



Executive Department

**James H. Gailey
City Manager**

March 21, 2016

Thomas Blake, Mayor
City of South Portland
25 Cottage Road
South Portland, ME 04106

Re: FY 2017 to FY 2023 Capital Improvement Program

Dear Mayor Blake:

In accordance with §514 and §515 of the City Charter, I am submitting the FY 2017 seven-year Capital Improvement Program for the City of South Portland.

A capital improvement plan 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 capital improvement plan is an important element in a city'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, as well as public safety equipment through a planned and continuous investment program. A capital improvement plan 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. Three projects in this year's CIP represent a step forward in addressing the Climate Action Plan recommendations. The first is LED lighting at the Municipal Pool. These new lights will reduce energy costs, require less frequent maintenance and provide superior lighting for the pool patrons. The second is a ProCore 1298 Aerator and the third is a TopDresser. These two pieces of equipment are used by the Parks Department and will facilitate the City's initiative towards the reduction in use of synthetic pesticides and fertilizers through proper cultural practices that promote plant health.

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

Table I.

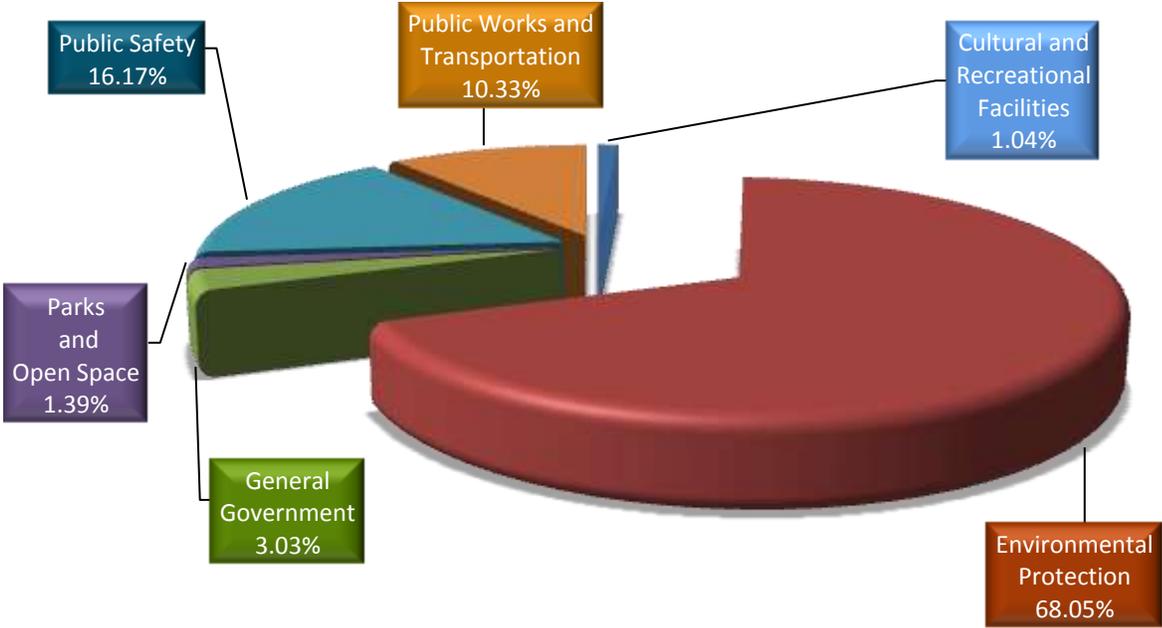
**Distribution of Capital Projects
Across Major Functional Areas
FY 2017 to FY 2023**

Cultural and Recreational Facilities	\$385,000
Environmental Protection	\$25,133,427
General Government	\$1,118,175
Parks and Open Space	\$513,000
Public Safety	\$5,971,828
Public Works and Transportation	<u>\$3,813,800</u>
Total	\$36,935,230

The following chart represents the distribution of capital investments across major functional areas of the City.

Chart I.

**Distribution of Capital Projects
Across Major Functional Areas
FY 2017 to FY 2023**



The City of South Portland utilizes a number of funding sources to fund major capital improvement projects. Those sources include the issuance of general obligation 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 Capital Improvement Plan.

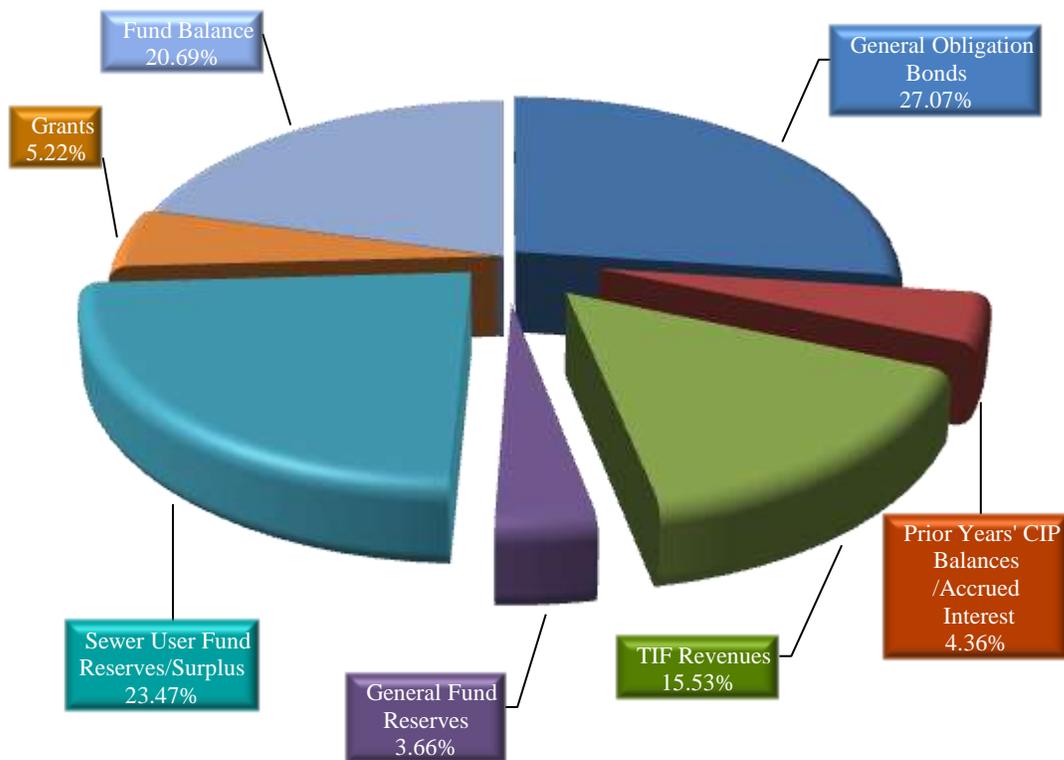
Table II

**Distribution of Funding Sources
For Capital Improvement Spending
FY 2017 to FY 2023**

General Obligation Bonds	\$10,000,000
Prior Years' CIP Balances/Accrued Interest	\$1,609,213
TIF Revenues	\$5,737,408
General Fund Reserves	\$1,353,674
Sewer User Fund Reserves/Surplus	\$8,667,519
Grants	\$1,927,248
Fund Balance	<u>\$7,640,168</u>
Total	\$36,935,230

Chart II.

**Distribution of Funding Sources
For Capital Improvement Spending
FY 2017 to FY 2023**



27.07% of the total seven-year Capital Improvement Program will be funded with long-term General Obligation Bonds through the City's property tax supported General Fund. 72.93% will be funded through user fees, state or federal grants, TIF revenues, fund balance, prior years' CIP balances/accrued interest or as 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.

FY 2017 Capital Improvement Requests

The FY 2017 Capital Improvement request of \$8,264,800 is spread across the following six functional areas:

Table III.

**FY 2017 Capital Improvement Program
By Functional Area**

Cultural and Recreational Facilities	\$135,000
Environmental Protection	\$5,703,072
General Government	\$285,175
Parks and Open Space	\$222,000
Public Safety	\$755,253
Public Works and Transportation	<u>\$1,164,300</u>
Total	\$8,264,800

The source of funding of the FY 2017 Municipal Capital Improvement Plan comes from the following sources:

Table IV.

**FY 2017 Capital Improvement Program
By Funding Sources**

General Obligation Bonds	\$1,700,000
Prior Years' CIP Balances/Accrued Interest	\$1,309,213
TIF Revenues	\$1,275,622
General Fund Reserves	\$468,674
Sewer User Fund Reserves/Surplus	\$1,649,450
Grants	\$834,748
Fund Balance	<u>\$1,027,093</u>
Total	\$8,264,800

Cultural and Recreational Facilities

The proposed seven-year Capital Improvement Plan includes an investment of \$385,000 for projects at the Main and Branch Libraries, the Municipal Pool and the Redbank Community Center. FY 2017 includes the following projects totaling \$135,000:

Table V.

FY 2017 Cultural and Recreational Facilities Capital Improvement Projects

Recreation - LED Pool Lighting	\$22,000
Recreation - SPCC - Municipal Therapy Spa	\$70,000
Recreation - SPCC - Roof Repairs	\$12,000
Recreation - SPCC - Transit Connect Van	<u>\$31,000</u>
Total Cultural and Recreational Facilities	\$135,000

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 \$25,133,427 for Environmental Protection projects. FY 2017 includes the following Environmental Protection projects totaling \$5,703,072:

Table VI.

FY 2017 Environmental Protection Capital Improvement Projects

Water Resource Protection - Catchbasin Debris Body	\$17,999
Water Resource Protection - Collection Div 4 x 4 Pickup Unit #8	\$30,433
Water Resource Protection - Control System Upgrade	\$1,082,000
Water Resource Protection - Ottawa Road CSO	\$230,000
Water Resource Protection - Thornton Heights Separation Phase III (\$1,700,000 bond approved by voters on November 4, 2014)	<u>\$4,342,640</u>
Total Environmental Protection	\$5,703,072

The source of funds for these projects is the Sewer User Reserve /Fund Balance Accounts, Prior Year CIP Balances, Bond (approved by voters in November 2014) and TIF Reserves.

General Government

The next major functional area is General Government. This functional area includes municipal buildings, equipment and technology investment across all municipal departments. The proposed seven-year Capital Improvement Plan includes an investment of \$1,118,175 General Government capital expenditures.

The first year of the CIP includes the following General Government projects totaling \$285,175:

Table VII.

**FY 2017 General Government
Capital Improvement Projects**

City Clerk - Voting Booths	\$10,175
Information Systems - Avaya Phone System Upgrade	\$40,000
Information Systems - Computer Reserve	\$30,000
Information Systems - Fiber Optic Infrastructure - Phase II	\$60,000
Information Systems - Microsoft Office and Exchange Upgrade	\$110,000
Land Bank Account	<u>\$35,000</u>
Total General Government	\$285,175

Parks and Open Space

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

The proposed seven-year Capital Improvement Plan includes an investment of \$513,000 for Parks and Open Space projects. FY 2017 includes the following projects totaling \$222,000:

Table VIII.

**FY 2017 Parks and Open Space
Capital Improvement Projects**

Parks - #76-3/4 Ton Plow Truck Replacement	\$48,000
Parks - Agricultural Tractor Upgrade	\$26,000
Parks - Greenbelt Update Year 1	\$25,000
Parks - Groundsmaster 7200 Multipurpose Mower/Polar Trac 7210	\$63,000
Parks - ProCore 1298 Aerator	\$32,000
Parks - TopDresser	<u>\$28,000</u>
Total Parks and Open Space	\$222,000

Public Safety

The proposed seven-year Capital Improvement Plan includes an investment of \$5,971,828 for public safety buildings and equipment. FY 2017 includes six Public Safety projects totaling \$755,253.

Table IX

**FY 2017 Public Safety
Capital Improvement Projects**

Fire Department - Central Station Kitchen Renovation /Fire Suppression System	\$20,000
Fire Department - Squad 4 Replacement	\$580,000
Police Department - Body Armor Replacement	\$29,070
Police Department - Body Worn Cameras	\$68,328
Police Department - Conductor Electrical Weapons	\$39,855
Police Department - Regional Crime Lab	<u>\$18,000</u>
Total Public Safety	\$755,253

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 seven-year Capital Improvement Plan includes an investment of \$3,813,800 for Public Works and Transportation projects.

The FY 2017 includes the following projects totaling \$1,164,300:

Table X

**FY 2017 Public Works and Transportation
Capital Improvement Projects**

Bus Service - Transit Bus Reserve	\$50,000
Planning & Development - City Bicycle Plan	\$12,000
Planning & Development - Greenbelt Pedestrian Bridge Preliminary Engineering	\$60,000
Planning & Development - Mill Creek Improvements Design	\$36,000
Planning & Development - Mill Creek/PACTS Improvements	\$402,050
Planning & Development - West End Master Plan	\$30,000
Public Works - Pedestrian Crossing Flashers (3)	\$48,000
Public Works - Sidewalk Program	\$166,250
Public Works - Two (2) Trucks with Plows	<u>\$360,000</u>
Total Public Works and Transportation	\$1,164,300

Sources of funding for these Public Works and Transportation projects include \$54,789 from Prior Years' CIP Balances, \$94,000 from General Fund Reserves, \$42,000 from TIF Reserves, \$781,787 from state and federal grants and \$191,724 from Fund Balance.

Educational Facilities

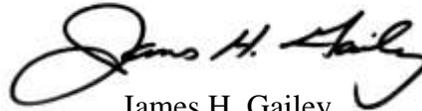
The School Department will be submitting its Capital Improvement Program in mid-March. These documents will be provided to the City Council for placement in Section 5 of this Capital Improvement Program booklet.

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 assure the health and safety of our 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.

Sincerely,

A handwritten signature in black ink, appearing to read "James H. Gailey". The signature is fluid and cursive, with a large initial "J" and "G".

James H. Gailey
City Manager

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