

October 15, 1999

Westchester County Board of Legislators  
800 Michaelian Office Building  
148 Martine Avenue  
White Plains, New York 10601

Honorable Members of the Board:

At the turn of the last century, the Westchester Board of Supervisors and the County Executive were faced with the challenge of building the physical infrastructure of Westchester County. Now 100 years later, we are faced with the challenge of modernizing it. In the interim, the elected representatives of Westchester County have been diligent in providing for the physical needs of our residents; acquiring parks, golf courses, open space, building roads, and developing the current sewer and solid waste systems.

Today, as I did for the 1999 Proposed Capital Budget, I submit the County's 2000 Proposed Capital Budget and Five Year Capital Plan to your Honorable Board, one month earlier than required, to allow more time for your review. ***This Capital Budget puts the taxpayers and the County's environment first.*** This budget not only provides for the protection of those assets that have been entrusted to us, but also provides for continued open space acquisition to insure that our greenbelt is there for future generations. Moreover, this budget looks to the future, providing funding for the development of our technology infrastructure, and funding for improvement of the countywide sewer systems and the seven wastewater treatment plants. The 2000 Proposed Capital Budget is the first Capital Budget that does not request any new projects for the Westchester County Health Care Corporation.

The Capital Budget submitted today accomplishes these goals ***at a reduced cost to our taxpayers.*** The Budget submitted for the General Fund is \$60,710,000 or 3% less than the adopted 1999 Capital Budget of \$62,589,000. We have worked to develop reasonable annual capital work programs that will enable the County to level the cost of annual debt service budget requirements. These results will be seen in the next several years.

The 2000 Capital Budget for the Sewer, Water and Refuse Disposal districts is \$76,725,000. This represents a major increase and is the result of the implementation of the consent decree entered into by the County in 1998 and fulfills our commitment to preserve the County's environment, Long Island Sound and Hudson River, while at the same time assists the County's municipalities in resolving local inflow and infiltration issues.

Highlights of the Capital Budget are listed below:

### **AIRPORT**

As you know, the administration has made airport environment issues a top priority. My "Good Neighbor Policy" announced earlier this year, is supported by the inclusion of two 2000 Capital Projects. \$1 million has been included to improve the de-icing process for aircrafts and \$.5 million is provided to conduct a comprehensive investigation of current conditions and environmental management at the Airport. This effort will allow the County to establish an Environmental Management System that meets world wide scientific management standards and is fully integrated into every level of operations at the Airport.

## **BUILDINGS, LAND AND MISCELLANEOUS**

### ***Land:***

The 2000 Capital Budget continues my commitment to "Open Space Acquisition" with an additional \$5 million appropriation. Our priorities as described in the Open Space Policy your Board adopted this year continue to focus on preserving green space in the more populated areas while giving us more flexibility to acquire larger spaces in more rural areas.

### ***Information Technology:***

The 2000 Capital Budget continues to enable our employees to take advantage of the latest information technology. \$5.96 million is proposed to purchase PC's for the County workforce; acquire software that will enable the integration of data-bases between federal and state agencies that should provide for increased productivity and better integration of information; and for hardware and software to achieve a more accessible County government through the Internet. \$4.5 million is proposed to upgrade and enhance countywide wireless communications for emergency services and County department operations that require remote and/or voice communications.

### ***Buildings & Miscellaneous:***

The continued modernization of the Michaelian County Office Building and the County District Office Building in Mount Vernon is requested at \$6.1 million. The improvements to the Michaelian Office Building built in 1931 as a federal Works Progress Administration Project (WPA), and to our 1992 building acquisition in Mount Vernon are essential as we look to streamline operating costs for the central functions of County government. We must do no less than our predecessors in providing office buildings to meet our needs.

I am also recommending projects to redesign the County owned District Office Buildings in Peekskill and White Plains to make the implementation of the new case management system for Social Services more effective. These renovations and improvements are essential to the success of our back to work focus in Social Services.

The continuation of the replacement of air conditioning equipment to meet the requirements of the Clean Air Act of 1990 is requested at \$1 million. This project will reduce chloroflourocarbons released into the environment.

## **PARKWAYS, ROADS AND BRIDGES**

A total request of \$8.685 million is recommended to maintain and improve the Bronx River Parkway, 179 miles of road and 157 bridges.

The 2000 Budget includes funding for five bridge projects at Playland Parkway, Crane Road, Fulton Avenue, Mamaroneck Avenue and Westchester Avenue; continuation of the program to repave the historic Bronx River Parkway that celebrates its 75<sup>th</sup> birthday in 2000; and County road projects in New Rochelle, Pelham Manor, Mamaroneck, White Plains, Harrison, North Castle, Bedford, Pound Ridge and Yonkers.

## **RECREATION**

The Parks and Recreation System of the County is second to none. It contributes most significantly to our quality of life and I am committed to preserving these assets with my request of \$14.625 million (a full 24% of the net request).

\$5.3 million in funding for the development of the Hudson Hills Golf Course and tee and green rehabilitation at Sprain Lake Golf Course will improve much needed golf opportunities for our residents.

Funding is included to continue to upgrade comfort stations and playgrounds for our residents at various parks.

\$910,000 is requested to complete the funding of the South County Recreation Area that will serve as an access point with support services for the South County Trailway.

A request for \$7.78 million for improvement to Playland will move the County toward completion of the historic rehabilitation of the park. In the last two years due to changes we have made, Playland's attendance has gone over the 1 million mark for the first time.

## **TRANSPORTATION**

A net funding request of \$2.8 million for projects will provide for \$11 million in improvements and replacements. Replacement of existing buses, the purchase of alternative fuel vehicles, replacement of the transit communications system, improvement of bus stops along major traffic corridors and in downtown areas, and a study to determine sites for commuter support facilities offering daycare, job training, adult education and other services to benefit Bee-line riders are some of the projects recommended.

## **DISTRICTS**

Clearly the largest request for Capital Budget resources in 2000 is for our Sewer, Water and Refuse Disposal districts. An appropriation of \$76.725 million is requested. \$43.5 million is requested to implement the consent order entered into by the County in 1998 to address the municipal inflow and infiltration issues, as well wastewater treatment plant improvements. An additional \$12.675 million is requested for long needed improvements to the County's wastewater treatment plant operations. These are the recommendations of our consultant, Black & Veatch, who in keeping with my commitment to the environment were hired to conduct a top to bottom review of our DEF facilities.

In our Refuse Disposal District, I am requesting the approval of \$8.5 million for the construction of a new ash pit and \$8 million for an enhanced closure of the Railroad 1 landfill at Croton Point to meet current standards.

## **CONCLUSION**

As we approach the third millennium, the Capital Budget submitted to you today is one that looks forward to the future while ensuring that the assets that have been entrusted to us are improved for the residents of Westchester County.

I encourage you to take advantage of the early release of the Capital Budget to allow for a full review of the projects for 2000. My administration is ready to assist your appropriate committees with your review and approval of the Proposed 2000 Capital Budget.

Respectfully Submitted,

Andrew J. Spano  
County Executive

# INTRODUCTION TO THE CAPITAL BUDGET AND FIVE YEAR CAPITAL PROGRAM

## Capital Planning Process

Westchester has had a formal five-year capital program planning process in place since the adoption of the County Charter in 1939.

Section 167 of the County Charter provides: "Not later than May 1st of each year the head of each department, institution, office and agency of the County government shall furnish to the Budget Director, the County Planning Board, and the Capital Projects Committee, detailed estimates of any capital projects which the head of such department, institution, office or agency believes should be undertaken within the next five fiscal years."

To this list of capital requirements the County Planning Board may add other capital projects which it believes should be undertaken within the next five years. Beginning in May, the Planning Board prepares recommendations regarding the physical planning aspects of each proposal however originated. Not later than the tenth day of September, the Planning Board submits to the County Executive, to the Budget Director and the Capital Projects Committee its recommendations.

A nine member Capital Projects Committee is responsible for reviewing departmental requests and proposing the Five Year Plan. It is uniquely suited for this task by virtue of its composition. The Chairman of the Committee is the County Executive. Representing the legislative branch of the County government are the Chairman of the Board of Legislators and the Chairman of the Committee on Budget and Appropriations. County fiscal and physical planning are represented, respectively, by the Budget Director and the Commissioner of Planning. Finally, the three operating departments most involved in Capital expenditures are represented by the Commissioner of Public Works, Commissioner of Environmental Facilities, and Commissioner of Parks, Recreation and Conservation. The Commissioner of Finance acts as financial advisor to the committee and the County Attorney acts as legal counsel.

In proposing a five year capital plan the Capital Projects Committee considers the feasibility of all proposed capital projects, evaluating their necessity, priority, location, cost and method of financing, availability of Federal and State Aid and the necessary investment in the County's infrastructure.

An executive committee has strengthened the review process by an in-depth analysis of the impact of the Capital Program on cash flow and bonding requirements, as well as the County's ability to finance, process, design and ultimately maintain projects. The committee meets regularly throughout the year to monitor project progress.

Upon completion and adoption, the five year Capital Program becomes a guiding framework for the Budget Director, the County Executive, the County Board of Legislators and the Commissioner of Finance with respect to bond sales, investment planning, and project planning by the Departments of Public Works and Environmental Facilities.

As a general rule, departments may request new projects in future years only on a "trade-off" basis, except in emergency instances. In this manner the planned level of cash flow/debt service/maintenance costs is not disrupted. Should particular projects experience delays -- in design, state certification, etc. -- other projects may be accelerated within the preset limits of appropriation and bonding authority, and cash flow estimates.

# INTRODUCTION TO THE CAPITAL BUDGET AND FIVE YEAR CAPITAL PROGRAM

The County Executive is responsible for recommending the County Capital Budget for action by the Board of Legislators. He is assisted in this task by the capital plan, the report of the Planning Board on the physical planning aspects of each proposed capital project and the Budget Director's recommendations. The County Executive must submit a Capital Budget along with the report of the Capital Projects Committee to the County Board of Legislators not later than November 15.

The County Board of Legislators takes the final action of adopting the Capital Budget. Before acting the Board receives a report from its Committee on Budget and Appropriations which may include proposed changes in the budget. The Board also holds a public hearing (or hearings) on the estimates contained in the proposed County Budget supplemented by the Committee's memorandum of recommended changes.

The Board may amend the proposed County Budget as presented by the County Executive after complying with certain procedures of notice and a further hearing, and subject to certain limitations. The Board of Legislators must adopt the capital budget, as well as the operating budget, for the ensuing year no later than December twenty-seventh. The County Executive has item veto power over increases made by the Board. A two-thirds vote of all members of the Board is required to override.

## **Capital and Debt Policies**

- Capital Projects as originally defined by the Westchester County Charter are expenditures for:

Any physical betterment or improvement or any preliminary studies and surveys relative thereto.

The acquisition of property of a permanent nature.

The purchase of equipment for any public improvement or betterment when first erected or acquired.

- Where capital expenditures are made for property they are for the purpose of acquiring parcels and buildings which may be designated "parkland", or parcels and buildings to be designated "general purpose."

Properties designated "parkland" have been evaluated using the Parks and Open Space Policy guidelines developed and endorsed by the Planning and the Parks, Recreation and Conservation Boards.

Properties designated as "general purposes" are not encumbered by state laws controlling uses for parkland. Such properties may include office buildings, land to serve as buffers to existing County facilities, etc.

- Priority is given to projects of a life-safety nature.

## INTRODUCTION TO THE CAPITAL BUDGET AND FIVE YEAR CAPITAL PROGRAM

- Where there has been a major deterioration of an existing capital asset, a capital expenditure will be considered if it restores and/or increases the original net worth of the asset. This is distinguished from normal annual maintenance expenses (e.g., lawn maintenance, or pavement striping) or non-recurring repairs (e.g., roof patching), both of which should be provided for in current operating budgets, financed by current revenues.
- A bond act in excess of \$10.0 million dollars for a project, with certain exceptions as defined by law, must be approved at public referendum pursuant to New York Local Finance Law Section 33.10.
- Projects financed by debt are to be amortized over their probable useful life as defined in state law. The County reserves the right to issue bonds for these projects for less than the allowed useful life.
- Capital project progress is monitored throughout the year and related cash flow requirements provide the Commissioner of Finance with the basic information for the timing of bond sales during the year. Other factors influencing the timing of these sales are general economic conditions, interest rates, the timing of other governmental borrowings (federal, state) etc.
- Where projects are less than \$100,000 or where total costs to an existing project (cost revenues, scope changes, etc.) are \$100,000 or less such requirements shall be funded by cash contributions from the operating budget.
- Cash contributions to specific Capital projects may exceed the \$100,000 guidelines, as recommended by the County Executive and the Budget Director.
- Bond Anticipation Notes are to be used to provide funds for those capital projects which could not be sold during the fourth quarter of the previous year but which will require cash resources during the first three quarters of the year in which the notes are sold. These notes should have maturities of less than a year and should be converted to long term debt during the fourth quarter of the year in which they were sold.

Bond Anticipation Notes may also be used to provide interim financing of capital projects when market conditions are not favorable for the issuance of long term bonds. In the event that Bond Anticipation Notes are issued for this purpose, provision should be made in the succeeding year's operating budget to paydown the equivalent first year's principal amortization which would have been paid if bonds had been issued instead of the Bond Anticipation Notes. The timing of this first payment may be changed pursuant to provisions of state law.

## **INTRODUCTION TO THE CAPITAL BUDGET AND FIVE YEAR CAPITAL PROGRAM**

- Advance Planning Bonds may provide funds for planning costs associated with future capital projects. These bonds (or bond anticipation notes) may be used to finance the preparation of surveys, preliminary plans and detailed plans, specifications and estimates necessary for planning and design of a future capital improvement. This would enable the County to fully comply with the mandates of the State Environmental Quality Review Act. It conforms to required procedures that authorize financing for environmental reviews, project scoping, and other related planning expenses in one stage, followed by subsequent authorization of financing for full project costs in the second stage, after completion of such reviews. It permits advancement of funds from cash on hand to these projects in order to complete studies, etc., with the intention to subsequently amend the Act and provide for bonding to cover full project costs. Advance Planning Bonds would be retired in five years.
  
- Amortization payments, to the extent possible, are scheduled to be made in each fiscal year after the second payment of County real property taxes in order to minimize impact on cash flow.

Kathleen M. Carrano  
Budget Director

## CAPITAL GLOSSARY

ADOPTED BUDGET	The budget plan for the next fiscal year which has been formally approved by a majority vote of the County Board of Legislators.
ALLOCATION	A control process which draws funds from the project appropriation to the specific sub-account(s) where expenditures will be incurred (i.e. engineering, construction, etc.).
APPROPRIATION	An authorization granted by the Board of Legislators to make expenditures and to incur obligations for a specific project. Appropriations are limited in amount.
BANS (BOND ANTICIPATION NOTES)	Short term notes issued by a governmental unit, usually for capital projects, which are paid off prior to the issuance of long term bonds.
BOND ISSUE	A general term referring to borrowings of local governmental subdivisions such as village, county etc. Written evidence of the obligation to repay a specified principal at a certain date with interest.
BOND REFERENDUM	A process whereby the voters of Westchester are given the opportunity to approve or disapprove a proposed issue of municipal securities. County Charter requires a public referendum when the amount of the proposed bonding for a project is in excess of \$10 million.
BOND COUNSEL	An attorney-specialist that provides legal advice to insure that the County is authorized to issue proposed bonds, and has met all legal and financial requirements.
CAPITAL BUDGET	<p>The annual spending plan for major physical improvements and construction projects, generally having a useful life of 5 years or more. It provides project details, project priority ratings, costs and funding source(s).</p> <p>The Capital Budget is a portion of the total County Budget for the coming fiscal year. It represents the first year implementation of projects in the five-year Capital Program. It is paid for by County bonds, cash to capital, and non-County or non-District Shares (federal or state aid, or private shares).</p>
CAPITAL PROGRAM	The five-year program for major physical improvements and construction projects. The Program is determined by criteria evaluating the need, scope and fiscal impacts of the proposed projects. The first year of a Capital Program becomes the proposed Capital Budget for the next fiscal year.
CAPITAL PROJECT	Major projects requiring the expenditure of public funds, over and above annual operating expenses, for the purchase, construction, or replacement of physical facilities or other fixed assets of the community. Capital projects are normally large-size, costly, have a long useful life (i.e. 5-40 years), are bondable, and are fixed in one specific location.

## CAPITAL GLOSSARY

As a general rule, equipment is not capitalized except where, as incidental to a new building, for example, original furnishings are provided. In certain instances, however, where individual items of equipment are over \$100,000 they may be capitalized as is the case with heavy motor equipment and high tech lab equipment.

### CASH TO CAPITAL

An appropriation in the operating budget that partially supports the Capital Budget. Where projects have been bonded and final costs exceed original total bond authorizations, these overruns are generally "cashed up" as well. Together with debt service these payments are funded by the operating budget.

### COUNTY OR DISTRICT SHARE

The amount of funding required from general County resources (i.e., property or sales taxes), after all revenue sources attributed to operations of a department or division are subtracted from total appropriations or expenditures. The County share is funded by cash to capital and/or the issuance of bonds.

### NON COUNTY OR DISTRICT SHARES

Funding for the Capital Budget provided from other than County resources: State or Federal Aid or grants e.g., for sewer and water districts, airport projects; municipal contributions, eg., road projects; or private shares, e.g., parking projects. For airport appropriations, the term used is "Non-Airport Special Revenue Shares". For district appropriations, the term used is "Non District Shares".

### DEBT LIMIT

The New York State Local Finance Law limits the amount of indebtedness that a county can contract for any purpose or in any manner, including existing indebtedness, to 7% of the full real estate valuation (Average last five years). The full real estate valuation is established by the State.

### DEBT SERVICE

The principal and interest payments for obligations incurred by borrowings to finance capital projects. These payments are similar to mortgage payments on a home. Funding for these payments is included in the operating budget.

### EARNINGS ON INVESTMENTS

This represents the interest earned on the investment of funds borrowed for capital projects. Such borrowed funds are invested until they are needed to pay project costs. The income from the temporary investment of funds is a function of both prevailing interest rates and the amount of cash available for investment. Interest use is restricted to debt retirement, and interest earnings are regulated by the Internal Revenue Service.

### ENCUMBRANCE

An obligation in the form of a purchase order, contract or other commitment which is chargeable to an appropriation subaccount and for which a part of that appropriation is reserved prior to incurring the liability and prior to the actual expenditure of funds.

## CAPITAL GLOSSARY

### ENVIRONMENTAL REVIEW

The generic term for environmental procedures and review required under State law before any agency of local government carries out, funds or approves an "action." Actions include physical activities such as construction; planning and policy making which commit the agency to a definitive course of future actions; and, acts such as adoption of rules, regulations, local laws, codes, ordinances, executive orders and resolutions that may affect the environment.

### EXPENDITURE

An actual cash outlay for the acquisition or betterment of a capital asset.

### RESERVE FOR BONDED DEBT, "CAPITAL RESERVES"

When funds borrowed for a capital project exceed the final project cost, the balance must be applied to retirement of debt on the project. If there is no remaining project debt, the balance can be applied to the County's annual operating cost with legislative approval.

This revenue varies considerably from year to year depending on the number of capital projects completed and the balances remaining in the projects closed out.

## **1999 MEMBERS OF THE CAPITAL PROJECTS COMMITTEE**

Honorable Andrew J. Spano, County Executive (Chairman)

Honorable George Latimer, Chairman, County Board of Legislators

Honorable Richard G. Wishnie, Chairman, Committee on Budget and Appropriations, Board of Legislators

Kathleen M. Carrano, Budget Director

Joyce M. Lannert, Commissioner of Planning

Anthony M. Landi, Commissioner of Public Works

Acting Commissioner of Environmental Facilities

Dr. Norman J. Jacknis, Chief Information Officer, Department of Information Technology

Salvatore A. DeSantis, Commissioner of Parks, Recreation and Conservation

## **MEMBERS OF THE CAPITAL PROJECTS EXECUTIVE COMMITTEE**

Honorable George Latimer, Chairman, County Board of Legislators

Honorable Richard G. Wishnie, Chairman, Committee on Budget and Appropriations, Board of Legislators

Jay B. Hashmall, Deputy County Executive

Kathleen M. Carrano, Budget Director

Joyce M. Lannert, Commissioner of Planning

Anthony M. Landi, Commissioner of Public Works

## **EXECUTIVE COMMITTEE STAFF**

Ralph Butler and Staff, Public Works

Fran McLaughlin and Staff, Planning

Brian Fitzpatrick and Staff, Budget