

## Capital Improvement Program – Summary

A capital improvement program (**CIP**) is a blueprint for planning a community's capital expenditures. A CIP is typically a multi-year plan identifying capital projects and equipment to be funded during the planning period. A CIP is composed of two parts, a **capital program** and a **capital budget**. The capital program is a plan for capital expenditures that extends out past the capital budget. The capital budget is the upcoming year's spending plan for capital items. Capital items are tangible assets or projects that cost at least \$25,000 and have a useful life of at least five (5) years. Typical examples of capital items would be a new fire truck, roof replacement, water and sewer infrastructure, and DPW equipment.

Developing a CIP that will ensure sound financial and capital planning requires effective leadership and the involvement and cooperation of all municipal departments. A properly developed CIP will help the City in many ways such as enhancing a community's credit rating, stabilizing debt service payments, and identifying the most economical means of financing capital projects. It will also help increase opportunities to obtain federal and state aid and help avoid duplication by overlapping governmental units.

The City has several ways to finance its CIP, including state and federal grants, appropriations from the City's CIP account, capital leases, and long-term borrowing to name a few. Depending on the cost and the useful life, the Finance Director will make recommendations to the Mayor for funding. Capital leases are often three years or less and are built into the operating budget. Capital items under \$25,000 are often funded by an appropriation from the CIP fund by the City Council upon recommendation of the Mayor. Most other capital items over \$25,000 would require long-term borrowing as authorized by a 2/3<sup>rd</sup> vote of the City Council upon recommendation of the Mayor.

The CIP dovetails into the City's five-year financial forecast for planning purposes. The CIP has to be worked into the operational part of the budget so that both the operational and capital needs of the municipal departments are met on a year-to-year basis. Oftentimes the CIP suffers as fixed costs such as health insurance and retirement assessments continue to rise. However, it is incumbent upon the Mayor and finance director to ensure that both the operating budget and the CIP are reasonable and attainable to ensure fiscal stability as well as within the limitations of Proposition 2 ½.



# City of Salem, Massachusetts

Finance Department  
93 Washington Street  
Salem, MA 01970  
Ph. 978.745.9595 ext 210  
Fax 978.741.3348

Kimberley L. Driscoll, Mayor  
Richard Viscay, Finance Director

## Memo

To: All Department Heads  
From: Richard Viscay, Finance Director  
Re: Five Year Capital Plan  
Date: October 4, 2007

It is time to begin the FY09 budget season and, as such, I would like to begin the process with the development of a **Five Year Capital Plan**. Therefore, you will find attached a copy of a Capital Plan Packet which I would ask that you review, complete and send back to Nina Bridgman or me, **no later than December 1, 2007**. You will also soon receive an e-mailed copy of these forms so that you can complete and e-mail them back. An e-mailed copy is preferred, but is not required.

When completing your capital budget request, I would ask that you all bear in mind the following parameters:

1. Only capital purchases with a value of \$25,000 or greater should be included in your plan;
2. All entries should have a tangible nature (for instance an identifiable entity or large group of entities); and
3. Must have a depreciable life of five (5) or more years.

Examples of Capital Assets are as follow:

<u>Capital Asset</u>	<u>Not a Capital Asset</u>
▪ Fire truck, DPW equipment, etc.	Services.
▪ Buildings (purchase or major renovations).	Painting rooms or a building.
▪ Sea walls, parks, fields.	Medical treatment.
▪ Building plans, some studies.	Books.
▪ Major, infrequent repairs.	Field Maintenance.
▪ Water and Sewer infrastructure	Routine Bldg. Maintenance.

Again, the deadline for submittal of your capital plan requests is **Friday, December 1st at noon**. All packets should be either e-mailed back, hand delivered, or mailed to Nina Bridgman or me at City Hall prior to this date and time.

Thank you for your anticipated cooperation and please feel free to call if you should have any questions.



## City of Salem, Massachusetts

### Debt Policies

- When the city finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.
- Total net debt service from general obligation debt will not exceed five (5) percent of total annual operating budget as listed on part 1a of the annual tax rate recapitulation as submitted to the Department of Revenue. Per the FY08 Tax Rate Recapitulation Sheet, this limit would be \$6,039,901.
- Debt will only be issued for capital that is valued greater than \$25,000, and has a depreciable life of five (5) or more years.
- A cash flow statement will be required for each project funded with long term debt.
- Total general obligation debt will not exceed the limits provided in the state statutes.
- Whenever possible, the city will use special revenue funds, special assessments, or other self-supporting bonds, instead of general obligation bonds.
- The city will not use long-term debt for current operations unless otherwise allowed via special legislation.
- The city will maintain good communications with bond rating agencies about its financial condition.
- The city will follow a policy of full disclosure on every financial report and bond prospectus.

**Source: "Handbook 4, Financial Performance Goals",** Evaluating Local Government Financial Condition, International City Management Association.



## City of Salem, Massachusetts

### Capital Improvement Budget Policies

- The city will make all capital purchases and improvements in accordance with the adopted capital improvement program.
- The city will develop a multi-year plan for capital improvements and update it annually.
- The city will enact an annual capital budget based on the multi-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development or changes in economic base will be calculated and included in capital budget projections.
- The city will coordinate development of the capital improvement budget with the development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts.
- The city will use intergovernmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and priorities, and who's operating and maintenance costs have been included in operating budget forecasts.
- The city will maintain all its assets at a level adequate to protect the city's capital investment and to minimize future maintenance and replacement costs.
- The city, as part of its capital planning process, will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection, a maintenance and replacement schedule will be developed and followed.
- The city will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the City Council for approval.
- The city will determine the least costly financing method for all new projects.

**Source: "Handbook 4, Financial Performance Goals",** Evaluating Local Government Financial Condition, International City Management Association



**City of Salem**  
**Proposed Capital Plan**  
**Fiscal Year 2008 - 2013**

CAPITAL REQUEST	FY09 PRIORITY	ACTUAL FY 2008	PROPOSED FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Data Processing/Information Tech.</b>							
Create Master File using GIS (central database)				\$ 75,000.00			
Replace 17 Windows 2000 PC's w/ Office 2003				\$ 25,000.00			
Replace Domain Controller + Exchange Servers					\$ 36,967.00		
Replace Six Windows 2003 Servers					\$ 48,059.00		
Replace 77 Windows XP PC's						\$ 81,449.00	\$ 81,449.00
Replace 12 Switches located at 93/120 Wash. St						\$ 25,000.00	\$ 25,000.00
<b>Subtotal: Data Processing</b>		\$ -	\$ -	\$ 100,000.00	\$ 85,026.00	\$ 106,449.00	\$ 106,449.00
<b>Public Property</b>							
Feasibility study, specs, plans			\$ 25,000.00				
Renovation of City Hall - elevator	1			\$ 550,000.00			
Renovation of City Hall - Roof, exterior, HVAC, electric				\$ 500,000.00			
<b>Subtotal: Public Property</b>		\$ -	\$ 25,000.00	\$ 1,050,000.00	\$ -	\$ -	\$ -
<b>Library</b>							
New Roof	wip	\$ 200,000.00					
<b>Subtotal: Library</b>		\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Parking Department</b>							
Technological upgrades - Multi-space parking meters	1		\$ 50,000.00				
South Harbor Garage - Waterproof, inspect/repair/replace joints				\$ 75,000.00			
Church St. Lot - Resurface/Restripe/Retro Fit Entrance & Exit for Prepay Equipment					\$ 150,000.00		
Museum Place Garage - Waterproof, inspect/repair/replace joints					\$ 70,000.00		
Mechanical Upgrades - Garages					\$ 100,000.00		
Bridge St. Lot - Fill potholes/Sealcoat/Restripe						\$ 30,000.00	
Sweeper to maintain garages and lots						\$ 70,000.00	
Crombie St. Lot - regrade/resurface/restripe							
Sewall St. Lot - regrade/resurface/restripe							
<b>Subtotal: Parking Dept.</b>		\$ -	\$ 50,000.00	\$ 75,000.00	\$ 320,000.00	\$ 100,000.00	\$ 60,000.00
<b>Police</b>							
Two 2007 Dodge Chargers (detective vehicles)	done	\$ 53,400.00					
Patrol Vehicles (6 beat cruisers - one supervisor SUV)	done	\$ 210,000.00					
Bulletproof Vests (80 @ \$1000 each)	ordered	\$ 80,000.00					
Building repairs - (HVAC units)	wip	\$ 102,750.00					
Firearms/holsters	1		\$ 50,000.00				
Vehicle Replacement - marked (\$35k ea.)	2		\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00
Range Repair	3		\$ 40,000.00				
Downtown Surveillance Cameras	4		\$ 50,000.00				
Speed - Mobile radar units	5		\$ 25,000.00				
Digital Radio Replacement (FCC required by 2011)				\$ 150,000.00			
Vehicle Replacement - unmarked (\$30k ea)				\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
New Roof - Police Station				\$ 200,000.00			
Prisoner Transport Vehicle						\$ 50,000.00	
<b>Subtotal: Police</b>		\$ 446,150.00	\$ 235,000.00	\$ 280,000.00	\$ 330,000.00	\$ 180,000.00	\$ 130,000.00



**City of Salem**  
**Proposed Capital Plan**  
**Fiscal Year 2008 - 2013**

CAPITAL REQUEST	FY09 PRIORITY	ACTUAL FY 2008	PROPOSED FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Fire</b>							
Self Contained Breathing Apparatus	done	\$ 124,450.00					
New Protective Clothing - 25 sets @ \$1400	done	\$ 35,000.00					
Protective Clothing (City's 10% match)	done	\$ 15,945.00					
New Protective Clothing - 25 sets @ \$1400	1		\$ 35,000.00				
New Pumper Truck #2	2		\$ 375,000.00				
Two Generators (\$20k ea.) - Emergency Preparedness				\$ 40,000.00			
Compressor for SCBA (above)				\$ 30,000.00			
Fire Prevention - Ford Escape Hybrid					\$ 30,000.00		
Commercial Washer/Dryer for Station One						\$ 25,000.00	
New Pumper Truck #4							\$ 425,000.00
<b>Subtotal: Fire</b>		<b>\$ 175,395.00</b>	<b>\$ 410,000.00</b>	<b>\$ 70,000.00</b>	<b>\$ 30,000.00</b>	<b>\$ 25,000.00</b>	<b>\$ 425,000.00</b>
<b>Harbormaster</b>							
Pumpout Boat				\$ 54,000.00			
<b>Subtotal: Harbormaster</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Electrical</b>							
Radio Box Receiver - Vision 21	1		\$ 30,000.00				
Utility Truck - F350				\$ 35,000.00			
Utility Truck - Ford Hybrid Escape				\$ 30,000.00			
Bucket Truck replacement					\$ 100,000.00		
Master Boxes (300 Total @ approx. \$2,500 ea.)						\$ 175,000.00	
<b>Subtotal: Electrical</b>		<b>\$ -</b>	<b>\$ 30,000.00</b>	<b>\$ 65,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ 175,000.00</b>	<b>\$ 175,000.00</b>
<b>Public Services - Equipment</b>							
2008 F-550 1 ton dump diesel (sander/plow)	ordered	\$ 64,761.00					
2008 International Model 7300 4x2 (6 wheeler)	ordered	\$ 87,013.00					
2008 Escape (efficient 4 wheel drive)	ordered	\$ 22,710.00					
2008 Escape (efficient 4 wheel drive)	ordered	\$ 22,710.00					
2008 F-550 1 ton dump diesel (sander/plow)	1		\$ 65,000.00				
Rubbish packer	2		\$ 65,000.00				
Sanders and Plows for trucks	3		\$ 65,000.00				
Mad Vacuum Truck	4		\$ 25,000.00				
Public Services - Ford Hybrid Escape				\$ 30,000.00			
Graffiti Removal Machine				\$ 42,500.00			
2008 F-550 1 ton dump diesel (sander/plow)				\$ 66,761.00			
F-550 1 ton pickup (traffic truck)				\$ 50,000.00			
Bandit wood chipper				\$ 50,000.00			
Vehicle Lift - Motor pool					\$ 40,000.00		
Salt Shed					\$ 200,000.00		
DPS Building Repairs					\$ 100,000.00		
Bombardier sidewalk plow					\$ 90,000.00		
2008 F-550 1 ton dump diesel (sander/plow)					\$ 72,000.00		
4x4 economical					\$ 32,000.00		
2008 F-550 1 ton dump diesel (sander/plow)						\$ 75,000.00	
Sign Making Machine							\$ 25,000.00
Aerial bucket F-600							\$ 125,000.00
<b>Subtotal: Public Services</b>		<b>\$ 197,194.00</b>	<b>\$ 220,000.00</b>	<b>\$ 239,261.00</b>	<b>\$ 534,000.00</b>	<b>\$ 75,000.00</b>	<b>\$ 150,000.00</b>



**City of Salem**  
**Proposed Capital Plan**  
**Fiscal Year 2008 - 2013**

CAPITAL REQUEST	FY08 PRIORITY	ACTUAL FY 2008	PROPOSED FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Engineering - Roads, Sidewalks, &amp; Crosswalks</b>							
Roads, Sidewalks & Crosswalks (non Chapter 90 eligible)	1		\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Roads, Sidewalks & Crosswalks (Chapter 90)	wip	\$ 562,528.00	\$ 649,541.00	\$ 649,541.00	\$ 649,541.00	\$ 649,541.00	\$ 649,541.00
Peabody/Ward St. Intersection Reconfiguration	wip	\$ 258,000.00					
Traffic Signal - Derby/Congress/Hawthorne	2		\$ 250,000.00				
Lafayette Place - Surface Lot Expansion				\$ 30,000.00			
<b>Subtotal: Eng. - Roads, Sidewalks, Crosswalks</b>		\$ 820,528.00	\$ 1,049,541.00	\$ 829,541.00	\$ 799,541.00	\$ 799,541.00	\$ 799,541.00
<b>Engineering - Seawalls</b>							
Seawall - Willows							
Seawall - Hubon St.	wip	\$ 345,000.00					
Seawall - Franklin St. Park	1		\$ 50,000.00				
Seawall - Collins Cove				\$ 520,000.00			
Seawall - Columbus Ave.					\$ 500,000.00	\$ 410,000.00	\$ 90,000.00
<b>Subtotal: Engineering - Seawalls</b>		\$ 345,000.00	\$ 50,000.00	\$ 520,000.00	\$ 500,000.00	\$ 410,000.00	\$ 90,000.00
<b>Parks, Recreation &amp; Community Services</b>							
Salem Willows Pier recab - 25% City	wip	\$ 45,000.00					
Salem Willow Pier rehabilitation - 75% FEMA	wip	\$ 132,795.45					
COA Van	ordered	\$ 47,070.00					
Harborwalk	wip	\$ 1,400,000.00					
15 Peabody St Park	wip	\$ 550,000.00					
Community Life Center	1		\$ 4,750,000.00				
Willows bathroom rehabilitation	2		\$ 100,000.00				
Willow House Roof	3		\$ 112,500.00				
Playground upgrades	4		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Forest River Pool - resurfacing	5		\$ 165,000.00				
Forest River Park - upgrades	6		\$ 50,000.00				
Golf - Jacobsen LF3400 fairway mower	7		\$ 50,000.00				
Golf - Jacobsen Greens Mower	7		\$ 25,000.00				
Golf - Aerator, Harvester, 3 wheel drive prime mower	7		\$ 25,000.00				
Bike Path - Design/Construction				\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Winter Island - Master Plan				\$ 40,000.00			
Garage Roof @ Mack Park				\$ 25,000.00			
Upgrade Wrought Iron Fence - Salem Common						\$ 700,000.00	
Wall around Mack Park							\$ 200,000.00
<b>Subtotal: Recreation</b>		\$ 2,174,865.45	\$ 5,327,500.00	\$ 115,000.00	\$ 100,000.00	\$ 775,000.00	\$ 275,000.00



**City of Salem**  
**Proposed Capital Plan**  
**Fiscal Year 2008 - 2013**

CAPITAL REQUEST	FY09 PRIORITY	ACTUAL FY 2008	PROPOSED FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Schools - Non MSBA capital items</b>							
Replace Fire Alarm System - Collins Middle School	1		\$ 85,000.00				
Replace Fire Alarm System - Bentley Elem. School	2		\$ 45,000.00				
42 passenger full track wheelchair school bus	3		\$ 85,000.00				
23 passenger Type A with wheelchair lift school bus	4		\$ 50,000.00				
Witchcraft Heights Elementary ~ ballfields	5		\$ 75,000.00				
Parking access improvements	6		\$ 75,000.00				
Replace 900 gallon gas water heater - Collins	7		\$ 35,000.00				
42 passenger Type C conventional school bus			\$ 70,000.00				
77 Passenger Type C conventional school bus			\$ 76,000.00				
29 Passenger Type A school bus			\$ 44,000.00				
Collins Middle School - repointing and waterproofing			\$ 75,000.00				
Report and Waterproof Masonry - Salts			\$ 25,000.00				
Automotive Service Lifts - Auto Tech Center			\$ 100,000.00				
Integrated Communication System - Bentley & Collins			\$ 157,000.00				
Replace Carpeting with Vinyl Floor Tile - Bentley							
Replace Carpeting with Vinyl Floor Tile - Collins							
Repairs to Field House at Bertram Field						\$ 281,250.00	
Subtotal: Schools		\$ -	\$ 450,000.00	\$ 340,000.00	\$ 282,000.00	\$ 281,250.00	\$ 35,000.00
<b>Total - General Fund</b>		<b>\$ 4,359,132.45</b>	<b>\$ 7,847,041.00</b>	<b>\$ 3,737,802.00</b>	<b>\$ 3,080,567.00</b>	<b>\$ 2,927,240.00</b>	<b>\$ 2,370,990.00</b>
<b>LESS ~ Non Grant Funds to offset costs</b>							
<b>Class Action Lawsuit Settlement - Bulletproof Vests</b>							
Library Trustees - Library Roof		\$ (42,000.00)					
North Shore Elder Services & Friends - COA Van		\$ (20,658.00)					
Section 108 loans and Sale of City Owned Land - CLC		\$ (47,070.00)					
Parking Meter Receipts - Willows			\$ (4,750,000.00)				
Recycling Funds - Mad Vacuum Truck			\$ (100,000.00)				
			\$ (25,000.00)				
<b>LESS ~ Grant funds to offset costs</b>							
<b>Grant funds - Library Roof</b>							
Grant funds - Peabody St Park (Grant/EPA/Harborwalk)	wip	\$ (62,000.00)					
Grant Funds - Harborwalk (CDBG and Seaport Council)	wip	\$ (550,000.00)					
Grant Funds - 15 Peabody St. (CDBG and other grants)	wip	\$ (1,400,000.00)					
Grant funds - Police Station repairs	wip	\$ (258,000.00)					
Grant funds - Bulletproof Vests	wip	\$ (51,000.00)					
Grant funds - Fire Apparatus	complete	\$ (38,000.00)					
Grant Funds - Engineering (Ch. 90)	wip	\$ (159,450.00)					
Grant Funds - Engineering (Willows Seawall)	wip	\$ (649,541.00)	\$ (649,541.00)				
Grant Funds - Willows Pier (FEMA)	wip	\$ (169,949.00)					
Grant Funds - Traffic Signal (CDBG)		\$ (132,795.00)					
Grant Funds - Surveillance Cameras (Community Policing)		\$ (150,000.00)					
Grant Funds - City Hall Feasibility Study		\$ (50,000.00)					
Grant Funds - Witch House Roof		\$ (25,000.00)					
		\$ (90,750.00)					
<b>Net ~ General Fund Expenses</b>		<b>\$ 778,669.45</b>	<b>\$ 2,006,750.00</b>	<b>\$ 3,088,261.00</b>	<b>\$ 2,431,026.00</b>	<b>\$ 2,277,699.00</b>	<b>\$ 1,721,449.00</b>
note: WIP = Work in progress							



**City of Salem  
Capital Plan  
Fiscal Year 2008 - 2012**

CAPITAL REQUEST	FY08 PRIORITY	FUNDING SOURCE	FY 2008	PROPOSED FY 2009	FY 2010	FY 2011	FY 2012
<b>Water Enterprise-Engineering</b>							
Salem Pump Station (Wenham Lake) upgrade mechanical system							
Gallow's Hill Reservoir Mech System upgrade							
Capital Improvement Program/Transmission							
Mains/Water Meter System							
Loring Ave. Water Main (2003 Bond issue)							
Highland Ave Water Tank (2003 Bond issue)	in progress	bond	\$ 4,500,000.00				
Main System Upgrades Vales/Pipe replacement (2003 Bond issue)	in progress	bond	\$ 2,000,000.00				
Upgrade Water Meters - Entire City (new bond issue)	1	bond	\$ -	\$ 3,000,000.00			
Design/Construction of Transmission Main Upgrades (Rantoul Street) (new bond issue)	2	bond	\$ -	\$ 2,500,000.00			
Main System Upgrades Vales/Pipe replacement		r/e		\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
<b>Subtotal: Water Enterprise</b>			\$ 6,500,000.00	\$ 5,600,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
<b>Sewer Enterprise-Engineering</b>							
Highland Ave. Sewer Investigations							
Sewer Pump Station Upgrades/Replacements	1	bond		\$ 400,000.00			
Sewer Line Replacement	2	r/e		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
I/I Removal Program	3	SESD		\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
South River Basin Upgrades (study, design/permit, construction)	4	bond		\$ 4,350,000.00			
Drain Cleaning	5	bond		\$ 300,000.00			
Illicit connection removal (study, design, construction)	6	SESD		\$ 100,000.00	\$ 100,000.00	\$ 400,000.00	
North River improvements - Peer Review	7	r/e		\$ 50,000.00			
Forrester St. study (study, design, construct)	9	bond		\$ 150,000.00			
Station/Moffat Rd. (study, design, construct)	10	bond		\$ 150,000.00			
<b>Subtotal: Sewer Enterprise</b>			\$ -	\$ 5,575,000.00	\$ 175,000.00	\$ 475,000.00	\$ 75,000.00
<b>Total: Enterprise Fund</b>			\$ 6,500,000.00	\$ 11,175,000.00	\$ 275,000.00	\$ 575,000.00	\$ 175,000.00

**NOTES ~ Funding Sources:**

Bonding: Issuance of long term bonds to fund (analysis below on yearly estimated debt payments and effect on water/sewer rates  
r/e: Retained Earnings of the respective enterprise fund (no effect on rates)  
SESD: South Essex Sewerage District Retained Earnings to be used going forward to funds I/I and Illicit Removal campaigns

**City of Salem**  
**Capital Improvement Program - Finance Summary**

Department	Project	Total Estimated Expenditure	FY09	FY10	FY11	FY12	FY13
Public Property	Feasibility Study - City Hall Repairs	\$ 25,000.00	\$ 25,000.00				
Parking Department	Technology - Multi Space Meters	\$ 50,000.00	\$ 1,125.00	\$ 12,025.00	\$ 11,575.00	\$ 11,125.00	\$ 10,675.00
Police	Equipment - Firearms and Holsters	\$ 50,000.00	\$ 1,188.00	\$ 12,025.00	\$ 11,575.00	\$ 11,125.00	\$ 10,675.00
Police	Vehicle - 2 Dodge Chargers (cruisers)	\$ 70,000.00	\$ 1,575.00	\$ 17,475.00	\$ 16,800.00	\$ 16,125.00	\$ 15,675.00
Police	Equipment - Firing Range Repair	\$ 40,000.00	\$ 900.00	\$ 15,350.00	\$ 10,900.00	\$ 5,563.00	\$ 5,338.00
Police	Equipment - Downtown Surveillance Cameras	\$ 50,000.00	\$ 50,000.00				
Police	Equipment - Mobile Radar Units	\$ 25,000.00	\$ 563.00	\$ 6,013.00	\$ 5,788.00	\$ 5,563.00	\$ 5,338.00
Fire	Equipment - Protective Gear	\$ 35,000.00	\$ 787.00	\$ 11,350.00	\$ 10,900.00	\$ 5,563.00	\$ 5,338.00
Fire	Vehicle - New Pumper Truck #2	\$ 375,000.00	\$ 8,438.00	\$ 41,313.00	\$ 40,188.00	\$ 39,063.00	\$ 37,938.00
Electrical	Equipment - Radio Box Receiver	\$ 30,000.00	\$ 675.00	\$ 14,125.00	\$ 5,788.00	\$ 5,563.00	\$ 5,338.00
Public Services	Vehicle - F550 1 ton diesel (sander/plow)	\$ 65,000.00	\$ 1,462.00	\$ 17,587.00	\$ 16,913.00	\$ 16,238.00	\$ 10,675.00
Public Services	Vehicle - Rubbish Packer	\$ 65,000.00	\$ 1,462.00	\$ 17,587.00	\$ 16,913.00	\$ 16,238.00	\$ 10,675.00
Public Services	Equipment - Sanders/plows for trucks	\$ 65,000.00	\$ 1,462.00	\$ 17,587.00	\$ 16,913.00	\$ 16,238.00	\$ 10,675.00
Public Services	Equipment - Mad Vacuum Truck	\$ 25,000.00	\$ 25,000.00				
Engineering	Infrastructure - roads, sidewalks, xwalks	\$ 150,000.00	\$ 3,375.00	\$ 36,075.00	\$ 34,725.00	\$ 33,375.00	\$ 32,025.00
Engineering	Infrastructure - roads, sidewalks, xwalks (Ch. 90)	\$ 649,541.00	\$ 649,541.00				
Engineering	Infrastructure - Hubon St. Seawall	\$ 50,000.00	\$ 1,125.00	\$ 7,250.00	\$ 7,025.00	\$ 6,800.00	\$ 6,575.00
Engineering	Infrastructure - Traffic Signal (Derby/Congress)	\$ 250,000.00	\$ 154,500.00	\$ 18,550.00	\$ 17,650.00	\$ 16,750.00	\$ 15,850.00
Parks, Rec. & Comm Svcs.	Building - Community Life Center	\$ 4,750,000.00	\$ -	\$ 190,000.00	\$ 359,750.00	\$ 350,750.00	\$ 341,750.00
Parks, Rec. & Comm Svcs.	Building - Willows Bathroom Rehabilitation	\$ 100,000.00	\$ 2,250.00	\$ 24,050.00	\$ 23,150.00	\$ 22,250.00	\$ 21,350.00
Parks, Rec. & Comm Svcs.	Building- Witch House roof	\$ 112,500.00	\$ 91,313.00	\$ 6,013.00	\$ 5,788.00	\$ 5,563.00	\$ 5,338.00
Parks, Rec. & Comm Svcs.	Equipment - Playground updates	\$ 50,000.00	\$ 1,125.00	\$ 12,025.00	\$ 11,575.00	\$ 11,125.00	\$ 10,675.00
Parks, Rec. & Comm Svcs.	Equipment - Forest River Pool Resurfacing	\$ 165,000.00	\$ 3,713.00	\$ 41,638.00	\$ 40,063.00	\$ 38,488.00	\$ 32,025.00
Parks, Rec. & Comm Svcs.	Infrastructure - Forest River Park upgrades	\$ 50,000.00	\$ 1,125.00	\$ 12,025.00	\$ 11,575.00	\$ 11,125.00	\$ 10,675.00
Parks, Rec. & Comm Svcs.	Equipment - Mowers, aerator, harvestors	\$ 100,000.00	\$ 2,250.00	\$ 24,050.00	\$ 23,150.00	\$ 22,250.00	\$ 21,350.00
<b>Subtotal - Municipal</b>		<b>\$ 7,397,041.00</b>	<b>\$ 1,029,954.00</b>	<b>\$ 554,113.00</b>	<b>\$ 698,704.00</b>	<b>\$ 666,880.00</b>	<b>\$ 625,953.00</b>
Schools	Equipment - Replace Fire Alarm Systems (Collins/Bentley)	\$ 130,000.00	\$ 2,925.00	\$ 34,554.00	\$ 28,938.00	\$ 27,813.00	\$ 26,688.00
Schools	Vehicle - 42 Passenger Wheelchair lift schoolbus	\$ 85,000.00	\$ 1,912.00	\$ 23,375.00	\$ 22,476.00	\$ 16,688.00	\$ 16,013.00
Schools	Vehicle - 23 Passenger Wheelchair lift schoolbus	\$ 50,000.00	\$ 1,125.00	\$ 12,025.00	\$ 11,575.00	\$ 11,125.00	\$ 10,675.00
Schools	Equipment - Witchcraft Heights Ballfields	\$ 75,000.00	\$ 1,688.00	\$ 18,038.00	\$ 17,363.00	\$ 16,463.00	\$ 15,901.00
Schools	Infrastructure - Parking access improvements	\$ 75,000.00	\$ 1,688.00	\$ 18,038.00	\$ 17,363.00	\$ 16,463.00	\$ 15,901.00
Schools	Buildings - Replace Water Heater (Collins)	\$ 35,000.00	\$ 787.00	\$ 11,350.00	\$ 10,900.00	\$ 5,563.00	\$ 5,338.00
<b>Subtotal - Schools</b>		<b>\$ 450,000.00</b>	<b>\$ 10,125.00</b>	<b>\$ 117,380.00</b>	<b>\$ 108,615.00</b>	<b>\$ 94,115.00</b>	<b>\$ 90,516.00</b>

**City of Salem**  
**Capital Improvement Program - Finance Summary**

Department	Project	Total Estimated Expenditure	FY09	FY10	FY11	FY12	FY13
Water	Equipment - Upgrade Water Meters - Entire City	\$ 3,000,000.00	\$	\$ 40,000.00	\$ 80,000.00	\$ 435,000.00	\$ 421,500.00
Water	Infrastructure - Transmission Main - Rantoul St.	\$ 2,500,000.00	\$	\$ 50,000.00	\$ 237,500.00	\$ 231,875.00	\$ 226,250.00
Water	Infrastructure - Pipe replacement/upgrades	\$ 100,000.00	\$ 100,000.00				
Sewer	Infrastructure - Pump Station Replacement/Upgrades	\$ 400,000.00	\$	\$ 2,000.00	\$ 12,000.00	\$ 16,000.00	\$ 58,000.00
Sewer	Infrastructure - Sewer Line Replacement	\$ 50,000.00	\$ 50,000.00				
Sewer	Infrastructure - Inflow/Infiltration Removal Program	\$ 25,000.00	\$ 25,000.00				
Sewer	Infrastructure - South River Basin Upgrades	\$ 4,350,000.00	\$	\$ 14,000.00	\$ 34,000.00	\$ 413,250.00	\$ 403,463.00
Sewer	Infrastructure - Sewer Line Drain Cleaning	\$ 300,000.00	\$	\$ 2,000.00	\$ 73,500.00	\$ 70,800.00	\$ 68,100.00
Sewer	Infrastructure - Illicit connection removal	\$ 100,000.00	\$ 100,000.00				
Sewer	Infrastructure - North River improvements (peer review)	\$ 50,000.00	\$ 50,000.00				
Sewer	Infrastructure - Forrester St. study	\$ 150,000.00	\$	\$ 2,000.00	\$ 3,000.00	\$ 36,750.00	\$ 36,750.00
Sewer	Infrastructure - Station/Moffat Rd.	\$ 150,000.00	\$	\$ 2,000.00	\$ 3,000.00	\$ 36,750.00	\$ 36,750.00
<b>Subtotal - Enterprise</b>		\$ 11,175,000.00	\$ 325,000.00	\$ 112,000.00	\$ 443,000.00	\$ 1,240,425.00	\$ 1,250,813.00
<b>TOTAL EXPENDITURES - City, School, Enterprise</b>		<b>\$ 19,022,041.00</b>	<b>\$ 1,365,079.00</b>	<b>\$ 783,493.00</b>	<b>\$ 1,250,319.00</b>	<b>\$ 2,001,420.00</b>	<b>\$ 1,967,282.00</b>
Funding Summary:							
	General Obligation Bonds - General Fund	\$ 2,006,750.00	\$ 71,288.00	\$ 457,443.00	\$ 424,419.00	\$ 387,995.00	\$ 353,369.00
	General Obligation Bonds - Enterprise Fund	\$ 10,850,000.00	\$	\$ 112,000.00	\$ 443,000.00	\$ 1,240,425.00	\$ 1,250,813.00
	State Aid	\$ 699,541.00	\$ 699,541.00	\$	\$	\$	\$
	Federal Aid	\$ 4,015,750.00	\$ 242,000.00	\$ 190,000.00	\$ 359,750.00	\$ 350,750.00	\$ 341,750.00
	Sale of City Owned Land	\$ 1,000,000.00					
	Other special revenue funds	\$ 125,000.00	\$ 27,250.00	\$ 24,050.00	\$ 23,150.00	\$ 22,250.00	\$ 21,350.00
	Retained Earnings - Water/Sewer Enterprise	\$ 200,000.00	\$ 200,000.00	\$	\$	\$	\$
	Retained Earnings - South Essex Sewerage District	\$ 125,000.00	\$ 125,000.00	\$	\$	\$	\$
<b>TOTAL FUNDING - City, School, Enterprise</b>		<b>\$ 19,022,041.00</b>	<b>\$ 1,365,079.00</b>	<b>\$ 783,493.00</b>	<b>\$ 1,250,319.00</b>	<b>\$ 2,001,420.00</b>	<b>\$ 1,967,282.00</b>

## FY09 CIP – Executive Summary

- The City Council has approved loan orders for the following amounts:
  - **\$9,500,000 Refunding Bonds**, authorized under Council Loan Order #281 duly adopted by the City Council May 22, 2008 and approved by the Mayor on May 28, 2008, pursuant to Chapter 44, Section 21A and Chapter 44A;
  - **\$1,000,000 Deficit Funding Bonds**, authorized under Council Loan Order #282 duly adopted by the City Council on May 22, 2008, pursuant to Chapter 15 of the Massachusetts Acts of 2008, Chapter 44 and Chapter 44A; maximum term: seven (7) years; and
  - **\$12,985,000 Various Purpose Bonds**, authorized under Council Loan Order #280 duly adopted by the City Council on May 22, 2008 and approved by the Mayor on May 28<sup>th</sup>, 2008, up to \$12,685,000 pursuant to Chapter 44A of the General Laws, as amended and supplemented, or up to \$12,985,000 pursuant to Chapter 44, of the General Laws, as amended and supplemented as follows:

Dates of Authorization	Purpose	Total Authorization
5/28/2008	Water Meters	3,000,000
5/28/2008	Water Transmission Main	2,500,000
5/28/2008	Sewer Pump Station Upgrade	400,000
5/28/2008	South River Basin Upgrade	4,350,000
5/28/2008	Sewer Drain Improvements	300,000
5/28/2008	Elec. Dept. Fire Alarm Receiver	30,000
5/28/2008	Traffic Signal	100,000
5/28/2008	Fire Pumper Truck	375,000
5/28/2008	Fire Equipment	35,000
5/28/2008	Golf Course Equipment	100,000
5/28/2008	Witch House Roof	50,000
5/28/2008	Rec. Dept. Equipment	50,000
5/28/2008	Forrest River Park Pool	165,000
5/28/2008	Forrest River Park	50,000
5/28/2008	Willows Bathroom	100,000
5/28/2008	Parking Meters	50,000
5/28/2008	Police Vehicle	70,000
5/28/2008	Police Equipment	50,000



5/28/2008	Police Equipment - Radar	25,000
5/28/2008	Police - Range Repair	40,000
5/28/2008	Dump Truck	65,000
5/28/2008	Utility Truck	65,000
5/28/2008	DPW Equipment	65,000
5/28/2008	Engineering - Infrastructure	150,000
5/28/2008	Engineering - Seawalls	50,000
5/28/2008	School - Fire Alarm Sys.	130,000
5/28/2008	School Buses	135,000
5/28/2008	School - Infrastructure	75,000
5/28/2008	School - Infrastructure	75,000
5/28/2008	School - Equipment	35,000
		<hr/>
		12,685,000
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- Of the \$12,685,000 above, the City will be issuing Bond Anticipation Notes of \$4,900,000. We intend to go out for permanent bonding in FY10 so long as the projects in the water and sewer department have progressed as planned.
- Of the \$12,685,000 of debt listed above, the only non routine debt would be the water transmission main and the South River Basin upgrade. The water transmission main is one of the three main water supplies to the City. It runs through the City of Beverly and since Beverly is reconstructing Rantoul St next year, we want to replace the transmission main at that time to take advantage of the cost savings of not having to open up the street. The South River Basin upgrade is a storm water conveyance improvement project, which includes the planning, permitting, design and construction of moving water that is currently flooding neighborhoods and causing property damage to the water sheds so that it properly drains into the harbor. These two projects are intended to last 40+ years and are non routine in nature. The projects do not require any additional labor or resources once finalized, as they will just become part of the City's infrastructure. We hope that the projects will actually save the City manpower hours on flooding issues and water main breaks, but how much manpower it would save is difficult to quantify.
- The remaining projects are routine in nature. Replacing equipment, upgrading existing capital assets, and building improvements are considered part of preserving and/or replacing the capital assets needed to run City government.