	4.8	41.5	4.4%
Building Improvements	8.1	6.0	7.2	8.2	12.4	41.9	4.4%
Infrastructure and Community Development	6.3	10.8	12.7	40.5	31.8	102.1	10.8%
Traffic	5.6	7.0	12.7	11.9	11.4	48.6	5.1%
IT / Technology	5.7	15.6	14.0	21.1	20.2	76.6	8.1%
Property Acquisition	0.7	0.4	0.2	1.3	1.7	4.3	0.5%
Miscellaneous	0.0	2.2	0.7	0.0	0.0	2.9	0.3%
Equipment	4.8	3.4	1.9	3.1	1.9	15.1	1.6%
Transportation	0.0	0.0	0.0	4.4	3.7	8.1	0.9%
General Capital Total	79.6	97.4	103.7	140.9	126.1	547.7	57.8%
Real Estate Consolidation Program	29.5	34.0	32.5	27.4	10.2	133.6	14.1%
Sewers & Storm Water Improvements	20.9	31.8	37.1	43.9	31.7	165.4	17.4%
Open Space Property Purchases	17.0	29.8	26.6	0.0	0.0	73.4	7.7%
Environmental Bond Act	0.0	1.5	3.9	15.3	7.5	28.2	3.0%
Total Capital Improvements	\$147.0	\$194.5	\$203.8	\$227.5	\$175.5	\$948.3	100.0%

Source: Comptroller's Comprehensive Annual Financial Reports (CAFR)

Nassau County capital improvement spending for 2011 was \$175.5 million which was 22.9% less than 2010, 13.9% less than 2009 and 9.8% less than 2008 but 19.4% more than 2007. The infrastructure and

community development and sewer and storm water improvement categories received the greatest amount of funding, \$31.8 and \$31.7 million respectively.

Over the past five years a total of \$948.3 million has been spent by Nassau County and the Nassau County Sewer and Storm Water Finance Authority on capital improvements. Table 2 details this spending by project category for all funding sources.

From a five-year perspective, sewer & storm water improvement received the largest amount of funding in both dollar and percentage terms. The real estate consolidation program, roads, and infrastructure and community development all received more than \$100 million over the past five years.

Planned 2012 and Out-Year Capital Spending

Nassau County accounts for its anticipated capital spending in the four year capital improvement plan (CIP). The correlating annual debt service costs are included in its operating budget. The table below itemizes the proposed 2012 Capital Budget:

Table 3

Category	2012	2013	2014	2015	4 Year
General Capital	\$68.3	\$129.0	\$105.9	\$66.6	\$369.7
Building Consolidation Program	0.0	1.0	1.0	0.0	2.0
Sewer and Storm Water Resource District	43.9	50.0	50.0	50.0	193.9
Environmental Bond Act	0.0	0.0	0.0	0.0	0.0
Total	\$112.2	\$180.0	\$156.9	\$116.6	\$565.6

The proposed 2012 Capital Budget does not include funding for any new projects. Only projects which are currently underway are budgeted to receive funding. A project was considered eligible for capital funds if its total cost was over \$100,000 or its useful life was greater than five years.

Out of the proposed \$112.2 million 2012 spending total, \$100.0 million will be debt funded and \$12.1 million will be derived from non-County sources. The 2012 County operating budget assumed a higher amount, \$175.0 million, of borrowing for general capital and sewer and storm water resource projects in its Adopted Multi-Year Financial Plan Fiscal 2012-2015.

Table 4

2012 to 2015 Multi-Year Plan Debt Issuance Assumptions by Category					
Categories	2012	2013	2014	2015	Total
General Capital	\$120.0	\$120.0	\$110.0	\$115.5	\$465.5
Sewer and Storm Water Resource District	55.0	45.0	35.0	36.8	\$171.8
Environmental Bond Act	0.0	0.0	0.0	0.0	\$0.0
Judgments & Settlements	20.0	20.0	20.0	0.0	\$60.0
Termination Costs	0.0	0.0	0.0	0.0	\$0.0
Total	\$195.0	\$185.0	\$165.0	\$152.3	\$697.3

Table 4 above details the anticipated debt issuance by category for the four years of the County’s Multi-Year Financial Plan; it is these assumptions on which the County’s annual debt service costs are

estimated. In both the proposed 2012 Capital Budget and the 2012 to 2015 Multi-Year Plan, debt issuances are expected to decrease from 2013 through 2015.

The proposed 2012 Capital Budget includes solely County funding for 45 projects, solely non-County funds for 4 projects and jointly funded another 4 projects in 2012. When all funding sources are considered, 53 projects are receiving funding. Table 5 details these projects by category. The highest number of projects is included in the Buildings category. The greatest amount of funding is included in the Disposal category.

Table 5

Category	Number of Projects	2012 Funding
Buildings	10	9.3
Collection	3	2.1
Disposal	6	39.5
Infrastructure	5	9.0
Parks	2	1.3
Public Safety	3	7.5
Roads	2	3.0
Storm Water	5	2.3
Technology	4	16.9
Traffic	2	1.1
Transportation	3	5.0
Total County Funded	45	\$96.8
Technology	1	1.2
Traffic	1	2.0
Transportation	2	6.0
Total Non County	4	\$9.2
Infrastructure	3	5.4
Transportation	1	0.7
Total Both County & Non County	4	\$6.1
Grand Total	53	\$112.2

Table 6 details the projects included in the proposed 2012 Capital Plan with funding levels of \$1.0 million or higher.

Table 6

Category	Project	Description	2012 County Debt in millions
Disposal	35100	Bay Park & Cedar Creek Digester Rehabilitation	17.0
Technology	97109	NIFS Upgrade/ERP System	16.0
Disposal	3C067	Cedar Creek Equipment Replacement	10.1
Public Safety	50680	Police Department Precints & Auxiliary Precints Renovation and Modernization	5.2
Infrastructure	81060	County Storage Tank Replacement Program	5.0
Disposal	35117	Wastewater Facilities Security Improvements	5.0
Buildings	90622	Hempstead Garage Improvements	4.0
Disposal	35114	Wastewater Facilities Improvements	3.9
Transportation	91080	NICE- Alternative Fuel Buses	3.4
Disposal	3B116	Bay Park Outfall District Structure Pipeline Rehabilitation	2.5
Roads	61570	Remove and Replace Curbs and Sidewalks	2.0
Infrastructure	70086	NCC West/South Campus Parking Lot Rehab	1.5
Public Safety	50619	Police Department Ambulance Replacement	1.3
Infrastructure	66302	Requirements Contract Roads/Drainage/Bridge/Joints	1.3
Infrastructure	66050	Requirements Contract Curbs and Sidewalks	1.2
Infrastructure	70074	NCC Rehabilitation Water Damaged Buildings Phase I	1.0
Transportation	91081	NICE-Bus Purchase	1.0
Roads	61587	Resurfacing Various County Roads	1.0
Public Safety	72490	Fire Service Academy, Various Improvements	1.0
Parks	41861	Various County Park Buildings-Infrastructure Improvements	1.0
Infrastructure	63029	Bridge Rehabilitation Program	1.0
Disposal	35108	SSW Building Improvements	1.0
Collection	30051	SD2 Interceptor Corrosion Survey & Rehabilitation	1.0
Buildings	90400	Various County Facilities- General Construction	1.0
Buildings	90618	Various County Buildings Roof Renovation	1.0
Buildings	90981	Americans/Disabilities Act- Phase II (Construction)	1.0

Economic Impact of the Proposed 2012 to 2015 Capital Improvement Plan

According to the U.S. Bureau of Labor Statistics, the July 2012 national unemployment rate for the construction industry was 12.3%. That is 4.0 percentage points greater than the national unemployment rate of 8.3%. The proposed capital spending will create jobs in an industry which is both experiencing above average national unemployment and dim future job prospects.¹

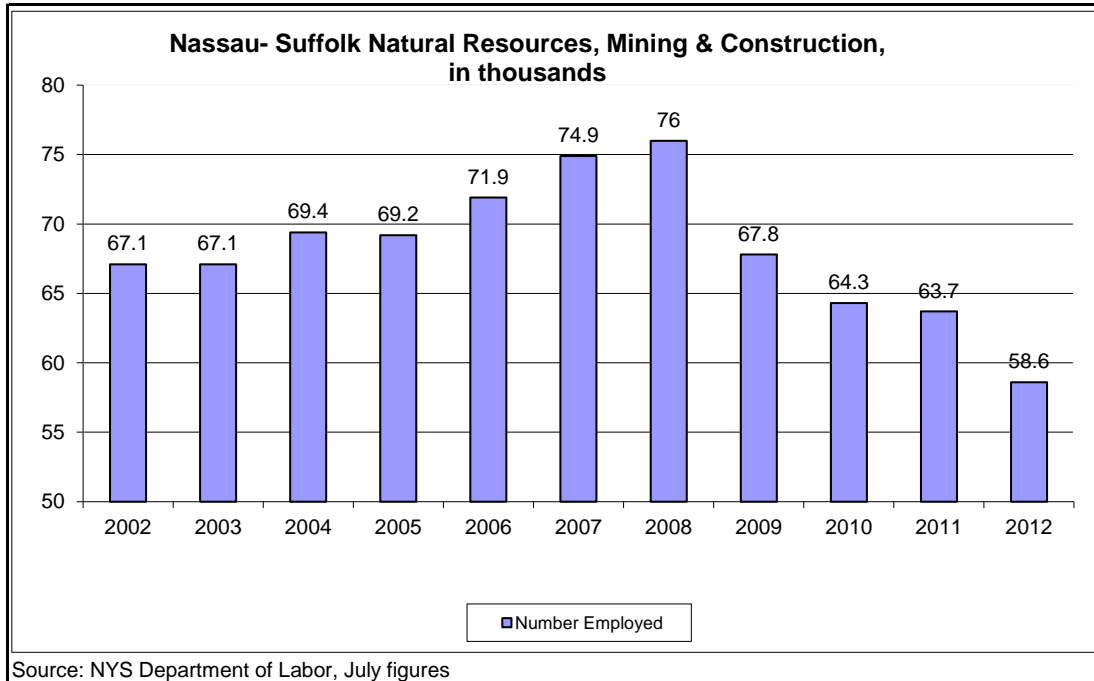
On a regional level, job growth in the construction industry continues to worsen. Chart 1 reveals that the number of construction jobs on Long Island continues to decline. In July 2012, the Long Island construction industry had 58,600 jobs, 1,000 fewer jobs than July 1999’s 59,600 figure.

Looking forward, contracts for future building in the metropolitan area paint a grim future for the Long Island construction industry. According to a report by McGraw-Hill Construction, July 2012 contracts for future construction in the metropolitan region dropped 21.0% from 2011.²

¹ Censky, Annalyn, “Housing Recovery Could Lift Jobs, Spending”, CNN/Money.com, August 7, 2012.

² Winzelberg, David, “NY-Area Future Construction Contracts Plunge”, Long Island Business News, August 28, 2012.

Chart 1



RIMS II Multipliers

Table 7

2012 Capital Spending in millions			
	Planning & Design	Construction	Total
Buildings	\$0.4	\$9.0	\$9.3
Collection	0.2	1.6	1.8
Disposal	7.4	32.1	39.5
Infrastructure	5.6	8.8	14.4
Parks	0.0	1.3	1.3
Public Safety	1.2	5.0	6.2
Roads	0.2	2.8	3.0
Storm Water	0.7	1.6	2.3
Technology	0.0	0.0	0.0
Traffic	0.6	2.5	3.1
Transportation	6.7	0.0	6.7
Grand Total	\$23.0	\$64.4	\$87.4

A review of the proposed 2012 Capital budget finds that it includes \$87.4 million in labor intensive capital spending. Table 7 above itemizes this spending by category and type. Projects were considered to be labor intensive if they utilized planning and design consultants or involved construction. Purchases of equipment and property were not considered labor intensive.

The US Bureau of Economic Analysis RIMS II multipliers were utilized to determine the economic impact of the proposed labor intensive spending. Since some of this spending will occur outside of Nassau County, the total amounts were discounted by 20%. RIMS II Nassau County Professional, Scientific and Technical Services multipliers were applied to the 2012 Planning & Design discounted spending amount, the results of this application are shown in table 9. Nassau County RIMS II Construction multipliers were applied to the 2012 discounted construction spending amount, the results of this application are shown in table 10.

In both applications, the anticipated economic impact in Nassau County at the industry level is provided. There will be additional, non-quantified economic benefit to regions outside of Nassau County where some of the workers reside and where some of the inputs are purchased.

Each chart contains three columns detailing the estimated change in output, earnings and jobs. The output column represents the value of goods and services produced in Nassau County as a result of the anticipated 2012 capital spending for each impacted industry. That is, the output multiplier demonstrates how each dollar of direct Nassau County capital spending affects total output in Nassau County. The figures included in the earnings column represents how much workers' earnings will increase as a result of the budgeted 2012 capital spending. The employment column lists the jobs created as a result of the planned 2012 capital spending.³

In table 7, the combined economic impact of both the planning and design and construction spending is shown. The earnings figures reveal that, assuming that 80% of the projected earnings are spent in Nassau County on taxable items, the anticipated 2012 Nassau County capital spending would generate \$871.6 thousand in County sales tax collections.

Table 8

Total Economic Impact of the Planned 2012 Capital Spending			
Output and Earnings in millions			
Industry	Increased Output	Increased Earnings	New Employment
Planning and Design Spending	\$40.9	\$7.9	153
Construction Spending	84.6	17.7	424
Total	\$125.6	\$25.6	576
Sources: RIMS II Multipliers, US Bureau of Economic Analysis, 2012 to 2015 Nassau County CIP			

Table 8 reveals that the projected planning and design capital spending is expected to generate 153 new jobs. That represents 26.6% of the total jobs expected to be generated from the proposed 2012 capital budget.

³ “The Impact of Stony Brook University, Driving the Long Island Economy”, Stony Brook University, Spring 2008.

Table 9

Economic Impact of the Planned 2012 Capital, Planning & Design Spending			
Output and Earnings in millions			
Industry	Increased Output	Increased Earnings	New Employment
Agriculture, forestry, fishing, and hunting	\$0.0	\$0.0	0.2
Mining	0.0	0.0	0.0
Utilities	0.3	0.0	0.2
Construction	0.1	0.0	0.7
Manufacturing	0.5	0.1	1.3
Wholesale trade	0.6	0.1	1.9
Retail trade	1.0	0.2	8.2
Transportation and warehousing	0.5	0.1	3.2
Information	1.6	0.1	2.3
Finance and insurance	1.4	0.2	3.3
Real estate and rental and leasing	2.8	0.2	6.6
Professional, scientific, and technical services	20.3	5.8	90.2
Management of companies and enterprises	0.2	0.0	0.1
Administrative and waste management services	1.1	0.3	10.0
Educational services	0.2	0.0	1.7
Health care and social assistance	1.2	0.4	9.1
Arts, entertainment, and recreation	0.2	0.1	2.9
Accommodation and food services	0.6	0.1	6.3
Other services	0.5	0.1	3.9
Labor earnings	7.9	0.0	0.4
Total	\$40.9	\$7.9	153

Sources: RIMS II Multipliers, US Bureau of Economic Analysis, 2012 to 2015 Nassau County CIP

Table 9 provides an itemization of the planning and design related jobs by industry. The majority of the newly created jobs will occur from the anticipated construction spending. Table 10 details the economic impact of the construction spending by industry. The construction spending is expected to create 424 new jobs and \$601.9 thousand in sales tax collections.

Table 10

Economic Impact of the Planned 2012 Capital, Construction Spending Output and Earnings in millions			
Industry	Increased Output	Increased Earnings	New Employment
Agriculture, forestry, fishing, and hunting	\$0.1	\$0.0	0
Mining	0.0	0.0	0
Utilities	0.6	0.0	0
Construction	51.8	11.7	260
Manufacturing	3.5	0.5	9
Wholesale trade	2.7	0.5	9
Retail trade	5.3	1.1	45
Transportation and warehousing	0.9	0.2	5
Information	2.2	0.2	3
Finance and insurance	3.1	0.5	7
Real estate and rental and leasing	4.3	0.3	10
Professional, scientific, and technical services	2.9	0.8	13
Management of companies and enterprises	0.5	0.0	0
Administrative and waste management services	1.4	0.3	12
Educational services	0.3	0.1	4
Health care and social assistance	2.7	0.8	20
Arts, entertainment, and recreation	0.3	0.1	4
Accommodation and food services	0.9	0.2	11
Other services	1.1	0.3	9
Labor earnings	0.0	0.0	1
Total	\$84.6	\$17.7	424

Sources: RIMS II Multipliers, US Bureau of Economic Analysis, 2012 to 2015 Nassau County CIP

The Department of Public Works was able to allocate the proposed 2012 capital spending into the dollars spent on planning and design and those spent on construction.

The County’s Official Statement for its most recent bond issuance shows the total of authorized but unissued bonds as of May 15, 2012 to be \$1.2 billion. Table 11 below details the County’s authorized but unissued debt by category.

Table 11

SUMMARY OF BONDS AUTHORIZED BUT UNISSUED May 15 2012	
Category	Total Authorized Unissued Amount
Community College	\$10.7
Health	16.2
Information Technology	37.1
Infrastructure	389.2
Land Acquisition	19.6
Parks & Recreation	89.7
Public Safety	87.4
Sewer & Storm Water	392.2
Special Equipment	9.2
Property Tax Refunds & Other-Judgements & Settlements	196.7
TOTAL	\$1,248.1

* figures in millions

2012 Capital Budget

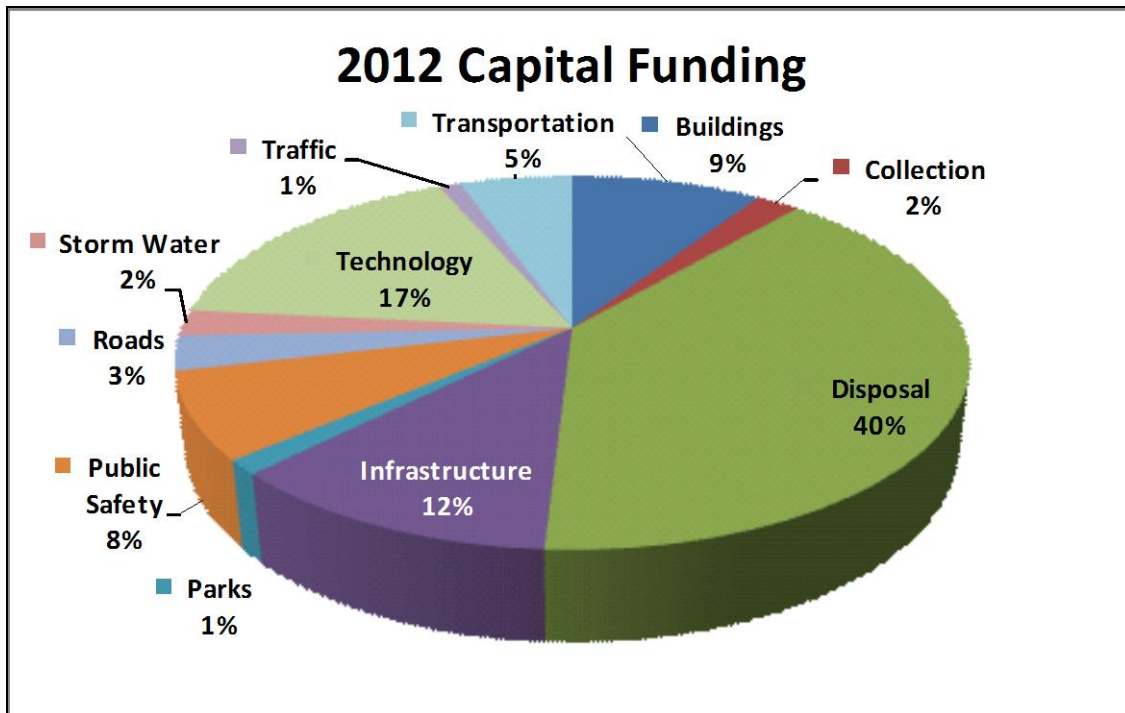
The proposed 2012 to 2015 Capital Improvement Plan contains \$112.2 million in funding. Out of that total 89.1% are County bond proceeds, the remainder is made up of non-County funding sources. Table 12 itemizes the total 2012 funding by category and source.

Table 12

Proposed 2012 Capital Improvement Plan in millions				
	Debt	Non	Self	
	<u>Financing</u>	<u>County</u>	<u>Funding</u>	<u>Total</u>
General Capital	\$56.1	\$12.1	\$0.0	\$68.3
Building Consolidation	0.0	0.0	0.0	0.0
SSW projects	43.9	0.0	0.0	43.9
Environmental Bond	0.0	0.0	0.0	0.0
Total	\$100.0	\$12.1	\$0.0	\$112.2

Within the four major categories detailed in Table 12, there are 11 sub-categories. The General Capital line is comprised of the following categories, buildings, transportation, traffic, technology, roads, public safety, parks, and infrastructure. Within the SSW category are three sub-categories, collection, disposal and storm water. Chart 2 details the sub-category funding percentages.

Chart 2



Project Highlights (General Capital)

The following section provides a categorical analysis of the projects receiving funding in 2012.

Table 13

2012 to 2015 Capital Improvement Plan By Category General Capital in millions		
Category	2012	All Years
Buildings	9.3	56.5
Equipment	0.0	9.8
Infrastructure	14.4	64.8
Parks	1.3	16.4
Property	0.0	1.0
Public Safety	7.5	56.4
Roads	3.0	99.9
Technology	18.1	27.1
Traffic	3.1	26.1
Transportation	11.7	11.7
Grand Total	68.3	369.7

Buildings - The proposed 2012 Capital Improvement Plan includes \$9.3 million in funding for 10 Buildings projects which are currently underway. The Various County Buildings Backflow Prevention Phase III project (90023) is slated to receive \$750,000 in 2012. These funds will be used to ensure that all facilities which are served by the public water supply have devices to prevent backflow of potential contaminants.

The Various County Facilities:

- General Construction project (90400) is budgeted to receive \$1.0 million in 2012. These funds give the County the ability to respond to minor or major emergency general construction work at various locations.
- Electrical Construction project (90401) is budgeted to receive \$250,000 in 2012. These funds give the County the ability to respond to electrical deficiencies or emergencies beyond the capabilities of the facilities management department.
- HVAC Construction project (90402) is budgeted to receive \$250,000 in 2012. These funds give the County the ability to respond to minor or emergency work at various County facilities.
- Plumbing Construction project (90403) is budgeted to receive \$50,000 in 2012. These funds give the County the ability to respond to minor or emergency plumbing work at various County facilities.

The Various County Court Facilities Renovation project (90611) is budgeted to receive \$500,000 in 2012. These funds give the County the ability to improve security and address safety issues at Court buildings. The project uses the Court Master Plan as a guideline.

The Various County Buildings Roof Renovation project (90618) is budgeted to receive \$1.0 million in 2012. These funds will be used to replace and rehabilitate the roofs of various County buildings which are rated in poor condition.

The Hempstead Garage Improvements project (90622) is budgeted to receive \$4.0 million in 2012. These funds will be used to complete the consolidation of the functions of the Roosevelt and Seaford garages into one facility located at the Hempstead garage. The first phase of the construction work has been bid, although a construction management firm has not yet been selected. The Department expects work to start on this project in early 2013.

The Various Asbestos & Lead Abatement project (90625) is budgeted to receive \$500,000 in 2012. These funds will be used to repair, encapsulate, and remove asbestos containing materials from various County buildings.

The Americans/Disabilities Act – Phase II (Construction) project (90981) is budgeted to receive \$1.0 million in 2012. These funds will be used to upgrade the County’s public buildings for the physically challenged.

Infrastructure - Nassau continues to focus on addressing the infrastructural needs that exist throughout the County. The proposed 2012 Infrastructure budget totals \$14.4 million and includes the following projects:

The Daly Boulevard Culvert Rehabilitation (63014) project is budgeted to receive \$500,000 for the design to restore the concrete box bridge culvert, channel clearances and eroded embankments.

Nassau County must maintain those bridges for which it is responsible in order to permit their continued use. The Bridge Rehabilitation Program (63029) is receiving \$1.0 million to provide the County with the ability to perform design and reconstruction and/or rehabilitation of structurally deficient and functionally obsolete bridges owned by Nassau County. Bridges with a structurally deficient will be assigned priority over those with functionally obsolete designations. This money provides for design and construction as needed. Work locations include the Long Beach Bridge, Bayville Bridge, Pearl Street Bridge, Barnum Island Bridge, Center Island Underpass, Whaleneck Creek and Milburn Creek.

The Requirements Contract Curbs and Sidewalks (66050) project is being allocated \$1.2 million to replace curbs and sidewalks along County roads.

The Requirements Contract Roads/Drainage/Joints (66302) project has been budgeted to receive \$1.3 million to address and speed up reconstruction of highways, drainage, bridge and other related areas that need specialized manpower and equipment than what the County’s Highway Maintenance Division has. It will also provide back-up assistance to the Highway’s Maintenance Division in responding to emergency situations.

In 2012, \$1.0 million is earmarked for the NCC Rehabilitation Water Damaged Buildings Phase I (70074) project to protect the health and safety of the NCC faculty, staff and public. During the past several years, the Cluster buildings have experienced severe water damage, which in turn has caused floors to become detached, wall systems to be damaged and pipe insulation to be saturated with water.

The NCC West/South Campus Parking Lot Rehab (70086) project is receiving \$1.5 million to rehabilitate the West and South Campus parking lots of Nassau Community College to bring them to optimal conditions. Their condition is currently deteriorating.

The NCC Window Replacement (70093) project is slated to receive \$200,000 to replace windows. The western portion of Nassau Community College campus consists of many low brick buildings which were transferred to the County/College by the Navy more than 40 years ago. These buildings were converted to college use but have not been renovated. The windows on these buildings are original condition and are single glazed casement or double hung frames.

In the current plan, \$5.0 million is being given to the County Storage Tank Replacement Program (81060) project. This ongoing program replaces the former program financed by the Board of supervisors Ordinance 466-1987. The scope of this program includes tank replacements required due to age of tank or failure of periodic tightness testing as required by Federal, State and County regulations. Funding must also be provided for remedial investigations and actions, which are mandated at locations where leaking storage tanks are discovered. This is related to a DEC consent order for tanks located all over the County.

Parks - The 2012-2015 CIP includes \$1.3 million for Parks projects. Various Parks Path/Roadways/Parking Resurface (41834), this project will resurface various paths, roadways, and parking fields in County parks. Various County Park Buildings - Infrastructure Improvements (41861), will rehabilitate various park buildings, including the County's museums. Locations scheduled to be improved include the Mitchel Field Navy Gym, and Hanger #2.

Public Safety - Public Safety projects total \$7.5 million and include the following three projects:

In 2012, the Police Department Ambulance Replacement (50619) has been allocated \$1.3 million. This project is a four-year program of ambulance purchases to replace high-mileage, unreliable ambulances with high quality ambulances that are suitable for future chassis change-overs (replacing the truck chassis only rather than the entire ambulance at the end of the life cycle). This project has been on hold.

The Police Department Precinct & Auxiliary Precincts Renovation and Modernization (50680) project is budgeted to receive \$5.2 million. This project is designed to address the physical plant of four Police Precinct station houses. The original scope of this project has been modified since the Police Department introduced the Precinct Consolidation Plan. Total funding allocated in the 2012 Capital Plan will be used for consolidation expenses. This will provide for necessary work to consolidate the police precincts, including structural space changes at the precincts, community policing centers, and police headquarters.

The Fire Service Academy, Various Improvements (72490) project has been slated to receive \$1.0 million. This project is for continued improvements at the Fire Service Academy.

Roads - The 2012 Capital Budget for Roads includes \$3.0 million in authorized funding. The Budget is focused on two ongoing projects for 2012. The first project is to Remove and Replace Curbs and Sidewalks (61570) which will rehabilitate existing road pavements, curbs and sidewalks on an as needed basis. The Capital Improvement Plan (CIP) proposes \$2.0 million for 2012 and a total \$2.0 million is allocated equally for 2013 to 2014. The County Wide Resurfacing Various County Roads (61587) is the other project designated for 2012 with a budget of \$1.0 million and \$22.5 million annually from 2013 to 2015. The program objective is to resurface each County roadway once during a 15-year cycle,

depending upon traffic volumes and surface wear. To achieve this goal on the approximately 500 centerline miles or 2,000 lane miles of County roadways, it is necessary to resurface over 125 lane miles each year, which this project is estimated to do. The County expects a reimbursement after the completion of the individual contracts from a State program (Consolidated Highway Improvement Program, (CHIPS)). Each year, the New York State Department of Transportation (NYSDOT) receives CHIPS money in their budget. They allocate that money to the various municipalities in NYS based upon the number of lane miles that the municipality oversees. Typically, in April NYSDOT notifies the County of its annual allocation. There is no annual agreement with NYSDOT regarding where the CHIPS money will be spent. Hence, the County can use the funds on any project that meets the criteria of the program that is not receiving other reimbursement.

To date, the County has received \$9.9 million in CHIPS monies. For FY 2011, the County received \$7.7 million. Although no formal agreement with NYSDOT exists, Nassau's 2013 allotment is \$4.6 million. This allotment may be modified. In 2011 and 2012, the County had a large rollover balances included in the collections. Future years are expected to be in the \$4.6 million range.

Traffic - The Capital Budget proposes \$3.1 million for Traffic projects, with no new projects proposed. The CIP proposes non-County funding for the Traffic Signal Construction & Modification Phase (62017) project all of which is funding that the County will receive as part of the NYS CHIPS program. The County will receive \$2.0 million in 2012 and \$2.5 million for both 2013 and 2014. The Federal Aid Durable Marking Program (62153) is a project to refurbish pavement markings. The CIP proposes annual debt funding of \$150,000 for 2012 and \$2.0 million from 2013-2015. The Traffic Signal Expansion Phase VI project (62456) includes rebuilding signals along Roslyn Road from Mineola to Roslyn.

Technology – Technology projects are budgeted for \$18.1 million in 2012. Ongoing projects include: The NIFS upgrade/ ERP system project (97109) budgeted at \$16.0 million. This project will upgrade the current financial system. Since the County implemented the existing system in 1999, the online FAMIS and ADPICS series has undergone significant improvements. The project will allow for those improvements as well as web-based access for all users, an e-procurement. There is a remaining balance in the Currier, McCabe & Assoc. (CMA) contract of \$4.5 million, as well as, \$753,000 in the Cedarcrestone (storage) contract.

The CAMDR (Computerized Asset, Maintenance, DPW and Real Estate) project (97117) is budgeted to receive \$200,000. The project will provide a technology solution that addresses all aspects of facilities and infrastructure management. Included services will be work management, equipment maintenance, inventory control, real estate and space management, and utility billing and tracking. The integrated system enables County agencies to make strategic decisions regarding asset life-cycle costs, construction and renovation management, and budget management. Benefiting agencies include DPW, Real Estate, IT, Parks, and facilities management functions County-wide. Implementation and set up of a GIS component in the AIM system with the cost of \$120,000 for the County work force and \$80,000 for vendor costs.

The ADAPT (Administration, Appeals, tax) project (97121) includes a budgets of \$500,000 to provide a single commercial applications package to manage the County-wide process of Assessment of real property, preparation of tax rolls & billing/collection of taxes and appeals. Presently there is a remaining encumbrance of \$1.5 million with the vendor Tyler. This project is for a unified assessment & tax system being used by multiple departments, Assessment, Treasurer's & County Attorney. The additional cost above the contract balance is to cover the County labor costs.

The case management project (97105) is budgeted at \$180,000. As a result of the current antiquated systems, the County has selected a County-wide enterprise case management system. This solution will be a universal software package that will be customizable to agency needs. Five departments will implement the new Case management solution over two years. Currently, the Nassau County District Attorney (DA) is budgeted to receive a Case Management System (SISDA) with a modern, state of the art integrated Prosecutor Case Management & Document Management system. As part of this project, DA intends to create internal efficiency through elimination of manual and redundant processes, improve workflow, and electronic document manage. The DA is responsible for annual maintenance of \$140.0 thousand annually. Other departments will benefit from this initiative, these include Assessment Review Commission / Assessment, Consumer Affairs, Probation, Economic Development and Civil Service.

Transportation - In 2012, \$5.5 million in County debt capital funds are allocated towards four existing transportation projects. Three of the projects, (91080, 91081 and 91082) represents bus purchases. In all these projects the bonded amount represents the 10% match required to obtain Federal Transportation Authority Grant Funds. The County and NY State must each fund 10% of the total purchase price, and the Federal government covers 80%. In total, the Administration expects to purchase 49 buses. The useful life of these buses is expected to be five years.

Clerk Item 566/12 is a bond ordinance which received Rules Committee approval on September 10, 2012 and currently awaits full Legislative approval. This ordinance will enable the County to bond for the following three projects (91080, 91081 and 91082).

The NICE Alternative Fuel Buses project (91080) provides \$3.4 million in bond funds to be used to maintain operating efficiency, capacity continued use of clean fuel on the fixed route fleet, and replace buses that are beyond their useful life.

The NICE Bus Purchase project (91081) provides \$1.0 million in bond funds to be used to maintain operating efficiency, capacity continued use of clean fuel on the fixed route fleet, and replace buses that are beyond their useful life.

The NICE Alternative Fuel Bus project (91082) provides \$617,313 in bond funds to maintain operating efficiency, capacity continued use of clean fuel on the fixed route fleet, and replace buses that are beyond their useful life.

The County Wide Planning Initiative and Study (91092) project is receiving \$500,000 in County bond funds and \$200,000 in non-County funds. These funds are being used to cover the cost of studies designed to detail the growing economic, social, and environmental needs and priorities of individual communities and the County as a whole.

The Veterans Memorial Coliseum Reuse EIS project (92029) is slated to receive \$4.5 million in non-County funds in 2012. These monies will be used to retain the services of a consultant who will prepare a Generic Environmental Impact Statement (GEIS) for the redevelopment of the 80+/- acre property comprising the Nassau Veterans Memorial Coliseum. This contract was awarded to Jacobs Engineering through a request for proposals in the spring of 2009. Some of the funding for this contract is from capital project (91091 Nassau Hub Study), which is essentially expended, so we are now beginning to draw against (92029).

Project Highlights (Other)

Table 14

2012 to 2015 Capital Improvement Plan By Category other than General Capital in millions		
Category	2012	All Years
Building Consolidation Program	0.0	2.0
Environmental Bond Act	0.0	0.0
Collection	2.1	2.6
Disposal	39.5	188.3
Storm	2.3	3.0

Sewer and Storm Water Resource District - The proposed CIP 2012 – 2015 will fund \$43.9 million in Sewer and Storm Water Resource District projects without any new 2012 projects. The Sewer and Storm Water Resource District capital projects are separated into three distinct classifications: collection, disposal and storm water.

The 2012 Collection category will issue a total of \$2.1 million in County Debt to fund three projects. The collection funding includes \$1.0 million for SD2 Interceptor Corrosion Survey & Rehabilitation (30051), \$750,000 for Lateral Sewer Repair (35101), and lastly \$350,000 for SSW Motorized Equipment Replacement (98041).

The 2012 Disposal category will issue a total of \$39.5 million in County Debt to fund 6 projects. The projects receiving the greatest portion of the debt are Bay Park & Cedar Creek Digester Rehabilitation (35100) for \$17.0 million or 43.0% of the total and Cedar Creek Equipment Replacement (3C067) for \$10.1 million or 25.6% of the total.

The Bay Park & Cedar Creek Digester Rehabilitation project will clean and repair eight sludge digesters/storage tanks exchangers and associated sludge transfer piping at Bay Park and nine sludge digesters/storage tanks exchangers and associated sludge transfer piping at Cedar Creek. The solids that are removed from the wastewater are further broken down by anaerobic bacteria in the digesters. The sludge is heated, mixed and remains in the digester for approximately 28 days. A secondary benefit of this process is that the bacteria produce a gas that contains approximately 65% methane. This gas is captured, stored and used as a fuel to produce power to operate the Plant. Furthermore, the Digester Rehabilitation project will also rehabilitate, clean and re-paint the digester gas storage spheres. Other miscellaneous improvements may include lightning protection for access stair, tower, etc.

The Cedar Creek Equipment Replacement project will allow for the replacement of the existing four influent screens which includes the expansion of the building to allow for screenings discharge at-grade. Other improvements include the rehabilitation of the existing three aerated grit chambers as well as the rehabilitation of the effluent screening facility, including removal of the fine screens, new effluent water strainers, new disinfection system, new tide gate. Heating, ventilation and air conditioning (HVAC) electrical and process mechanical systems improvements will be performed on all.

The other projects are Wastewater Facilities Security Improvements (35117) for \$5.0 million, Water Facilities Improvements (35114) for \$3.9 million, Bay Park Outfall District Structure Pipeline Rehabilitation (38116) for \$2.5 million and SSW Building Improvements (35108) for \$1.0 million.

The 2012 Storm Water category will issue a total of \$2.3 million in County Debt to fund five projects. The storm water funding includes \$250,000 for Whitney Drain Rehabilitation (35104), \$750,000 for Massapequa Creek Stream Flow Improvement (80014), \$500,000 for Storm Water Pump Stations Construction (80019), \$500,000 for Rehabilitation of Storm Water Basins and \$250,000 for Implementation of Storm Water Management Programs (82010).

2013 - 2015 Out Year of the Capital Improvement Plan

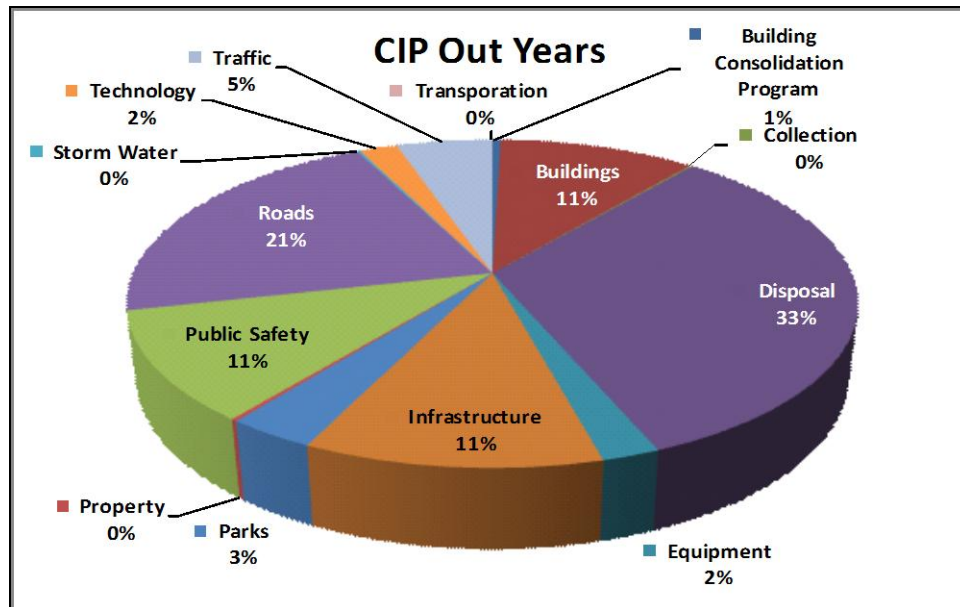
The 2013-2015 Capital Improvement Plan anticipates spending \$301.4 million to support General Capital projects, \$150.1 million for Sewer and Storm Water projects and \$2.0 million on Building Consolidation projects from 2013 to 2015. In the out years of the plan, the greatest amount of money is earmarked for Disposal projects. In 2013, the plan includes funding for 86 projects. The plan incorporates funding 54 projects in 2014 and 48 projects in 2015.

Table 15 provides an itemization of this out year spending by category. Chart 3 details the percentage of total spending each category is receiving.

Table 15

Category	Out Years in millions	% of Total
Building Consolidation	2.0	0.4%
Buildings	47.2	10.4%
Collection	0.5	0.1%
Disposal	148.8	32.8%
Equipment	9.8	2.2%
Infrastructure	50.4	11.1%
Parks	15.1	3.3%
Property	1.0	0.2%
Public Safety	48.9	10.8%
Roads	96.9	21.4%
Storm Water	0.8	0.2%
Technology	9.0	2.0%
Traffic	23.1	5.1%
Transporation	0.0	0.0%
Total	453.5	100%

Chart 3



The following list itemizes the ten projects which are projected to receive the greatest amount of funding in the out years of the plan, 2013 to 2015.

Table 16

Category	Project	Description	Out Years in millions
Disposal	99999	Undetermined SSW Project Improvements	107.6
Roads	61587	Resurfacing Various County Roads	67.5
Infrastructure	70088	NCC Renovation of Cluster C	15.6
Buildings	90031	Records Center Renovation	12.5
Public Safety	50686	Police Fleet Replacement	12.2
Infrastructure	99206	Various County Projects	11.4
Disposal	35114	Wastewater Facilities Improvements	11.0
Public Safety	50688	Fire Police EMS Academy	10.0
Disposal	35116	Wastewater Facilities Odor Control Improvements	9.9
Public Safety	50680	Police Department Precints & Auxiliary Precints Renovation and Modernization	7.5

Project Highlights – the following sections highlights the significant projects receiving funding in the out years by category.

Building Consolidation Program - The 2012-15 Building Consolidation capital budget totals \$2.0 over the four years of the plan. The monies are exclusively for project (90230) County Office Campus Construction. The plan allocates \$1.0 million in 2013 and 2014 for this project.

Buildings – The out-years of the proposed CIP, 2013 to 2015, include \$47.2 million in funding for 14 projects in 2013, 9 projects in 2014 and 9 projects in 2015. Following are details of the significant projects budgeted in this category.

The Records Center Renovation project (90031), is budgeted to receive \$12.5 million over the three years. These funds will be used to determine the optimal location for the records center as well as cover

the cost of its design and construction. The renovated center will comply with all County and State record storage statutes.

The Hempstead Garage Improvements project (90622), is slated to receive \$7.0 million in the out-years of the plan. These funds will be used to complete the work started in 2012. The goal of this project is to complete the consolidation of the functions of the Roosevelt and Seaford garages into one facility located at the Hempstead garage. The first phase of the construction work has been bid, although a construction management firm has not yet been selected. We anticipate work to start on this project in early 2013.

The Rehabilitation of Aquatic Center Building project (90025), has been allocated \$3.0 million in the out-years of the plan. The goal of this project is to renovate the main pool area. This area was damaged by excessive airborne levels of chlorine due to an improperly designed/installed HVAC system. The County is currently working with the contractor on splitting this into a multi-phased project in order to provide a better control on the spending/costs of this project.

Equipment - The 2012-2015 CIP includes \$9.8 million for projects in Equipment. The Road Maintenance Equipment Replacement project (98060) is slated to receive \$4.8 million. This project is needed to replace equipment that is beyond its useful life of service. This project does not have a set schedule.

The Snow Removal Truck Replacement project (98092) will replace old, unserviceable, costly pieces of snow equipment. The budget allocation is \$3.0 million. This project does not have a set schedule.

The Fleet Management Life Cycle Vehicle Replacement project (98105) is for the county-wide replacement of vehicles, such as light trucks, pickup trucks, SUV, Cargo Van and Suburban type vehicles. The budgeted amount is \$1.5 million. This project does not have a set schedule.

The Mosquito Control Equipment project (98180) is set to receive \$250,000 in 2014 and \$250,000 in 2015. These funds will be used to purchase low ground pressure excavating and ditching tracked vehicles. These vehicles will be used on unstable ground and in environmentally sensitive areas. Additional purchases include grass and vegetation mowing apparatus for salt marsh areas and along drainage areas, heavy duty four wheel drive vehicles for mosquito control surveillance in salt marsh areas, a small crane for cleaning debris from submerged drainage facilities and marine equipment for mosquito control surveillance of south shore islands and hassock areas.

Infrastructure - Spending for the out-years totals \$50.4 million for seventeen infrastructure projects. Among these are the following:

The NCC Renovation of Cluster C project (70088) has been allocated \$15.6 million. This project will fund design work for the renovation of Cluster C at Nassau Community College.

The Various County Projects (99206) is budgeted to receive \$11.4 million. This project is for the purchase of equipment or planning, design and construction activities within each legislative district.

The NCC Energy Initiative project (70060) has been given \$5.0 million in the plan. This project will fund a greening of the Nassau Community College Campus which will achieve operational savings through increased energy efficiency.

Property - The 2012-2015 CIP includes \$1.0 million for one project in the Property category. The project 9B480 for Land Acquisition provides funds for the County Attorney to purchase property and easements needed for various County entities to implement various projects. The project is slated to receive \$500,000 in 2014 and \$500,000 in 2015.

Public Safety - The County has included \$48.9 million in the out-years for eleven public safety capital projects. The Police Fleet Replacement project (50686) was allocated \$12.2 million in capital funding for the three year period, 2013-2015, to replace marked police vehicles.

The Fire Police EMS Academy project (50688) is slated to receive \$10.0 million. This project will complete the constructions of classrooms within the unfinished shell, on the second floor of building B at the Nassau University Medical Center.

The Village Police 911 Upgrades project (50687) has a budget allocation of \$7.5 million. This project will replace end of life telecommunications hardware and workstations in the 16 village police departments that act as public service answering points over a three year period.

Roads - The 2012-2015 CIP includes \$96.9 million for projects in this category, with no new projects proposed. The following is a status of projects with funding in the 2012-2015 CIP for other ongoing projects.

The CIP proposes \$1.1 million in 2013 for Park Street Drainage Improvements in Atlantic Beach (60045). The project is targeted to be completed late 2013. The project for Grand Avenue in Baldwin (61091) includes funding of \$3.5 million in 2013 and \$3.0 million in 2014. It is anticipated that design work will be complete in third quarter 2013 with construction to begin in 2014. The CIP proposes \$950,000 for fund various improvements for Uniondale Avenue and Front Street (61101). The full scope of this project is targeted to be finalized in late 2013. Bellmore Avenue Rehabilitation (61102) is a drainage improvement project, which includes \$1.6 million in 2013. The funding for Stewart Avenue in Bethpage (61106) will improve various aspects of Stewart Avenue in Bethpage between Central Avenue and South Oyster Bay Road. The CIP proposes \$2.0 million in 2013 and \$4.4 million in 2014 for this project.

Traffic – The 2012-2015 CIP proposes funding of \$23.1 million. The CIP proposes funding of \$675,000 in 2013 and \$168,500 in 2014 for the Old Country Road Signal Heads Phase II (62162) project. Phase II replaces signals from Apex Lane in Hicksville to Round Swap Road in Plainview. All signal heads are being replaced and upgraded. The project for Merrick Road Signal Head Replacement (62191) replaces traffic signal heads along Merrick Road. The CIP proposes County debt of \$550,000 in 2013 and \$500,000 for both 2014 and 2015. Additionally the project will receive \$5.3 million in non-County funding from 2013-1015. This is an ongoing project to ensure that signals conform to New York State Vehicle and Traffic Law. The 2013 Capital Budget includes \$750,000 in funding for the Hewlett Traffic Signal (62206). This project will convert the traffic triangle at Peninsula Boulevard and Gibson in Hewlett into a traffic circle. The CIP proposes \$2.7 million in funding for Traffic Signal Expansion Phase V project (62455) to begin first quarter 2013. The Traffic Studies project (62500) allocates \$1.5 million from 2013-2015. This project will allow the Department of Public Works to fund small studies for potential Traffic projects prior to creating a capital plan for them.

Collection - The Collection category proposes a total of \$250,000 in 2014 and \$250,000 in 2015, all of which is for the SSW Motorized Equipment Replacement (98041). The American Public Works Association provides guidelines based on age, mileage and recommended factors for equipment

replacements. Examples of items that could be replaced are sewer rodders, flush trucks, heavy trucks, snow plows, sander, front-end loaders, compressors, cranes and generators.

Storm Water - The Storm Water category proposes a total of \$750,000 in 2013 – 2015 all of which is for the Implementation of Storm Water Management Program (82010). The Phase II Storm Water Regulations requires operators of small municipal separate storm water systems, as Nassau County, to file a permit with New York State to discharge storm water to the surface waters of the United States. A requirement of this Permit is the development and implementation of a Storm Water Management Program (SWMP). This project will allow the County to implement various best management practices over the initial five year permit cycle for the six minimum control measures outlines in the County’s SWMP.

Disposal - The Disposal category proposes a total of \$148.8 million in 2013 – 2015. The greatest portion is allocated to the Undetermined SSW Project Improvements (99999) at \$107.6 million or 72.3% of the total. Funding is for undetermined projects; as such details are not available. Funding for three wastewater improvements consist of \$11.0 million for Wastewater Facilities Improvements (35114), \$9.9 million for Wastewater Facilities Odor Control Improvements (35116) and \$750,000 for Water/Wastewater Facilities Requirements (35118). The scope of these enhancements will cover general system, odor control systems and ancillary support systems improvements.

Funding for two building improvements consist of \$1.5 million for SSW Building Roof Repair (35102) and SSW Building Improvements (35108) which are for roofing and structure at Sewer & Storm Water Buildings, including, but not limited to, those at Cedar Creek and Bay Park Plants.

The \$7.0 million for the Bay Park & Cedar Creek Digester Rehabilitation (35100) will allow for the replacement of such equipment as digester, heat exchangers, sludge circulation pumps and recirculation gas compressors. The \$4.0 million for the Bay Park Preliminary Treatment Modifications will allow for the improvements regarding grit and screening. The \$7.0 million for the Cedar Creek Equipment Replacement will allow for the replacement or upgrade of various system and equipment as influent screening, security improvements, raw sewage pumps, grit removal, primary setting tank scum ejectors, effluent screening and digestion.

For illustration purposes, Table 17 details the estimated debt service costs associated with the \$112.2 million proposed 2012 capital spending. The actual debt service costs will be a function of the period of probable usefulness (PPU) of the projects. The amortization of the issuance is tied to the PPU of the projects being bonded for.

Table 17

Estimated Debt Service Costs Associated with 2012 Proposed Capital Spending			
Results	10 Years	15 Years	20 Years
Average Annual Debt Service Cost	\$13,851,047	\$10,168,650	\$8,327,452
Total Interest Cost	\$26,356,244	\$40,375,523	\$54,394,802
Total Principal and Interest Cost	\$138,510,474	\$152,529,753	\$166,549,032