

**Proposed Capital  
Improvement Program and  
Debt Management Policy  
and Procedures**

**July 1, 2014**

# Debt Management Goals & Objectives

- Containment of long-term borrowing for capital improvements or projects that cannot be financed from current revenues.
- Establishing an annual overall borrowing program and developing subcategories such as road overlay, drainage, equipment, etc.
- Paying back bonds within the statutory period of the useful life of the project.
- On all debt-financed projects, Medford Township will make a down payment of 5% of the total project cost pursuant to statute as part of the annual operating budget.
- Establishing a total debt service for general obligation debt that will not exceed % of the total annual locally generated operating revenue.
- Long-term debt cannot be used for current operations.
- Maintaining good communications with bond rating agencies about the Township's financial condition.

# Debt Model

- Model presented previously to Township Council based in debt service graph used in recent budget workbook.

# Capital Improvement Program

- A capital improvement program is composed of two parts
  - – a capital budget and a capital program.
- The capital budget is the upcoming year's spending plan for capital items defined as a plan for the expenditure of public funds for capital purposes.
- The capital program is a required plan for capital expenditures for the next ensuing 6 years as a general improvement program.

# CIP Objectives

- Coordination between capital needs and the operating budget.
- Enhance the Township's credit rating, control of the local purpose tax, and avoids unexpected changes in its debt service.
- Identifies cost-effective means of financing capital projects.
- Increases the opportunities for obtaining grant funds from various sources.
- Directs attention on community objectives and fiscal capacity.
- Provides information to the community about future needs and projects.
- Promotes careful project planning and design to avoid costly errors.

# Proposed CIP Process

- *Initial Implementation*
- *Existing Facilities and Equipment Inventory Preparation*
- *Status of Previously Approved Capital Projects*
- *Solicit, Compile and Evaluate Capital Project Requests*
- *Establish Capital Project(s) Priority*
- *Development of a CIP Financial Plan*
- *CIP Adoption*
- *Capital Project(s) Review/Monitoring*
- *CIP Update*

# CIP Planning

## Preparation Schedule

- April 1 – June 1  
Current Facility Inventory Review and Update  
Review & status of previously approved projects.
- June 1 – Aug. 1  
Departments Prepare & Submit CIP Request for next Fiscal Year
- Aug. 1 – Sept. 1  
Submissions reviewed and ranked.
- Sept. 1 – Oct 1  
6 year schedule of projects prepared & decision on financing methods made.
- Oct. 1 – Dec. 1  
Presentation of Capital Budget & CIP to Township Council.
- Dec. 1 – Jan. 15  
Approved Capital Budget & CIP incorporated into annual municipal budget.
- Jan. 15 – Mar. 20  
Township Council budget review & adoption.
- Mar. 20 – Ongoing  
Update CIP

# Implementation Target

- Based on the current debt structure, the implementation for this process is targeted for the 2016 budget with staff conducting the inventory beginning 2015 per the proposed schedule.

Thank you.

Questions and Comments

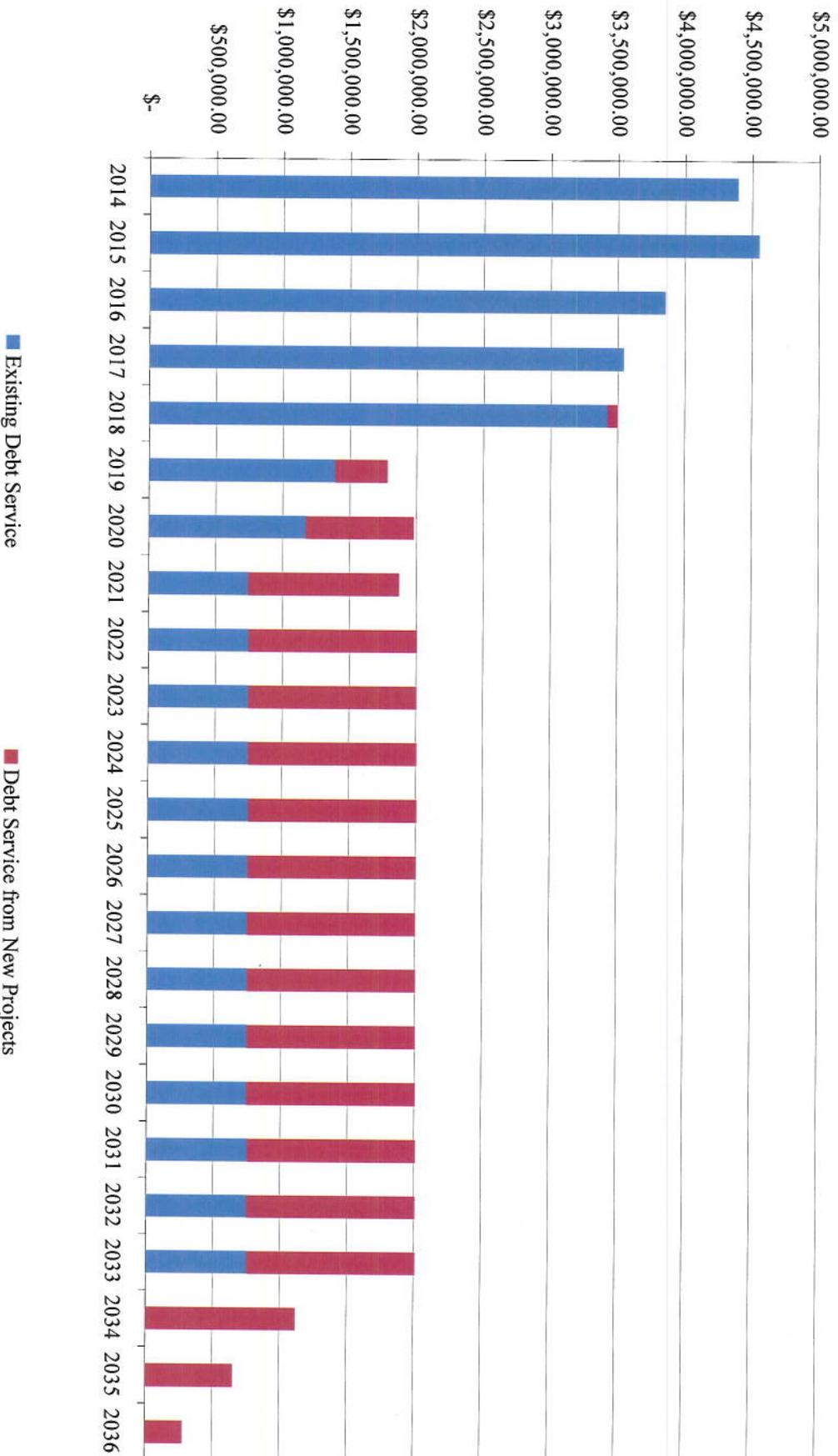
# TOWNSHIP FACILITIES INVENTORY: Medford Township, New Jersey



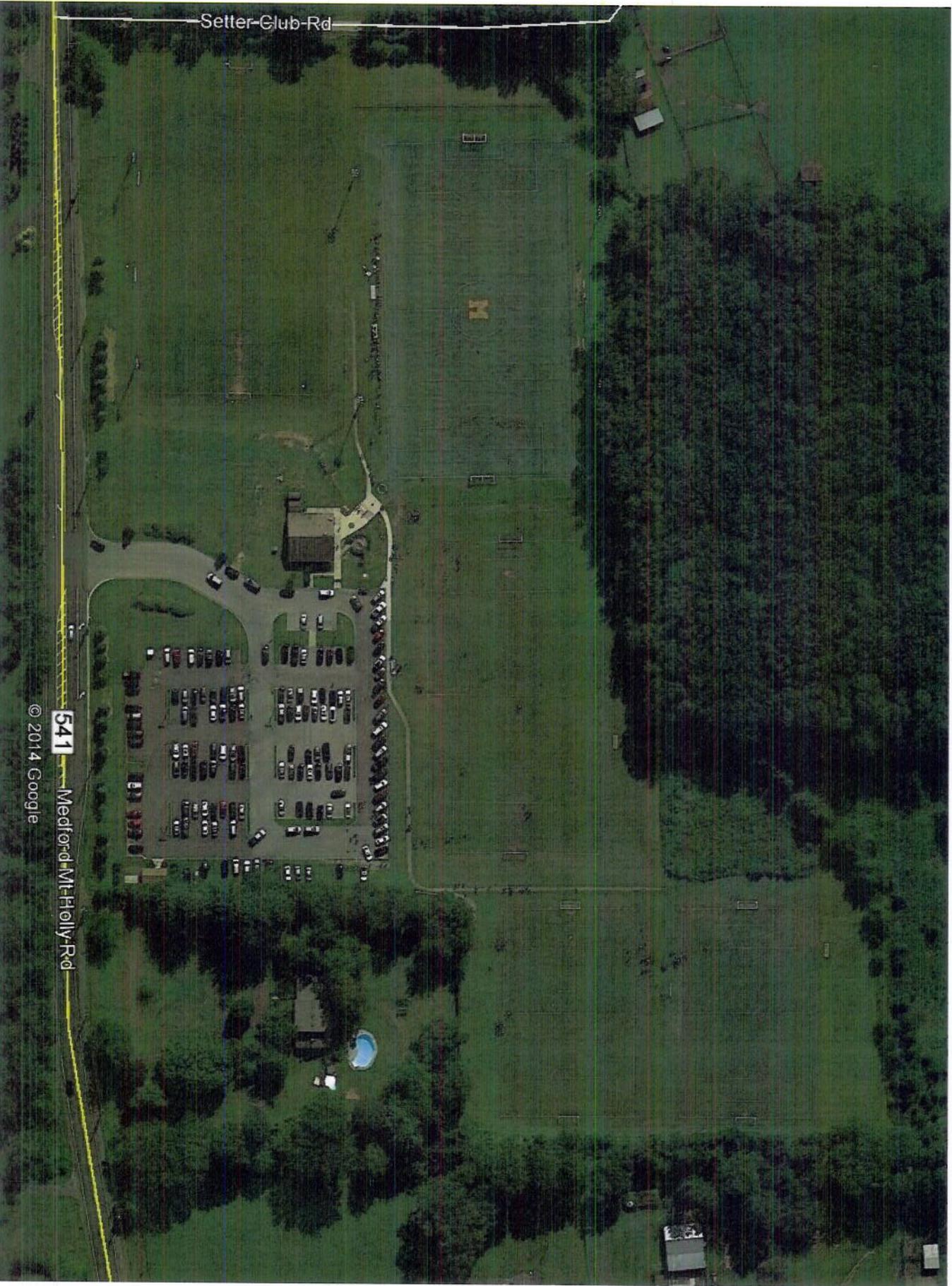
Name: **Bende Park** Block(s):  
 Street Address: **XXX Route 541** Lot(s):  
 Acreage: xxx. Site ID: P1  
 Date: 6/15/14

ITEM:	Qty/Cap	Date Built	Usage low/med/high	Condition poor/fair/good	Date of Last Imprv.	Date of Next Imprv.	Scheduled		Date of Future Imprv.	Type of Imprv.		Details
							Planned	Service		Type of Imprv.	Type of Imprv.	
<b>Buildings:</b>												
Restroom/concession - 40x40'	1									Service		
Sheds-	2									Replace		
										Expand		
										Retire		
<b>Amenities/Other:</b>												
Gazebo - 10x10'												
Park benches												
Water fountain												
Lawn												
Fence - 6' stockade cedar	100 LF	11/11/02	High	Poor	11/12/08	12/12/14	S	S	10/31/18			R
<b># Parking Spaces:</b>												
Gravel												
Asphalt												
<b>Available Utilities:</b>												
Water - public svc.												
Water - well												
Septic												
Sewer												
Electric poles												
Fire hydrants												
<b>Additional Information:</b>												

# Township of Medford Debt Service Projection



# TOWNSHIP FACILITIES INVENTORY: Medford Township, New Jersey



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