



Executive Department

**James H. Gailey
City Manager**

March 16, 2015

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

Re: FY 2016 to FY 2022 Capital Improvement Plan

Dear Mayor Cohen:

In accordance with §514 and §515 of the City Charter, I am submitting the FY 2016 seven-year Capital Improvement Plan 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. Two projects in this year's CIP represent a step forward in addressing the Climate Action Plan recommendations. The first is a Cisco EnergyWise subscription which enables businesses to query devices on their network, identify them, report on their power consumption, and allow you to adjust settings to save energy. The other project is the purchase of an electric sedan to be used by the Bus Service Department. As with the other electric vehicles currently in use, this will reduce the use of fossil fuels, thereby reducing greenhouse gases (GHG).

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

Table I.

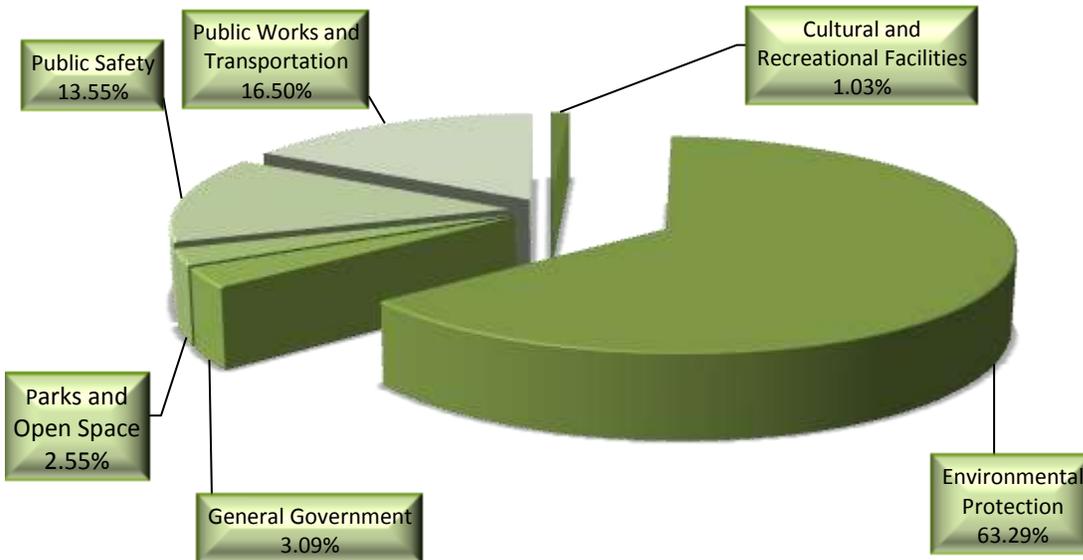
**Distribution of Capital Projects
Across Major Functional Areas
FY 2016 to FY 2022**

Cultural and Recreational Facilities	\$430,000
Environmental Protection	\$26,537,789
General Government	\$1,294,381
Parks and Open Space	\$1,068,000
Public Safety	\$5,680,500
Public Works and Transportation	<u>\$6,919,740</u>
Total	\$41,930,410

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 2016 to FY 2022**



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.

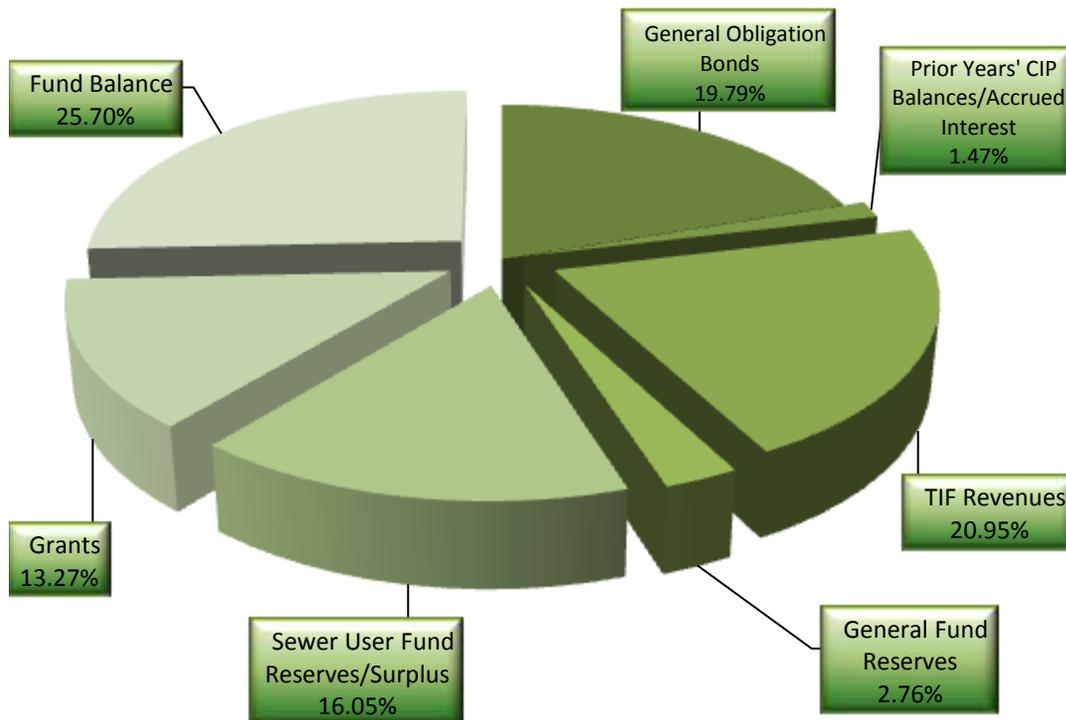
The following table shows the distribution of funding sources proposed to be used to fund this seven-year Capital Improvement Plan.

Table II
Distribution of Funding Sources
For Capital Improvement Spending
FY 2016 to FY 2022

General Obligation Bonds	\$8,300,000
Prior Years' CIP Balances/Accrued Interest	\$618,000
TIF Revenues	\$8,785,291
General Fund Reserves	\$1,157,000
Sewer User Fund Reserves/Surplus	\$6,729,500
Grants	\$5,565,638
Fund Balance	<u>\$10,774,981</u>
Total	\$41,930,410

Chart II.

Distribution of Funding Sources
For Capital Improvement Spending
FY 2016 to FY 2022



19.79% 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. 80.21% 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 2016 Capital Improvement Requests

The FY 2016 Capital Improvement request of \$8,121,576 is spread across the following six functional areas:

Table III.

**FY 2016 Capital Improvement Program
By Functional Area**

Cultural and Recreational Facilities	\$205,000
Environmental Protection	\$5,675,455
General Government	\$173,881
Parks and Open Space	\$240,000
Public Safety	\$301,500
Public Works and Transportation	<u>\$1,525,740</u>
Total	\$8,121,576

The source of funding of the FY 2016 Municipal Capital Improvement Plan comes from the following sources:

Table IV.

**FY 2016 Capital Improvement Program
By Funding Sources**

General Obligation Bonds	\$0
Prior Years' CIP Balances/Accrued Interest	\$318,000
TIF Revenues	\$2,042,957
General Fund Reserves	\$252,000
Sewer User Fund Reserves/Surplus	\$809,500
Grants	\$3,940,638
Fund Balance	<u>\$758,481</u>
Total	\$8,121,576

Cultural and Recreational Facilities

The proposed seven-year Capital Improvement Plan includes an investment of \$430,000 for projects at the Main and Branch Libraries, the Municipal Pool and the Redbank Community Center. FY 2016 includes the following projects totaling \$205,000:

Table V.

FY 2016 Cultural and Recreational Facilities Capital Improvement Projects

Library Department - ECO Master Disc Repair System	\$20,000
Library Department - Main Library Book Return Replacement	\$15,000
Recreation - RBCC/ SPCC Security Updates	\$20,000
Recreation - Redbank Community Center Addition Architectural Design	\$90,000
Recreation - Redbank Community Center Park Updates	<u>\$60,000</u>
Total Cultural and Recreational Facilities	\$205,000

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 \$26,537,789 for Environmental Protection projects. FY 2016 includes the following Environmental Protection projects totaling \$5,675,455:

Table VI.

FY 2016 Environmental Protection Capital Improvement Projects

Water Resource Protection - Building Addition	\$758,000
Water Resource Protection - Sandy Hill Road Sewer Separation	\$140,000
Water Resource Protection - Sewer Maint Garage Vinyl Siding	\$35,000
Water Resource Protection - Thornton Heights Separation Phase II	\$4,725,955
Water Resource Protection - Unit #10 Service Body Replacement	<u>\$16,500</u>
Total Environmental Protection	\$5,675,455

The source of funds for these projects is the Sewer User Reserve /Fund Balance Accounts, Grants 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 \$1,294,381 General Government capital expenditures.

The first year of the CIP includes the following General Government projects totaling \$173,881:

Table VII.

**FY 2016 General Government
Capital Improvement Projects**

Information Systems - Green CIP - Cisco EnergyWise	\$10,000
Information Systems - Computer Reserve	\$25,000
Information Systems - Network Switch Core Upgrade	\$93,881
Land Bank	\$35,000
Planning & Development - Comp Plan Implementation	<u>\$10,000</u>
Total General Government	\$173,881

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 \$1,068,000 for Parks and Open Space projects. FY 2016 includes the following projects totaling \$240,000:

Table VIII.

**FY 2016 Parks and Open Space
Capital Improvement Projects**

Parks - Beach House Roof/Deck Updates	\$45,000
Parks - Replacement of Toro 4700-D Groundsmaster	\$75,000
Parks - Replacement of Sand Pro Infield Groomer	\$27,500
Parks - Replacement of Toro Workman MDX	\$15,500
Parks - Trades Service Truck #78 Replacement	\$52,000
Waterfront - Ferry Village Landing Public Access	<u>\$25,000</u>
Total Parks and Open Space	\$240,000

Public Safety

The proposed seven-year Capital Improvement Plan includes an investment of \$5,680,500 for public safety buildings and equipment. FY 2016 includes five Public Safety projects totaling \$301,500.

Table IX

**FY 2016 Public Safety
Capital Improvement Projects**

Fire Department - Ambulance	\$210,000
Fire Department - Willard Station Renovation Phase I	\$30,000
Police Department - Evidence Van	\$35,000
Police Department - Regional Crime Lab	\$12,000
Police Department - Retaining Wall Repairs	<u>\$14,500</u>
Total Public Safety	\$301,500

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 \$6,919,740 for Public Works and Transportation projects.

The FY 2016 includes the following projects totaling \$1,525,740:

Table X

**FY 2016 Public Works and Transportation
Capital Improvement Projects**

Bus Service - Green CIP - Electric Sedan	\$33,000
Bus Service - Bus Shelters (6) - Installed	\$120,000
Bus Service - Replace 1997 Service Truck	\$80,000
Bus Service - Transit Bus Reserve	\$50,000
Planning & Development - Greenbelt Pedestrian Bridge Design	\$12,000
Planning & Development - Street Lights Replacement Planning	\$20,000
Public Works - Cummings Road Repaving Co-work with Scarborough	\$543,000
Public Works - Dump Body	\$10,000
Public Works - High Flow Skid Steer	\$75,000
Public Works - One (1) Truck with Plow	\$180,000
Public Works - Paving Ocean Street/ Rt. 77 - Matching Funds	\$145,000
Public Works - Redbank Neighborhood Streetscape Improvements	\$46,740
Public Works - Roll Off Truck Replacement	\$120,000
Public Works - Sidewalk Program	\$75,000

Public Works - Spring Point Shoreway Rehab	<u>\$16,000</u>
Total Public Works and Transportation	\$1,525,740

Sources of funding for these projects include \$293,000 from Prior Years' CIP Balances, \$102,000 from General Fund Reserves, \$12,000 from TIF Reserves, \$908,140 from state and federal grants and \$210,600 from Fund Balance.

Educational Facilities

With the completion of the renovations and additions to South Portland High School, the School Department is ready to move forward with developing a comprehensive middle school building plan. We continue to monitor legislation targeting the expansion of school construction funding throughout the State. Mahoney Middle School is currently listed 14th on the State Construction Funding list. Beginning in May 2015 the Secondary Schools Facilities Committee will reconvene to review planning documents and begin planning toward renovation/construction of middle school facilities

Other Major Capital Improvement Projects being considered throughout the district are as follows:

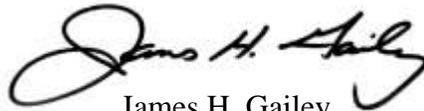
- Elementary Schools – *Funding Source – Elementary CIP funds*
Mini-split cooling systems for music rooms - \$17,500
- Memorial Middle School - *Funding Source – FY10 CIP funds*
Heating controls, zone separation - \$18,000
Updated Ventilation System - \$15,000
Public announcement, bell, timing system - \$10,000
- Mahoney Middle School – *Funding Source – FY10 CIP funds*
Heating controls, zone separation - \$18,000
- South Portland High School – *Funding Source – Maintenance Reserve*
Restore North Annex Roofs 14 and 14A - \$20,500
Change Auditorium locks - \$16,000
- Technology – *Funding Source – High School Renovation/Addition Project*
25 desktop computers SPHS Technology Lab - \$45,000
8 photocopiers SPHS - \$50,000
- Transportation– *Funding Source – School Bus Reserve*
1 Type C – 88 passenger school bus - \$90,000

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 that reads "James H. Gailey". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James H. Gailey
City Manager

cc: South Portland School Board
Suzanne Godin, Superintendent of Schools
Department Heads
South Portland Legislative Delegation

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