

**Executive Department**



**Scott T. Morelli**  
**City Manager**

April 24, 2018

Linda C. Cohen, Mayor  
City of South Portland  
25 Cottage Road  
South Portland, ME 04106

Re: FY 2019 to FY 2025 Capital Improvement Program

Dear Mayor Cohen and City Councilors:

In accordance with §514 and §515 of the City Charter, I am submitting the fiscal year 2019 (FY19) seven-year Capital Improvement Program (CIP) for the City of South Portland.

A CIP establishes the priorities and funding of capital infrastructure investment a community should make to assure its continued economic viability and to protect public health and safety. A strong CIP is also an important element in a community's overall economic development program. The CIP program establishes the priorities and funding to provide safe and efficient roadway and transportation systems, capital-intensive environmental infrastructure projects such as wastewater collection and treatment facilities, and public safety equipment through a planned and continuous investment program. A CIP also establishes a plan to purchase, construct, and maintain public land and buildings that house educational, governmental, cultural, or recreational activities to serve our citizens and students.

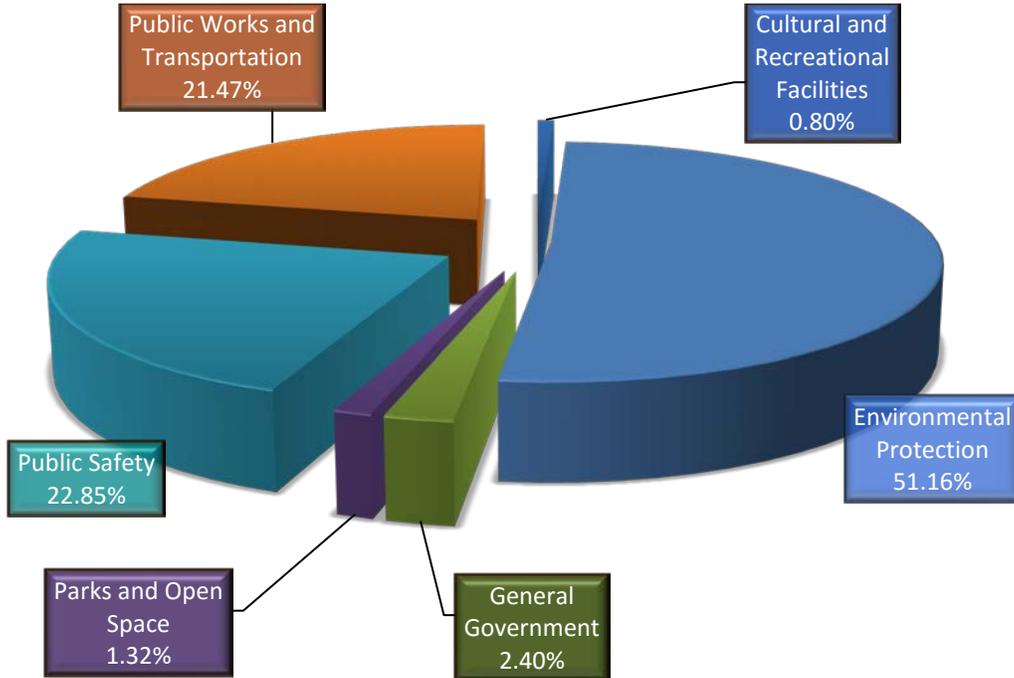
The Climate Action Plan, adopted by the City Council on October 6, 2014, outlines attainable goals that include creating a Green Capital Improvement Program. Six projects in this year's CIP represent continued steps forward in addressing the Climate Action Plan recommendations. These projects include: food waste recycling, pesticide education/outreach; a climate action and adaptation plan, a building energy grant program; a John Deere 15 series over-seeder, and the Hamlin School solar buy-out.

The seven-year CIP for municipal infrastructure among major functional areas of the City includes:

**Table I**  
**Distribution of Capital Projects**  
**Across Major Functional Areas**  
**FY 2019 to FY 2025**

|                                      |                            |
|--------------------------------------|----------------------------|
| Cultural and Recreational Facilities | \$403,670                  |
| Environmental Protection             | \$25,773,125               |
| General Government                   | \$1,209,610                |
| Parks and Open Space                 | \$665,814                  |
| Public Safety                        | \$11,511,865               |
| Public Works and Transportation      | <u>\$10,818,145</u>        |
| <b>Total</b>                         | <b><u>\$50,382,229</u></b> |

**Chart I**  
**Distribution of Capital Projects**  
**Across Major Functional Areas**  
**FY 2019 to FY 2025**



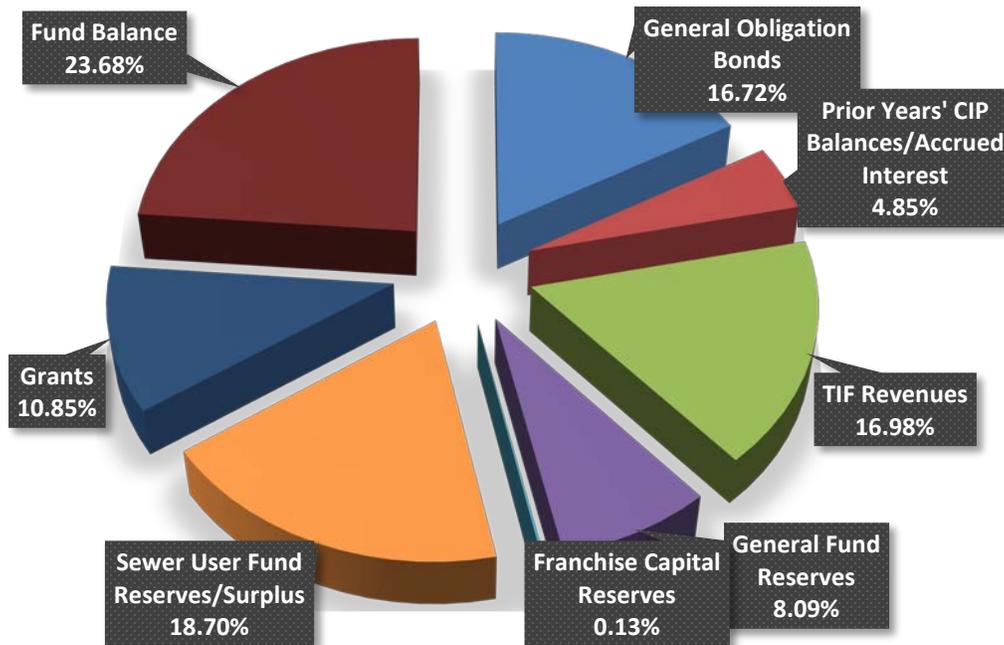
The City of South Portland utilizes a number of funding sources to fund major capital projects. These sources include: the issuance of general obligation (GO) bonds (long-term debt), tax increment financing (TIF) (public infrastructure fund reserves for eligible capital projects), general fund reserves (planned savings and investment program contained within the operating budget), sewer user fund reserves/surplus (funded through the sewer user operating budget), state or federal grants, impact fees, prior years' CIP balances and interest, the operating budget, and/or fund balance.

The following table shows the distribution of funding sources proposed to be used to fund this seven-year CIP.

**Table II**  
**Distribution of Funding Sources**  
**For Capital Improvement Spending**  
**FY 2019 to FY 2025**

|  |                     |
|--|---------------------|
| General Obligation Bonds                   | \$8,425,000         |
| Prior Years' CIP Balances/Accrued Interest | \$2,445,947         |
| TIF Revenues                               | \$8,556,648         |
| General Fund Reserves                      | \$4,075,681         |
| Franchise Capital Reserves                 | \$65,610            |
| Sewer User Fund Reserves/Surplus           | \$9,420,375         |
| Grants                                     | \$5,463,997         |
| Fund Balance                               | <u>\$11,928,971</u> |
| <b>Total</b>                               | <b>\$50,382,229</b> |

**Chart II**  
**Distribution of Funding Sources**  
**For Capital Improvement Spending**  
**FY 2019 to FY 2025**



Less than seventeen percent (16.72%) of the total CIP will be funded with long-term GO bonds through the City's property-tax-supported general fund. Approximately 83 percent (83%) will be funded through non-borrowing sources, including user fees, state or federal grants, TIF revenues, fund balance, prior years' CIP balances/accrued interest, or on a pay-as-you-go basis through the establishment of annual contributions to reserve accounts to fund the replacement of capital infrastructure and equipment necessary. These investments provide the goods and services the public expects of a full service municipality such as South Portland.

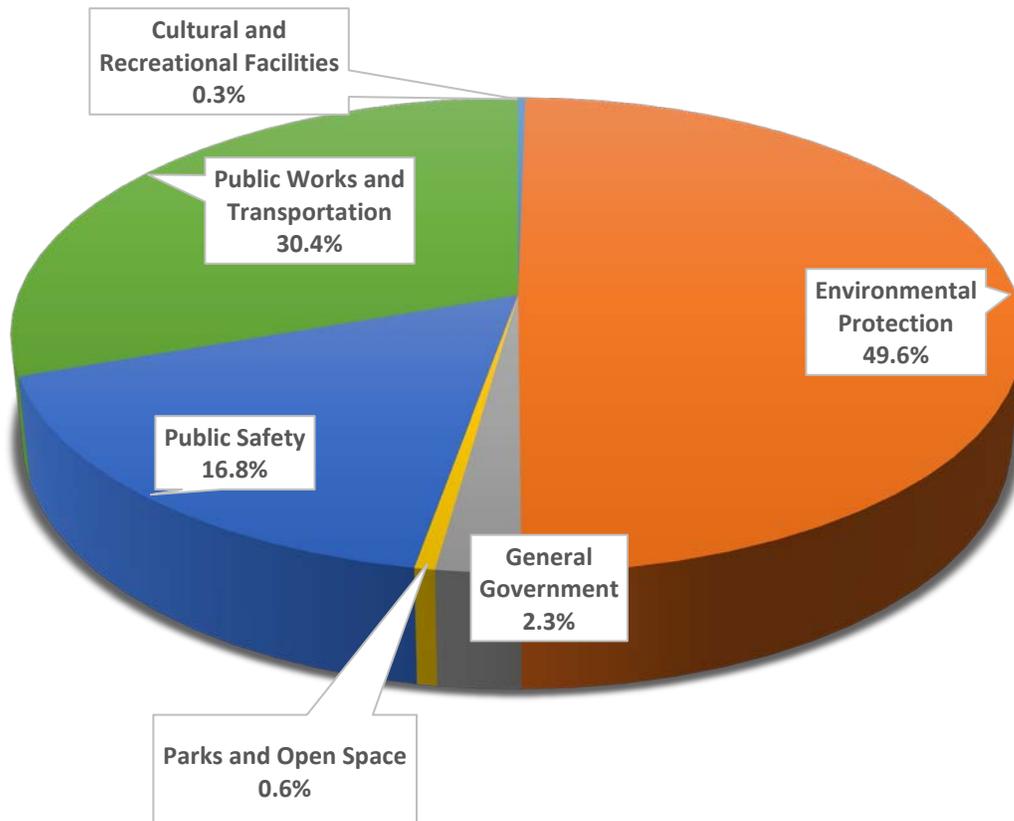
## FY 2019 Capital Improvement Requests

The FY19 CIP request of \$12,614,919 is spread across the following six functional areas.

**Table III**  
**FY 2019 Capital Improvement Program**  
**By Functional Area**

|                                      |                     |
|--------------------------------------|---------------------|
| Cultural and Recreational Facilities | \$33,870            |
| Environmental Protection             | \$6,262,125         |
| General Government                   | \$290,610           |
| Parks and Open Space                 | \$70,399            |
| Public Safety                        | \$2,121,955         |
| Public Works and Transportation      | \$3,835,960         |
| <b>Total</b>                         | <b>\$12,614,919</b> |

**Chart III**  
**FY 2019 Capital Improvement Program**  
**By Functional Area**

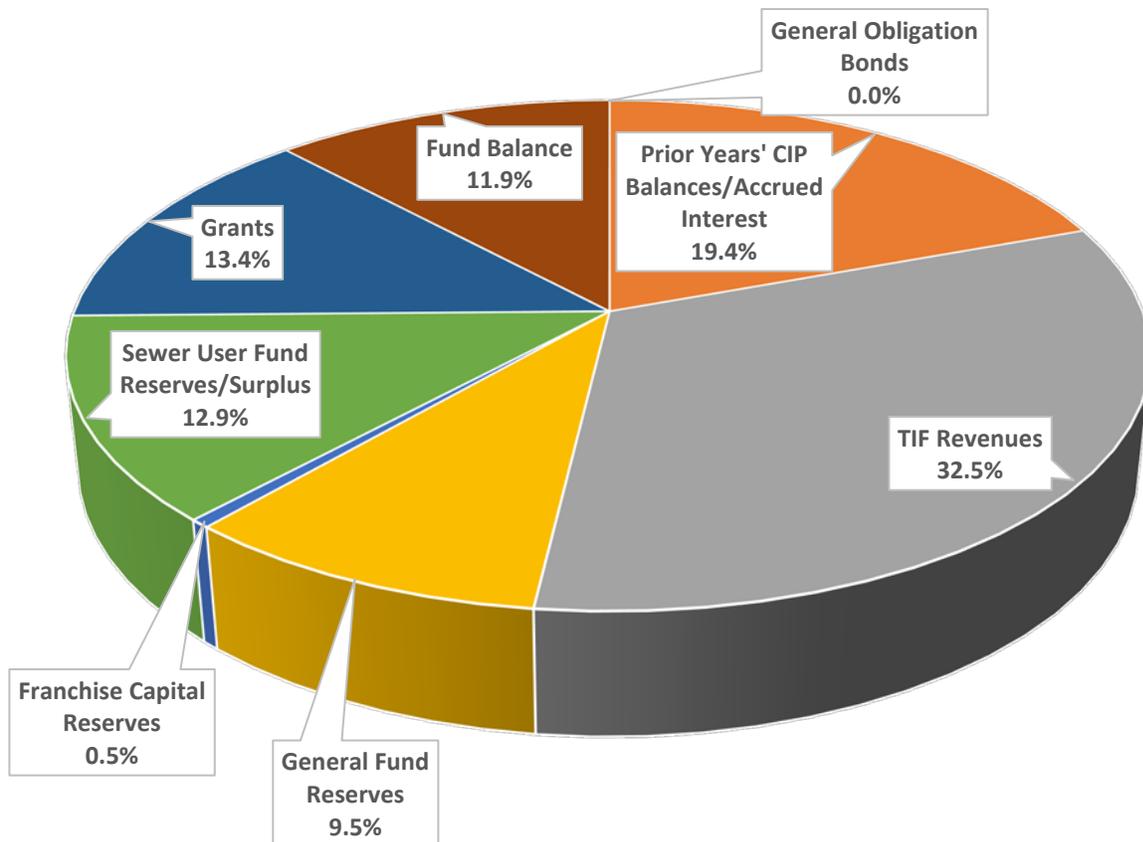


The source of funding of the CIP comes from the following sources:

**Table IV**  
**FY 2019 Capital Improvement Program**  
**By Funding Sources**

|  |                     |
|--|---------------------|
| General Obligation Bonds                   | \$0.00              |
| Prior Years' CIP Balances/Accrued Interest | \$2,445,947         |
| TIF Revenues                               | \$4,098,162         |
| General Fund Reserves                      | \$1,193,681         |
| Franchise Capital Reserves                 | \$65,610            |
| Sewer User Fund Reserves/Surplus           | \$1,623,375         |
| Grants                                     | \$1,684,798         |
| Fund Balance                               | <u>\$1,503,346</u>  |
| <b>Total</b>                               | <b>\$12,614,919</b> |

**Chart IV**  
**FY 2019 Capital Improvement Program**  
**By Funding Sources**



**Cultural and Recreational Facilities**

The proposed CIP includes an investment of \$403,670 for projects at the Pool, Community Center, Main Library and Wainwright Fields. FY 2019 includes the following projects totaling \$33,870:

**Table V**  
**FY 2019 Cultural and Recreational Facilities**  
**Capital Improvement Projects**

|  |                 |
|--|-----------------|
| Recreation – SPCC – Security Upgrades                        | \$15,000        |
| Recreation – SPCC – Community Center Parking Lot – Nutter Rd | <u>\$18,870</u> |
| <b>Total Cultural and Recreational Facilities</b>            | <b>\$33,870</b> |

The source of funds for these projects is: General Fund Balance (\$33,870).

**Environmental Protection**

One of the most important obligations of a city is its role in environmental stewardship to protect the health and safety of its residents, protect its natural environment, and meet the obligations of state and federal environmental law. The City Council has committed significant resources recently to meet this obligation.

The proposed seven-year Capital Improvement Plan includes an investment of \$25,773,125 for Environmental Protection projects, all being accomplished through the Water Resource Protection (WRP) department. FY 2019 includes the following Environmental Protection projects totaling \$6,262,125:

**Table VI**  
**FY 2019 Environmental Protection**  
**Capital Improvement Projects**

|  |                    |
|--|--------------------|
| WRP – Elm Street Phase 1 – Pleasantdale/Anthoine   | \$4,802,000        |
| WRP – Treatment Plant Electrical Service – Phase 1 | \$1,216,000        |
| WRP – Computerized Maintenance Management Software | \$173,500          |
| WRP – Marsh Road Sewer Replacement                 | <u>\$70,625</u>    |
| <b>Total Environmental Protection</b>              | <b>\$6,262,125</b> |

The source of funds for these projects are: Prior Years' CIP (\$1,160,000), TIF (\$3,242,000), and General Fund Reserves (\$236,750), and Sewer User Fund Reserves (\$1,623,375).

**General Government**

This functional area includes municipal buildings, equipment, and technology investments across all municipal departments. The CIP includes \$1,209,610 in capital expenditures.

The first year of the CIP includes the following General Government projects totaling \$290,610:

**Table VII**  
**FY 2019 General Government**  
**Capital Improvement Projects**

|  |                  |
|--|------------------|
| Information Systems – Computer Reserve                     | \$25,000         |
| Land Bank Account  | \$35,000         |
| SPC-TV – Council Chamber HD Camera Upgrade                 | \$23,750         |
| SPC-TV – Console HD Upgrade                                | \$22,755         |
| SPC-TV – Workflow HD Upgrade                               | 17,105           |
| SPC-TV – Equipment Repair Reserve                          | \$2,000          |
| Sustainability – Recycling Food Waste 13 gallon containers | \$30,000         |
| Sustainability – Pesticide Education and Outreach          | \$10,000         |
| Sustainability – Climate Action & Adaptation               | \$110,000        |
| Sustainability – Building Energy Grant Program             | <u>\$15,000</u>  |
| <b>Total General Government</b>                            | <b>\$290,610</b> |

The source of funds for these projects are: Prior Years’ CIP (\$29,000), Franchise Capital Reserve (\$65,610), General Fund Reserves (\$60,000), and Fund Balance (\$136,000).

**Parks and Open Space**

Historically, taxpayers have made a substantial commitment to provide parks and open space for future generations of this city. With continued growth in residential and commercial development, it is important to continue to enhance the livability and quality of life for our residents by providing access to nature through the development of urban parks and open space.

The proposed CIP includes an investment of \$665,814 for Parks and Open Space projects. FY19 includes the following projects totaling \$70,399:

**Table VIII**  
**FY 2019 Parks and Open Space**  
**Capital Improvement Projects**

|   |                 |
|---|-----------------|
| Parks - Wainwright –Rehab Soccer Field                    | \$20,000        |
| Parks - #81 – ½ Ton Dump Truck w/plow replacement         | \$40,710        |
| Parks – Organic Program - John Deere 15 series Overseeder | <u>\$9,689</u>  |
| <b>Total Parks and Open Space</b>                         | <b>\$70,399</b> |

The source of funds for these projects are: Prior Years’ CIP (\$38,091), Fund Reserve (\$9,232), and Fund Balance (\$23,076).

**Public Safety**

The proposed seven-year CIP includes an investment of \$11,511,865 for Public Safety buildings and equipment. FY19 includes seven Public Safety projects totaling \$2,121,955.

**Table IX**  
**FY 2019 Public Safety**  
**Capital Improvement Projects**

|  |                    |
|--|--------------------|
| Fire Department – Cash Corner Renovation                             | \$1,500,000        |
| Fire and Police Departments – Dispatch –CAD Upgrade                  | \$250,000          |
| Fire Department – Ambulance 44 and Power Stretcher                   | \$290,000          |
| Police Department – Mobile Computer Replacement                      | \$20,000           |
| Police Department – Regional Crime Lab                               | \$13,955           |
| Police Department – Patrol Rifle Replacement                         | \$24,000           |
| Police Department – Digital Storage (for body-worn and in-car video) | <u>\$24,000</u>    |
| <b>Total Public Safety</b>   | <b>\$2,121,955</b> |

The source of funds for these projects are: Prior Years’ CIP (\$1,013,856), Fund Reserves (\$272,699), Grants (\$20,000), and Fund Balance (\$815,400).

**Public Works and Transportation**

The last major functional area is Public Works and Transportation. This includes programs and activities of the Public Works and Transportation, Planning and Development and Bus Service Departments. The proposed CIP includes an investment of \$10,818,145 for Public Works and Transportation projects. The FY 2019 includes the following projects totaling \$3,835,960:

**Table X**  
**FY 2019 Public Works and Transportation**  
**Capital Improvement Projects**

|  |                    |
|--|--------------------|
| Bus Service - Transit Bus Reserve  | \$25,000           |
| Planning & Development – Hamlin Building Improvements                              | \$100,000          |
| Planning & Development – Cottage Road Traffic & Safety Improvements                | \$450,000          |
| Planning & Development – WIN 18665 Broadway Corridor Improvements                  | \$102,950          |
| Planning & Development – WIN 22138 Cash Corner Multi-Use Path                      | \$728,322          |
| Planning & Development - Mill Creek Gateway Improvements – Story Line Improvements | \$135,200          |
| Planning & Development – Annual Traffic Signals Improvements                       | \$77,500           |
| Planning & Development – WIN 22136 Broadway Traffic Signals at Evans               | \$331,988          |
| Planning & Development – Hamlin Solar Buy-out                                      | \$20,000           |
| Public Works – Westbrook Street Project  | \$1,400,000        |
| Public Works – Sidewalk Plow   | \$145,000          |
| Public Works – Sidewalk Program  | \$125,000          |
| Public Works – Plow Truck  | <u>\$195,000</u>   |
| <b>Total Public Works and Transportation</b>                                       | <b>\$3,835,960</b> |

The source of funds for these projects are: Prior Years' CIP (\$205,000), TIF (\$856,162), Fund Reserves (\$615,000), Grants (\$1,664,798), and Fund Balance (\$495,000).

**Table XI**

**FY 2019 Unfunded  
Capital Improvement Projects**

|  |                    |
|--|--------------------|
| Library – Inventory Security System (RFID) Phase II          | (\$50,000)         |
| Library – Heating Controls                                   | (\$62,000)         |
| Parks & Rec – Dog Park                                       | (\$34,000)         |
| Parks & Rec – Community Ctr – resurface Nelson Rd lot        | (\$38,800)         |
| Finance - Tax Office Counters and Furniture                  | (\$25,000)         |
| Fire –Willard Station Garage Renovation                      | (\$10,000)         |
| Fire –Command Vehicle CR-45                                  | (\$45,000)         |
| Police – Range Improvements                                  | (\$60,000)         |
| Planning –Pedestrian Warning Flashers                        | (\$26,000)         |
| Bus – Transit Bus Reserve                                    | (\$50,000)         |
| Sustainability – Recycling Bins for City Buildings & Outdoor | (\$45,000)         |
| Parks & Rec – Golf – 3555D Fairway Mower (Tier 4 Emissions)  | (\$48,683)         |
| Parks & Rec – 4100 Out-front Mower (Tier 4 Emissions)        | (\$65,732)         |
| Parks & Rec – Master Plan – Development Bug Light Park       | (\$25,000)         |
| Parks & Rec – Master Plan – Development Hinckley Park        | <u>(\$25,000)</u>  |
| <b>Total Unfunded</b>  | <b>(\$610,215)</b> |

**Table XII**

**FY 2019 Partially Funded  
Capital Improvement Projects**

|   |                    |
|---|--------------------|
| Parks & Rec – Community Center Phase II - funding reduced to \$15,000 of the \$20,000 requested | (\$5,000)          |
| IT – IT Reserves –funding request reduced to \$25,000 of the \$50,000 requested                 | (\$25,000)         |
| Sustainability – Recycling Bins – funding reduced to \$30,000 of the \$45,000 requested         | (\$15,000)         |
| Transit Bus Local Match Escrow – funding reduced to \$25,000 of the \$50,000 requested          | (\$25,000)         |
| Planning – Cottage Road Traffic & Safety Improvements – funding reduced \$150,000               | <u>(\$150,000)</u> |
| <b>Total Reduced Funding</b>  | <b>(\$220,000)</b> |

## **Educational Facilities**

The School Department has submitted its FY19 CIP in the amount of \$680,183. The supporting documents are provided in Section 5 of this CIP booklet.

## **Conclusion**

The City Council has approved and/or completed a number of important capital improvement projects to repair, replace, or in some cases expand the quality of public facilities that serve our residents, businesses, and visitors. These investments will help ensure the health and safety of residents and visitors to our City and to the quality of life in South Portland.

I look forward to presenting this plan for the future to the City Council and the public at the workshop on May 3, 2018.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott T. Morelli', written over a horizontal line.

Scott T. Morelli  
City Manager

cc: South Portland School Board  
Ken Kunin, Superintendent of Schools  
Department Heads  
South Portland Legislative Delegation