



Executive Department

**James H. Gailey
City Manager**

March 17, 2014

Gerard Jalbert, Mayor
City of South Portland
25 Cottage Road
South Portland, ME 04106

Re: FY 2015 to FY 2021 Capital Improvement Plan

Dear Mayor Jalbert:

In accordance with §514 and §515 of the City Charter, I am submitting the FY 2015 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 seven-year Capital Improvement Plan for municipal infrastructure among major functional areas of the City includes:

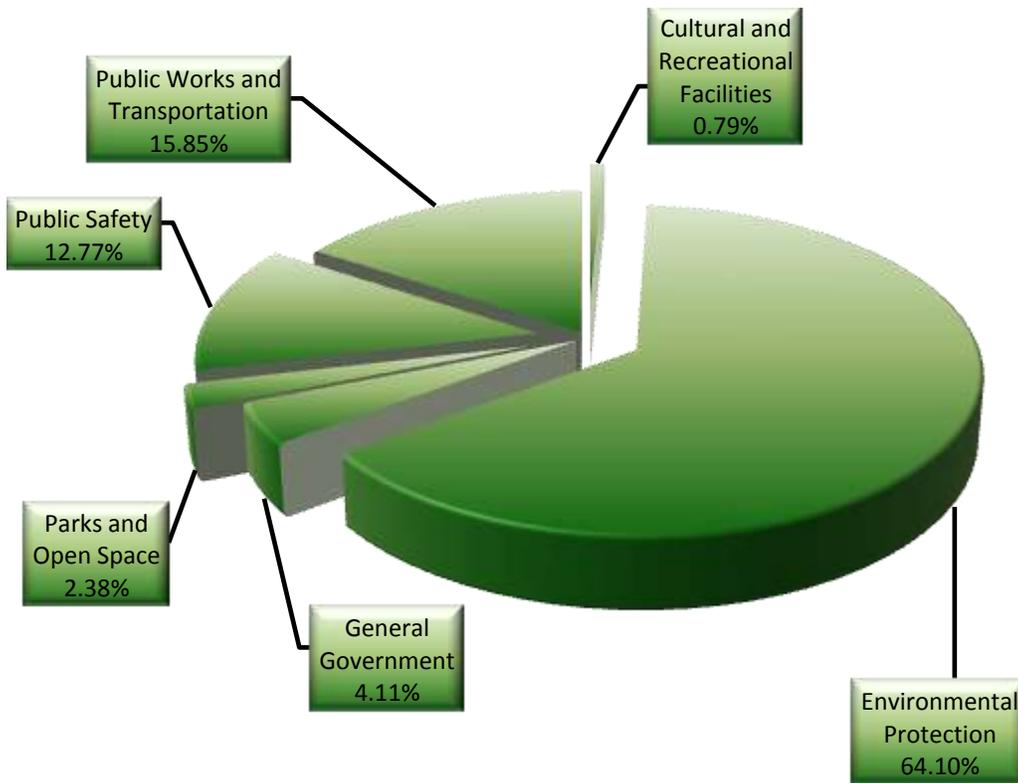
Table I.

**Distribution of Capital Projects
Across Major Functional Areas
FY 2015 to FY 2021**

Cultural and Recreational Facilities	\$335,000
Environmental Protection	\$27,231,523
General Government	\$1,746,505
Parks and Open Space	\$1,011,000
Public Safety	\$5,424,630
Public Works and Transportation	<u>\$6,735,010</u>
Total	\$42,483,668

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 2015 to FY 2021



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.

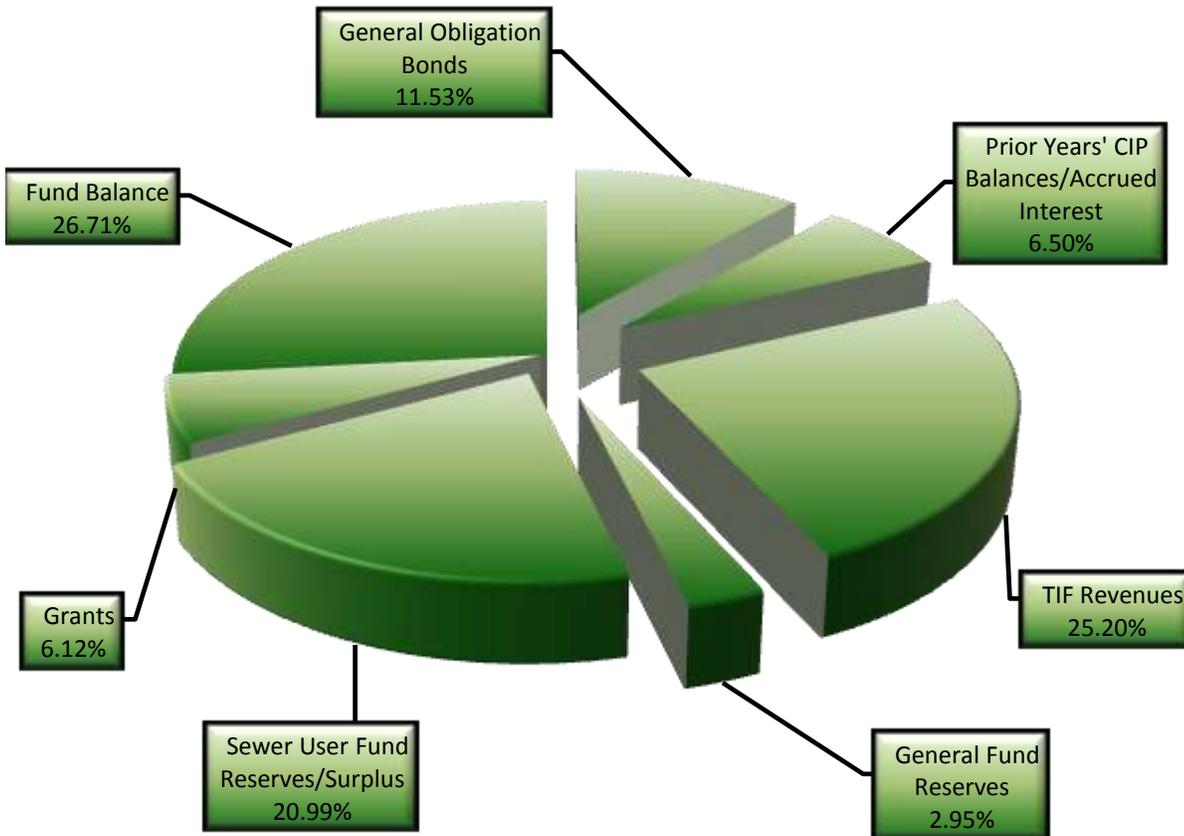
Table II

**Distribution of Funding Sources
For Capital Improvement Spending
FY 2015 to FY 2021**

General Obligation Bonds	\$4,900,000
Prior Years' CIP Balances/Accrued Interest	\$2,759,604
TIF Revenues	\$10,703,789
General Fund Reserves	\$1,251,500
Sewer User Fund Reserves/Surplus	\$8,917,734
Grants	\$2,601,739
Fund Balance	<u>\$11,349,302</u>
Total	\$42,483,668

Chart II.

**Distribution of Funding Sources
For Capital Improvement Spending
FY 2015 to FY 2021**



11.53% 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. 88.47% 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 2015 Capital Improvement Requests

The FY 2015 Capital Improvement request of \$9,356,832 is spread across the following six functional areas:

Table III.

**FY 2015 Capital Improvement Program
By Functional Area**

Cultural and Recreational Facilities	\$80,000
Environmental Protection	\$6,923,817
General Government	\$379,375
Parks and Open Space	\$95,000
Public Safety	\$308,630
Public Works and Transportation	<u>\$1,570,010</u>
Total	\$9,356,832

The source of funding of the FY 2015 Municipal Capital Improvement Plan comes from the following sources:

Table IV.

**FY 2015 Capital Improvement Program
By Funding Sources**

General Obligation Bonds	\$3,500,000
Prior Years' CIP Balances/Accrued Interest	\$2,459,604
TIF Revenues	\$161,083
General Fund Reserves	\$286,500
Sewer User Fund Reserves/Surplus	\$1,077,734
Grants	\$893,239
Fund Balance	<u>\$978,672</u>
Total	\$9,356,832

Cultural and Recreational Facilities

The proposed seven-year Capital Improvement Plan includes an investment of \$335,000 for projects at the Main and Branch Libraries, the Municipal Pool and the Redbank Community Center. FY 2015 includes the following projects totaling \$80,000:

Table V.

FY 2015 Cultural and Recreational Facilities Capital Improvement Projects

Main Library - Childrens' Room & Circulation Desk - Design Serv.	\$10,000
SPCC - Replacement Updates-Pool/Gym	\$50,000
SPCC -Therapy Spa Contribution	<u>\$20,000</u>
Total Cultural and Recreational Facilities	\$80,000

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 \$27,231,523 for Environmental Protection projects. FY 2015 includes the following Environmental Protection projects totaling \$6,923,817.

Table VI.

FY 2015 Environmental Protection Capital Improvement Projects

Water Resource Protection - Cold Planer Attachment	\$18,900
Water Resource Protection - Maine Mall Road Sewer Replacement	\$241,340
Water Resource Protection - Steerable CCTV Transporter	\$25,000
Water Resource Protection - Thornton Heights Separation Phase I Construction	\$2,874,577
Water Resource Protection - Thornton Heights Separation Phases II, III and IV	\$3,500,000
Water Resource Protection - Treatment Plant Boiler	<u>\$264,000</u>
Total Environmental Protection	\$6,923,817

The source of funds for these projects is the Sewer User Reserve /Surplus Accounts, General Obligation Bonds, Prior Year's CIP balances 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 \$1,746,505 for General Government capital expenditures.

The first year of the CIP includes the following General Government projects totaling \$379,375:

Table VII.

**FY 2015 General Government
Capital Improvement Projects**

City Hall - Lower Level Meeting Room Renovations	\$25,000
Human Resources - MUNIS HR Software	\$34,375
Information Systems - City Fiber Optic Infrastructure	\$155,000
Information Systems - Email Archive and eDiscovery Software	\$45,000
Information Systems - Vmware Host Server Hardware	\$35,000
Land Bank Account	\$35,000
Planning and Development - Bike Racks	\$10,000
Planning and Development - Window Replacement - Phase III	\$15,000
Public Event Banners for Broadway	<u>\$25,000</u>
Total General Government	\$379,375

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 \$1,011,000 for Parks and Open Space projects. FY 2015 includes the following projects totaling \$95,000.

Table VIII.

**FY 2015 Parks and Open Space
Capital Improvement Projects**

Parks - 3/4 Ton Replacement Plow Truck #81	\$35,000
Parks - Foley Accu Grinder	\$35,000
Parks - Golf Course Study- Comp Transition Plans	\$10,000
Parks - Thomas Knight Park - ADA Path	<u>\$15,000</u>
Total Parks and Open Space	\$95,000

Public Safety

The proposed seven-year Capital Improvement Plan includes an investment of \$5,424,630 for public safety buildings and equipment. FY 2015 includes four Public Safety projects totaling \$308,630.

Table IX

**FY 2015 Public Safety
Capital Improvement Projects**

Fire Department - EMS Rapid Response Unit	\$100,000
Fire Department - Fire Truck Reserve	\$175,000
Police Department - Regional Crime Lab	\$10,000
Police Department - Tactical Body Armor Replacement	<u>\$23,630</u>
Total Public Safety	\$308,630

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 and Bus Service Departments. The proposed seven-year Capital Improvement Plan includes an investment of \$6,735,010 for Public Works and Transportation projects.

The FY 2015 includes the following projects totaling \$1,570,010:

Table X

**FY 2015 Public Works and Transportation
Capital Improvement Projects**

Bus Service - Hub Terminal - HVAC, Canopy, AVL Sign Equipment	\$94,010
Bus Service - Transit Bus (2)	\$800,000
Bus Service - Transit Bus Reserve	\$50,000
Public Works - Asphalt Hot Box and Pavement Recycler	\$75,000

Public Works - Rapid Pedestrian Warning Beacons (3)	\$36,000
Public Works - Sawyer Street Sidewalk	\$40,000
Public Works - Street Paving Program	<u>\$475,000</u>
Total Public Works and Transportation	\$1,570,010

Sources of funding for these projects include \$81,374 from Prior Years' CIP Balances, \$120,000 from General Fund Reserves, \$839,609 from state and federal grants and \$529,027 from Fund Balance.

Educational Facilities

Phase II of construction at SPHS is anticipated to be completed in December 2014. Fortunately through on-going project review, it appears the use of portable classrooms will be able to be reduced if not eliminated for the final semester, Fall 2014. It is anticipated moving into the fully renovated building over the December 2014 break thus completing the 33 month renovation and addition project.

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

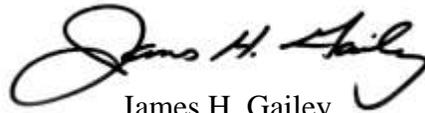
- Memorial Middle School - *Funding Source – FY10 CIP funds*
 - Roof 4a and 8 as part of on-going roof repair - \$15,500
 - Gym Ceiling repair - \$16,000
 - Server Room Cooling System - \$10,000
 - Window/Partition Replacement - \$13,800
- Mahoney Middle School – *Funding Source – FY10 CIP funds*
 - Roof 1a roof repair - \$88,000
- Skillin Elementary School – *Funding Source – Elementary CIP funds*
 - Enclosure and installation of SPHS Freezer/Cooler - \$25,000
 - Elevator Update - \$20,300
- Technology – *Funding Source – Technology Reserve funds*
 - Skillin phone/network upgrade - \$16,500
 - Mahoney phone upgrade - \$10,000
 - Transportation Center phone upgrade - \$10,000
- Technology – *Funding Source – Local Budget technology funding*
 - 4 Interactive Whiteboards for Elementary classrooms - \$21,000
 - 50 Laptop computers for Elementary classrooms - \$50,000
 - 35 iPads for Elementary classrooms - \$15,000
- Transportation– *Funding Source – School Bus Reserve*
 - 1 Type C – 88 passenger school bus - \$88,000
- School Nutrition Program – *Funding Source –TBD*
 - Point of Sale Software/Hardware System - \$60,000

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, 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
Suzanne Godin, Superintendent of Schools
Department Heads
South Portland Legislative Delegation

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