

Capital Improvement Program: Mayor's Message

Goals of the Capital Improvement Program (CIP)

The City of Salem relies on a capital improvement program and capital budget to ensure that capital needs are being addressed in a responsible manner based on priority and thoughtful planning. A capital improvement program is a critical component of the overall budget strategy, especially given the City's long history of deferring capital planning and budgeting. Formalizing a capital plan and budget has allowed the City of Salem to address issues that have been postponed and ignored in prior years.

These tools allow the City to not only make sound capital investments and improvements but also positively impact the City's operating budget. Addressing capital needs when appropriate will assist the City in reaching many of its longer-term goals such as reducing fuel consumption; decreasing costs associated with deferred maintenance, reducing heating and electricity expenses in municipal buildings; and reducing salary costs by means of technological advances and automation wherever possible. As important, capital improvements have ensured and will continue to ensure that our facilities, equipment and vehicles are safe, energy efficient and operable at all times to deliver top-notch services to the City's residents.

The City's main goals when initially implementing the Capital Improvement Program was to professionalize how capital projects were identified, improve the overall planning and budget process for addressing capital needs, and ensure accountability as it relates to implementation of capital work projects. Our early efforts focused on overhauling and renovating neglected parks, playgrounds and recreational spaces which comprise nearly 30% of Salem's overall acreage, as well as a full assessment of roadway, sidewalk and utility infrastructure conditions which enabled us to begin implementation of a comprehensive strategy to address long overdue maintenance needs in these areas.

To meet these goals, City officials have created a capital plan for FY12 that is fiscally responsible and transparent. The plan includes a particular focus on asset preservation, technological advancement, and preventive maintenance to our buildings, parks, and equipment, and infrastructure. The largest project on the City side would be the capital improvements to City Hall. The \$2,000,000 will cover the costs of a new roof, skylights, windows, and masonry repairs. These much needed repairs are geared to preserving City Hall, which is approximately 175 years old.

The second largest item budgeted are improvements to City streets and sidewalks. This year, the City is proposing \$1.67 million of repairs to streets, sidewalks, and crosswalks, funded with \$870,000 of Chapter 90 funds and a loan order for \$800,000. Other

infrastructure related improvements include the repair of the Collins Cove seawall, replacement of sections of the wrought iron fence at Salem Common, and the continuation of the LED light replacement program throughout the City.

Other items proposed in the Capital Plan are replacement of parking meters with “smart” meters that accept credit cards, lighting improvements for City buildings that will be fully funded with grant dollars and reduce energy costs for future years and four new police patrol cars that were deferred from the FY2011 capital plan.

For the School Department, we have preliminary estimates for both the Collins Middle School and Saltonstall Elementary School. Both projects will be reimbursed by the Commonwealth with a 78% match. The scope of the final project will be determined once all studies are complete by the architect and the City’s Owner’s Project Manager, KVA Associates. The initial estimates are approximately \$27,000,000 for repairs to the Collins Middle School and \$11,000,000 to the Saltonstall School. Also, the City will be bonding for two new school buses (one 42 passenger handicap accessible school bus and one 77 passenger conventional school bus).

When considering funding items in the Capital Improvement Program, the City strategically pursues available options from grants at the state and federal levels, and also utilizes monies available from water and sewer retained earnings to avoid the issuance of long term debt. From a financing perspective, priority is given to projects with grant revenues or other matching funds to offset the costs of borrowing.

Capital Improvement Program Overview

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.

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 Capital Outlay account, capital leases, and long-term borrowing. Depending on the cost and the useful life, the Finance Director will make recommendations to the Mayor for funding the City's capital needs.

Capital leases are often three years or less and are built into the operating budget. Capital leases are often used for items such as school buses, office equipment, and other items that may not last five years in useful life. The City's Capital Outlay account typically funds items under \$25,000, but can be used to fund items over \$25,000 if it is deemed prudent. Funding capital improvements through the Capital Outlay account is beneficial because there is no borrowing or interest costs; you simply pay for the item in the year that it is purchased. Many of the City's capital items over \$25,000 require long-term borrowing as authorized by a 2/3rd vote of the City Council upon recommendation of the Mayor. Long term bonding helps spread the costs of expensive capital improvements over their full useful life (per MGL Chapter 44/7 and Chapter 44/8).

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 which places further pressure on the operational budget. However, it is incumbent upon the Mayor and Finance Director to ensure that both the operating budget and CIP are reasonable and attainable to ensure fiscal stability within the limitations of Proposition 2 ½.

What is a Capital Asset?

- Capital items are tangible assets or projects with a value of \$25,000 or more.
- Must have a depreciable life of five (5) or more years.

Examples of Capital Assets are Fire Truck, DPW equipment, Buildings (purchase or major renovations), water and sewer infrastructure. Items that are NOT capital assets include services, painting rooms or buildings, books, field maintenance, routine building maintenance.

FY 2012 CIP Overview

During the FY2012 budget process, the City's Finance Director met with department heads to review the requests for FY2012. The Finance Director subsequently met with the Mayor to discuss funding options and priority levels for the requested items. This resulted in the FY2012 Capital Plan for the General Fund included in this section of the budget. This year's Capital Plan relies on a mix of one-time appropriations from the City's Capital Outlay account, grant dollars, and long term debt financing.

The CIP for the general fund budget totals \$43,118,673, of which \$30,807,528 will come from State and Federal Grants, \$254,217 will come from the Capital Outlay account, \$12,056,927 will come from a loan order.

FY 2012 Routine Debt

Routine debt is issued for items used during normal operations by City departments. Vehicle replacement, departmental equipment, general repairs, and maintenance are all considered routine. The debt service proposed for FY2012 that is routine in nature would be as follows:

Data Processing: \$ 125,000

- Equipment
 - Replacement of domain controller and exchange servers

Parking: \$ 200,000

- Equipment
 - Replacement of parking meters with "smart" meters that accept credit cards

Police: \$ 120,000

- Vehicle Replacement
 - Four (4) new police patrol vehicles (Chevy Caprice)

FY 2012 Routine Debt (continued)

Electrical: \$ 25,000

- Vehicle Replacement
 - One new Ford F-150 inspection vehicle with rack body

Public Service \$ 65,000

- Vehicle Replacement
 - One new F-550 one ton truck with plow/lift gate

Engineering

- Repairs/Renovations \$ 800,000
 - Repairs/renovations to the City's infrastructure (roads, sidewalks, crosswalks)

Parks/Recreation

- Vehicle Replacement \$ 35,000
 - One new Ford F-350 pickup with plow/lift gate for Winter Island

Schools

- Vehicle Replacement \$ 177,500
 - One new 42 passenger wheelchair bus
 - One new 77 passenger conventional bus

FY 2012 Non-Routine Debt

Non-routine debt is debt that is issued for purchasing items for new initiatives and projects of the City. New buildings, additions, and infrastructure are all considered non-routine. The debt service proposed for FY2012 that is non-routine in nature would be as follows:

Public Property \$ 2,000,000

- City Hall Repairs/Renovations
 - Renovation of City Hall envelope, including roof, windows, skylights, and masonry repair/repainting.

Engineering \$ 125,000

- Infrastructure
 - Seawall replacement – Collins Cove

FY 2012 Non-Routine Debt (continued)

Schools – Collins Middle School	\$ 5,934,464
• Repairs/Renovations	
○ Necessary repairs for school modernization	
Schools – Saltonstall School	\$ 2,449,964
• Repairs/Renovations	
○ Necessary repairs for school modernization	

FY12 CIP – General Fund Executive Summary

- The total proposed Capital Plan for the City of Salem for FY12 is \$43,093,673. However, the total amount proposed for borrowing is \$12,056,927.
- This Capital Plan has multiple funding sources, including grant funds, Capital Outlay appropriations, and bonding.
- The list proposed is a scaled down list from departmental requests, with priority given to those projects that are supplemented by grant dollars or any other revenue sources that will keep net general fund expenditures to a minimum.

FY12 CIP – Funding Sources

FY12 CIP – funded from one time revenue sources – Capital Outlay Fund

• Public Property – ESCO Audit	\$ 54,217
• Parking Department – Repairs/Renovations – Riley Plaza Plans	25,000
• Police Department: Building Repairs – HVAC DDC System	25,000
• Fire Department: Equipment – Voice Recorder	25,000
• Fire Department: Repairs – Building Repairs	25,000
• Electrical Department: Maintenance – LED Light Replacement	25,000
• Parks and Rec: Infrastructure (Salem Common Wrought Iron Fence)	25,000
• Parks and Rec: Infrastructure (Playground Updates)	50,000

TOTAL ~ CAPITAL OUTLAY FUND: \$ 254,217

FY12 CIP – funded from Grants and other financial sources

- School Building Projects (Salts and Collins) – MSBA grant (78%) \$ 29,726,608
- Engineering: Streets, Sidewalks, Crosswalks (CH90) 870,920
- Non City Hall Repairs/Renovations (Green Community Grant/Rebates) 210,000

TOTAL ~ GRANTS and OTHER FINANCIAL SOURCES: \$ 30,807,528

FY12 CIP – Funded from anticipated Bond Authorization

- Data Processing Department – Technology Improvements \$ 125,000
- Public Property – City Hall 2,000,000
- Parking Department – Equipment 200,000
- Police – Vehicles (Four total vehicles) 120,000
- Electrical – Vehicle 25,000
- Public Services – Vehicle 65,000
- Engineering – Roads, Sidewalks, and Crosswalks 800,000
- Engineering – Seawalls (Collins Cove) 125,000
- Parks and Recreation – Vehicle (Winter Island) 35,000
- Schools – Vehicles (2 school buses) 177,500
- Schools – Building Repairs (Collins) 5,934,464
- Schools – Building Repairs (Salts) 2,449,964

TOTAL ~ BOND AUTHORIZATION: \$12,056,927

IMPACT OF CAPITAL IMPROVEMENT PROJECTS ON OPERATING BUDGET

Description	Cost	Funding	Impact on Operating Budget
Data Processing – Replace Domain Controller and Exchange Servers	125,000	Bonding	Reduction in energy costs, operations become more efficient due to faster servers that can handle all of our Municipal functions.
Public Property – ESCO audit	54,217	Capital Outlay Fund	Master plan for future building repairs/renovations – planning document
Public Property – Repairs/Renovations	2,000,000	Bonding	Capital Asset preservation and reductions in energy costs. Decreases in short term repair budget. Increase to long term debt budget.
Parking – Equipment – Smart meters	200,000	Bonding	Less maintenance on new equipment, less labor needed to collect coins due to credit card acceptance. Increase to long term debt budget.
Parking – Renovations – Riley Plaza Study	25,000	Capital Outlay Fund	Increase revenue through creation of additional parking spots with meters.
Police – Vehicles – four (4) patrol vehicles	120,000	Bonding	Reduction in maintenance budget (minimal) and reduction in repairs. Slight decrease in fuel costs due to more efficient mileage per gallon. Increase to debt service budget.
Police – Repairs – HVAC DDC control system	25,000	Capital Outlay Fund	Reduction in heating costs due to proper functionality of temperature controls.
Fire – Equipment – Voice Recorder	25,000	Capital Outlay Fund	No impact
Fire – Repairs – General Building Repairs	25,000	Capital Outlay Fund	Cost avoidance of major repairs in the future.
Electrical – Vehicle (F-150 pickup)	25,000	Bonding	New vehicle will reduce repair costs, some savings in fuel due to more efficient vehicle. Increase to debt service budget.
Electrical – LED Light Replacement Program	25,000	Capital Outlay Fund	Reduction in electricity charges.

Description	Cost	Funding	Impact on Operating Budget
Public Services – Vehicle (F-550 with plow/lift-gate)	65,000	Bonding	Reduction in repair costs, efficiencies in snow removal operation (more in house equipment = less contracting for plowing services). Increase to debt service budget.
Engineering – Roads, Sidewalks, Crosswalks	870,920 800,000	Grant Funds (870,920) Bonding (800,000)	Decrease to road repair maintenance and increase to debt service budget.
Engineering – Collins Cove Seawall	125,000	Bonding	Increase to debt service budget. Cost avoidance in repairing wall now vs. replacing wall later.
Parks and Rec. – Vehicle (Winter Island)	35,000	Bonding	Decrease in vehicle repair line and increase in long term debt budget.
Parks and Rec. – Upgrades to Wrought Iron Fence @ Common	25,000	Capital Outlay Fund	No impact
Parks and Rec. – Playground Updates	50,000	Capital Outlay Fund	Small decrease in maintenance due to new equipment.
Schools – Vehicles (two buses)	177,500	Bonding	Potential decrease in SPED budget (in house transportation vs. third party contracted services.) Small increase in insurance premiums. Increase in long term debt service budget.
Schools – Repairs to Saltonstall School	50,000	MSBA (78%) Gen Ob. Bond (22%)	Reduction in maintenance/repairs. Increase in long term debt budget.
Schools – Repairs to Collins Middle School	800,000	MSBA (78%) Gen Ob. Bond (22%)	Reduction in maintenance/repairs and rental of scaffolding. Increase in long term debt budget.
Public Property – Equipment	210,000	Green Communities Grant (100%)	Reduction in energy costs.

City of Salem
Capital Plan - General Fund
Fiscal Year 2011 - 2015

CAPITAL REQUEST	FY12 PRIORITY	FY12 - FUNDING SOURCE	ACTUAL FY 2011	DEPT REQUEST FY 2012	FY 2013	FY 2014	FY 2015
Data Processing/Information Tech.							
Replace 25 Windows 2000 PC's with latest technology	completed		\$ 25,000.00				
Replace Domain Controller + Exchange Servers	1	bonding		\$ 125,000.00			
Replace 155 XP PC with Windows 2007 PC's on Virtual Desktop						\$ 117,180.00	
Subtotal: Data Processing			\$ 25,000.00	\$ 125,000.00	\$ -	\$ 117,180.00	\$ -
Public Property							
RESULTS FROM ESCO							
Cost of Audit (waived if we go forward with ESCO project)	1	Capital Outlay		\$ 54,217.00			
CITY HALL ENVELOPE REPAIRS							
Roof	2	bonding		\$ 660,000.00		\$ (264,217.00)	
Skylights	2	bonding		\$ 150,000.00			
Windows	2	bonding		\$ 340,000.00			
Masonry Repairs	2	bonding		\$ 850,000.00			
NON-CITY HALL REPAIRS/RENOVATIONS (Green Communities Grant)							
Police Station Lighting replacement/conservation (3.11)	3	Green Grant		\$ 80,000.00			
Fire Station Lighting replacement/conservation (3.16)	3	Green Grant		\$ 60,000.00			
Library Lighting replacement/conservation (3.13)	3	Green Grant		\$ 50,000.00			
City Hall Lighting replacement/conservation (3.15)	3	Green Grant		\$ 20,000.00			
DPW heating controls/automation and EF Controls					\$ 68,000.00		
City Hall heating controls/automation and thermostatic radiator valves					\$ 35,000.00		
Vehicle - 2011 Ford Escape Hybrid (Director of Inspectional Svcs)					\$ 25,000.00		
Subtotal: Public Property			\$ -	\$ 2,264,217.00	\$ 128,000.00	\$ (264,217.00)	\$ -
Library							
New Boiler	completed		\$ 30,000.00				
Subtotal: Library			\$ 30,000.00	\$ -	\$ -	\$ -	\$ -
Parking Department							
Museum Place Garage - Waterproof (analysis)	in progress		\$ 40,000.00				
Museum Place Garage - Waterproof (design/construct)	1	tbd		tbd			
Parking Study Recommendations (new smart-meters City Wide)	2	bonding		\$ 200,000.00			
Parking Study Recommendations (development of design plans: Riley Plaza)	3	Capital Outlay		\$ 25,000.00			
Parking Study Recommendations (construct 60 new spots: Riley Plaza)					tbd		
Parking Study Recommendations (automation of MP and SH garages)					tbd		
Crombie St. Lot - regrade/resurface/restripe					\$ 60,000.00		
South Harbor Garage - Waterproof, inspect/repair/replace joints					\$ 75,000.00		
Sweeper to maintain garages and lots						\$ 70,000.00	
New pickup truck (small Ranger/Colorado type, no plow or liftgate)							\$ 25,000.00
Subtotal: Parking Dept.			\$ 40,000.00	\$ 225,000.00	\$ 135,000.00	\$ 70,000.00	\$ 25,000.00

City of Salem
Capital Plan - General Fund
Fiscal Year 2011 - 2015

CAPITAL REQUEST	FY12 PRIORITY	FY12 - FUNDING SOURCE	ACTUAL FY 2011	DEPT REQUEST FY 2012	FY 2013	FY 2014	FY 2015
Police							
DHS/Seaport Cameras - Video Surveillance	completed		\$ 250,000.00				
Upgrade Law Enforcement Reporting and Records Mgmt Software/Hardware	in progress		\$ 25,000.00				
Vehicle Replacement - 4 marked patrol cars (2012 Chevy Caprice)	1	bonding		\$ 120,000.00			
Building Repairs - (HVAC DDC control system)	2	Capital Outlay		\$ 25,000.00			
Digital Radio Replacement (FCC required by 2013)					\$ 200,000.00		
Vehicle Replacement (marked patrol cars)				\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Vehicle Replacement (unmarked cars - admin, CID, etc.)				\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
New Roof - Police Station							\$ 200,000.00
Subtotal: Police			\$ 275,000.00	\$ 145,000.00	\$ 320,000.00	\$ 120,000.00	\$ 320,000.00
Fire							
Repair Apron - Central Station 48 Lafayette St.	completed		\$ 50,000.00				
Repair Ladder 2 to pass State inspection/UL certification process	completed		\$ 25,000.00				
Rebuild Engine #5 (pumper truck)	in progress		\$ 85,000.00				
Equipment - Radio Infrastructure and Portable Radios	completed		\$ 238,000.00				
Commercial Washer/Dryer for Station One	in progress		\$ 25,000.00				
Voice Recorder (for dispatch)	1	Capital Outlay		\$ 25,000.00			
General Building Maintenance	2	Capital Outlay		\$ 25,000.00			
New Ladder Truck #1					\$ 1,100,000.00		
Vehicle Replacement - 4x4 Utility Vehicle (Hybrid)					\$ 30,000.00		
General Building Maintenance					\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Rebuild Engine #4 (pumper truck)					\$ 95,000.00		
New Pumper Truck #4						\$ 475,000.00	
Personal Protection Gear							\$ 170,000.00
Subtotal: Fire			\$ 423,000.00	\$ 50,000.00	\$ 1,250,000.00	\$ 500,000.00	\$ 195,000.00
Harbormaster							
FY2011 F-350 4x4 pickup with snowplow					\$ 35,000.00		
Subtotal: Harbormaster			\$ -	\$ -	\$ 35,000.00	\$ -	\$ -
Electrical							
LED Light Replacement Program	completed		\$ 25,000.00				
Utility Truck - 4x4 Utility Vehicle	completed		\$ 30,000.00				
Inspectional Services Truck (F-150) and rack body	1	Capital Outlay		\$ 25,000.00			
LED Light Replacement Program	2	Capital Outlay		\$ 25,000.00			
Utility Truck - F350					\$ 35,000.00		
Streetlight Pole and Luminaire Replacement					\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Fire Alarm Terminal Boxes					\$ 25,000.00		
Bucket Truck replacement						\$ 100,000.00	
Streetlight Pole and Luminaire Replacement							
Subtotal: Electrical			\$ 55,000.00	\$ 50,000.00	\$ 85,000.00	\$ 125,000.00	\$ 25,000.00

City of Salem
Capital Plan - General Fund
Fiscal Year 2011 - 2015

CAPITAL REQUEST	FY12 PRIORITY	FY12 - FUNDING SOURCE	ACTUAL FY 2011	DEPT REQUEST FY 2012	FY 2013	FY 2014	FY 2015
Public Services - Equipment							
Municipal Tractor	completed	capital lease	\$ 110,000.00				
F-550 1 ton pickup with plow/sanader	1	bonding		\$ 65,000.00			
Beachcomber					\$ 35,000.00		
General Building Repairs (bathroom renovations)					\$ 35,000.00		
Vehicle Lift - Motor Pool					\$ 40,000.00		
Graffiti Removal Machine					\$ 45,000.00		
F-550 1 ton pickup					\$ 50,000.00		
Bandit wood chipper (Shade Tree Division)					\$ 50,000.00		
General Building Repairs (DPS Garage)					\$ 75,000.00		
2013 F-550 1 ton dump diesel (sander/plow)					\$ 75,000.00		
Salt Shed (Snow and Ice)						\$ 200,000.00	
4x4 economical						\$ 35,000.00	
2014 F-550 1 ton dump diesel (sander/plow)						\$ 80,000.00	
Aerial Lift Truck (Shade Tree Division)						\$ 150,000.00	
2015 F-550 1 ton dump diesel (sander/plow)							\$ 85,000.00
Subtotal: Public Services			\$ 110,000.00	\$ 65,000.00	\$ 405,000.00	\$ 465,000.00	\$ 85,000.00
Engineering - Roads, Sidewalks, & Crosswalks							
Roads, Sidewalks & Crosswalks (Chapter 90)	in progress	CH 90 GRANT	\$ 667,231.00				
Roads, Sidewalks & Crosswalks (non Chapter 90 eligible)	in progress		\$ 150,000.00				
Engineering - Derby Street (streetscape improvements)	in progress		\$ 25,000.00				
Engineering - Lafayette St (sidewalk improvements)	in progress		\$ 75,000.00				
Engineering - Boston Street	in progress		\$ 25,000.00				
Engineering - Repair to Fence (Jefferson Ave.)	in progress		\$ 25,000.00				
Bike Path - Design/Construction	in progress		\$ 25,000.00				
Engineering - Canal Street (roadway design/bike path - 75% design)	in progress		\$ 480,000.00				
Roads, Sidewalks & Crosswalks (Chapter 90)		CH 90 GRANT		\$ 870,920.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Roads, Sidewalks & Crosswalks (non Chapter 90 eligible)	1	bonding		\$ 800,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Utility Truck - 4x4 Utility Vehicle (Hybrid)					\$ 25,000.00		
Bike Path - Design/Construction					\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Engineering - Canal Street (interim improvements)					\$ 840,000.00		
Subtotal: Eng. - Roads, Sidewalks, Crosswalks			\$ 1,472,231.00	\$ 1,670,920.00	\$ 1,540,000.00	\$ 675,000.00	\$ 675,000.00
Engineering - Seawalls							
Seawall - Collins Cove (repairs as necessary)	1	bonding		\$ 125,000.00			
Seawall - Forest River					\$ 100,000.00		
Seawall - Columbus Ave.						\$ 100,000.00	
Subtotal: Engineering - Seawalls			\$ -	\$ 125,000.00	\$ 100,000.00	\$ 100,000.00	\$ -
Parks, Recreation & Community Services							
Winter Island Capital Improvements (Master Plan & Improvements)	in progress		\$ 140,000.00				
Playground upgrades	in progress		\$ 60,000.00				
Public Float and Gangway - Willows	completed		\$ 50,000.00				
Upgrades to Wrought Iron Fence - Salem Common	in progress		\$ 50,000.00				
Remediation work - McGrath Park	1	Capital Outlay	\$ 50,000.00				
Ford F-350 pickup truck (4x4 with plow/liftgate) for Winter Island	2	bonding		\$ 35,000.00			
Playground Upgrades	3	Capital Outlay		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Upgrades to Wrought Iron Fence - Salem Common	4	Capital Outlay		\$ 25,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Blaney Street Pier and Terminal - construction					\$ 18,000,000.00		
Garage Roof @ Mack Park						\$ 25,000.00	
Wall around Mack Park							\$ 200,000.00
Subtotal: Recreation			\$ 350,000.00	\$ 110,000.00	\$ 18,100,000.00	\$ 125,000.00	\$ 300,000.00

City of Salem
Capital Plan - General Fund
Fiscal Year 2011 - 2015

CAPITAL REQUEST	FY12 PRIORITY	FY12 - FUNDING SOURCE	ACTUAL FY 2011	DEPT REQUEST FY 2012	FY 2013	FY 2014	FY 2015
Council on Aging							
Senior Center - Furniture, Fixtures, and Equipment (FFE)					\$ 400,000.00		
Council on Aging Vans					\$ 75,000.00		\$ 75,000.00
Subtotal: Council on Aging			\$ -	\$ -	\$ 475,000.00	\$ -	\$ 75,000.00
Schools							
Collins - MSBA Project (waterproofing/masonry, etc - Study only)	in progress		\$ 687,062.00				
Saltonstall - MSBA Project (waterproofing/masonry, etc. Study only)	in progress		\$ 312,000.00				
Collins - MSBA Project (waterproofing/masonry, etc - design/build)	1	bonding		\$ 26,974,836.00			
Saltonstall - MSBA Project (waterproofing/masonry, etc. - design/build)	2	bonding		\$ 11,136,200.00			
42 Passenger Wheelchair Bus	3	bonding		\$ 87,500.00			
77 Passenger Type C conventional school bus	4	bonding		\$ 90,000.00			
Hot water heater replacement - Salem High School					\$ 45,000.00		
Roof top HVAC unit - Salerno Vocational School					\$ 85,000.00		
29 Passenger Type A school bus					\$ 44,000.00		
Integrated Communication System - Bentley					\$ 40,000.00		
Replace Carpeting with Vinyl Floor Tile - Bentley						\$ 157,000.00	
Subtotal: Schools			\$ 999,062.00	\$ 38,288,536.00	\$ 214,000.00	\$ 157,000.00	\$ -
Total - General Fund			\$ 3,779,293.00	\$ 43,118,673.00	\$ 22,787,000.00	\$ 2,189,963.00	\$ 1,700,000.00
LESS ~ Non Grant Funds to offset costs							
Municipal Lease (Municipal Tractor)			\$ (110,000.00)				
CIP Fund - (MIS - Technology improvements)			\$ (25,000.00)				
CIP Fund - (Library - New Furnace)			\$ (15,000.00)				
CIP Fund - (Parking - Waterproofing Study)			\$ (40,000.00)				
CIP Fund - (Police - CAD/Records Mgmt. Hardware/Software Study)			\$ (25,000.00)				
CIP Fund - (Fire - Central Station Apron Repairs)			\$ (50,000.00)				
CIP Fund - (Fire -Ladder 1 Repairs)			\$ (25,000.00)				
CIP Fund - (Fire - Rebuild Engine 5 - pumper truck)			\$ (85,000.00)				
CIP Fund - (Fire - City's portion of Grant)			\$ (25,000.00)				
CIP Fund - (Fire - Commercial Washer/Dryer)			\$ (25,000.00)				
CIP Fund - (Electric - 4x4 Hybrid)			\$ (30,000.00)				
CIP Fund - (Engineering - Derby St. Streetscape improvements)			\$ (25,000.00)				
CIP Fund - (Engineering - Lafayette St. sidewalk improvements)			\$ (75,000.00)				
CIP Fund - (Engineering - Boston St.)			\$ (25,000.00)				
CIP Fund - (Engineering - Fence Repairs)			\$ (25,000.00)				
CIP Fund - (Engineering - Bike Path.)			\$ (25,000.00)				
CIP Fund - (Park and Rec - Playground Updates)			\$ (60,000.00)				
CIP Fund - (Park and Rec - Willow's Gangway Floats)			\$ (50,000.00)				
CIP Fund - (Park and Rec. - Salem Common Fence)			\$ (50,000.00)				
CIP Fund - McGrath Park			\$ (25,000.00)				
2012 CIP: appropriation from Capital Outlay Account							
Capital Outlay - Fund 2000:							
Public Property - Cost of ESCO audit				\$ (54,217.00)			
Parking- Riley Plaza Plans				\$ (25,000.00)			
Police - HVAC DDC unit repairs				\$ (25,000.00)			
Fire - Voice Recorder				\$ (25,000.00)			
Fire - Building Repairs				\$ (25,000.00)			
Electrical - LED light replacement (final year)				\$ (25,000.00)			
Park, Rec, & Community Services - Playground updates				\$ (50,000.00)			
Park, Rec, & Community Service - Upgrades to Common Fence				\$ (25,000.00)			

City of Salem
Capital Plan - General Fund
Fiscal Year 2011 - 2015

CAPITAL REQUEST	FY12 PRIORITY	FY12 - FUNDING SOURCE	ACTUAL FY 2011	DEPT REQUEST FY 2012	FY 2013	FY 2014	FY 2015
LESS ~ Grants and other sources/funds to offset costs							
Chapter 90 Funds: (Roads/Sidewalks/Crosswalks)			\$ (667,231.00)		\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)
Library MEG Grant account - (Library Boiler)			\$ (15,000.00)				
Federal Grant - (COTP Boston - Ports of Salem/Gloucester)			\$ (250,000.00)				
Federal Grant - (Assistance to Firefighters Grant)			\$ (213,000.00)				
CIP Fund - (Electric - LED light replacement)			\$ (25,000.00)				
MSBA Funding - School Modernization (Collins & Salts)			\$ (779,268.36)				
ARRA Funding - Winter Island Master Plan			\$ (140,000.00)				
2012 CIP: Grants and other sources/funds to offset costs							
Chapter 90 Funds: (Roads/Sidewalks/Crosswalks)				\$ (870,920.00)			
Green Communities Grant and Rebates				\$ (210,000.00)			
MSBA Reimbursement - Collins (78%)				\$ (21,040,372.08)			
MSBA Reimbursement - Salts (78%)				\$ (8,686,236.00)			
Net ~ General Fund Expenses - to be bonded			\$ 874,793.64	\$ 12,056,927.92	\$ 22,287,000.00	\$ 1,689,963.00	\$ 1,200,000.00
			FY 2011	FY 2012	FY 2012	FY 2012	FY 2012

	FY2012		
Collins	\$ 5,934,463.92		
Salts	\$ 2,449,964.00		
Infrastructure - Road Paving	\$ 800,000.00		
Infrastructure - Seawall	\$ 125,000.00		
Vehicles - Includes School Buses	\$ 422,500.00		
Equipment	\$ 325,000.00		
Building Repairs	\$ 2,000,000.00		
	Bonds	Grants	Capital Outlay
To Be Bonded	\$ 12,056,927.92	\$ (30,807,528.08)	\$ (254,217.00)
		\$ 43,118,673.00	
		\$ 43,118,673.00	proof

FY12 CIP: Enterprise Funds – Executive Summary

- The total proposed Capital Plan for the City of Salem’s Enterprise Funds for FY12 is \$685,000. However, the total amount proposed for borrowing is only \$375,000.
- The Enterprise Fund’s Capital Plan has multiple funding sources, including retained earnings, SESD funds, and bonding.
- The list proposed has been reviewed and approved by the City’s Engineer.

FY12 Enterprise Fund CIP – Funding Sources

FY12 Enterprise Fund CIP – funded from one time revenue sources – Retained Earnings

- | | |
|--|------------|
| • Water: Energy Efficiency Evaluation – SBWSB pump station | \$ 35,000 |
| • Water: Main System Upgrades ~ Valve/Pipe Replacement | \$ 100,000 |
| • Sewer: Illicit Connection Removal | \$ 100,000 |
| • Sewer: Sewer Line Extension/Rehabilitation/Upgrades | \$ 50,000 |

TOTAL ~ WATER/SEWER RETAINED EARNINGS: \$285,000

FY12 Enterprise Fund CIP – funded from other financial sources (SESD)

- | | |
|--|-----------|
| • Sewer: Inflow/Infiltration Removal Program | \$ 25,000 |
|--|-----------|

TOTAL ~ GRANTS and OTHER FINANCIAL SOURCES: \$ 25,000

FY12 CIP – Funded from anticipated Bond Authorization

- | | |
|-------------------------------------|------------|
| • Sewer: Forrester St. Relief Drain | \$ 375,000 |
|-------------------------------------|------------|

TOTAL ~ BOND AUTHORIZATION: \$ 375,000

IMPACT OF CAPITAL IMPROVEMENT PROJECTS ON OPERATING BUDGET

Description	Cost	Funding	Impact on Operating Budget
Water – Main System upgrades	100,000	Retained Earnings – Enterprise Fund	Reduction in repairs to water systems.
Water – Energy Efficiency Evaluation	35,000	Retained Earnings – Enterprise Fund	Reductions in utility charges.
Sewer – Forrester St. Relief Drain	375,000	General Obligation Bond	Estimated debt service charge will be \$12,500 per year plus interest (30 year note – MGL 44/7/1)
Sewer – Illicit Connection removal	100,000	Retained Earnings – Enterprise Fund	No impact.
Sewer – Sewer Line Extension/Upgrades/Rehabilitation	50,000	Retained Earnings – Enterprise Fund	Reductions in emergency repairs.
Sewer – Inflow/Infiltration Removal Program	25,000	South Essex Sewerage District - Retained Earnings	No impact.

City of Salem
Capital Plan ~ Water and Sewer Enterprise Fund
Fiscal Year 2010 - 2015

CAPITAL REQUEST	FY12 PRIORITY	FUNDING SOURCE	ACTUAL pre - 2010	ACTUAL FY 2010	ACTUAL FY 2011	DEPT REQUEST FY 2012	FY 2013	FY2014	FY2015
Water Enterprise-Engineering									
Water System Improvements (2003)	ongoing	bonding	12,000,000						
Water Meters (2009)	ongoing	bonding	3,000,000						
Water Transmission Main (2009)	ongoing	bonding	2,500,000						
Main System Upgrades Vales/Pipe replacement	done	r/e		\$ 100,000.00					
Folly Hill Reservoir ~ Slope Stabilization Project	done	r/e		\$ 80,000.00					
Internal/External Rehabilitation ~ Gallows and Folly Hills Storage Tanks		bonding			\$ 1,000,000.00				
Energy efficiency evaluation - SBWSB pump station	1	r/e				\$ 35,000.00			
Main System Upgrades Vales/Pipe replacement	2	r/e				\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Water Easements - Research, Taking, Clearing							\$ 175,000.00		
Subtotal: Water Enterprise			\$ 17,500,000.00	\$ 180,000.00	\$ 1,000,000.00	\$ 135,000.00	\$ 275,000.00	\$ 100,000.00	\$ 100,000.00
Sewer Enterprise-Engineering									
South River Basin Upgrade (2009)	ongoing	bonding	4,350,000						
Sewer Line Extension/Upgrade/Rehabilitation	done	r/e		\$ 50,000.00					
I/I Removal Program	ongoing	SESD		\$ 25,000.00	\$ 25,000.00				
Bridge St. Sewer Reconstruction (design/construction)	ongoing	SESD			\$ 900,000.00				
Forrester St. Relief Drain	1	bonding				\$ 375,000.00			
Illicit connection removal (study, design, construction)	2	r/e				\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Sewer Line Extension/Upgrade/Rehabilitation	3	r/e				\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
I/I Removal Program	4	SESD				\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Subtotal: Sewer Enterprise			\$ 4,350,000.00	\$ 75,000.00	\$ 925,000.00	\$ 550,000.00	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00
Total: Enterprise Fund			\$ 21,850,000.00	\$ 255,000.00	\$ 1,925,000.00	\$ 685,000.00	\$ 450,000.00	\$ 275,000.00	\$ 275,000.00

NOTES ~ Funding Sources:

Bonds: 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 fund I/I campaigns (inflow and infiltration).

BAN: Bond anticipation notes

Authorized and Unissued: Debt has been authorized, but no issuance of bonds have occurred

Water and Sewer Enterprise Fund
Capital Projects Update – Approved Projects
April 20, 2011

Water Enterprise Fund

Highland Avenue Water Tank & Main System Upgrades (2003)

- Authorized: \$ 6,328,208
- Issued: \$ 2,000,000 (included \$36,000 paydown)
- Unissued: \$ 4,328,208

Status:

The 2003 \$12 million loan authorization included the recently completed Lafayette and Loring Ave. water main improvement project, the Highland Ave water tank design, and various system-wide upgrades to ensure proper long term operation of the city's water distribution system.

The Highland Ave water tank project is on hold pending the advancement of the Walmart/Lowe's development. The development should have its permits by the end of 2011, and complete site work (considerable blasting of ledge) by the end of 2012. The water tank construction can start in 2013. The estimated cost of the water tank, piping and scada system is \$4.5 million.

The main system upgrades includes the "non participating portion" of the Bridge Street project in the amount of \$800,000 (of a \$10.4 million dollar project). Other main system upgrades include looping many dead-end water mains and replacement of aging pipes and valves throughout the City. Estimated cost for the remaining improvements is \$1.2 million.

The existing \$2 million BAN has been converted to bonds in FY2011. The balance of the authorization (\$4,328,208) will continue to remain unauthorized and unissued until the Highland Avenue Water Tank work begins.

Transmission Main – Rantoul St. (2007)

- Authorized: \$ 2,500,000
- Issued: \$ 2,500,000
- Unissued: \$ 0

Status:

The 2007 \$2.5 million loan authorization is for the upgrade of the City's 20-inch transmission main in Rantoul Street, from Beverly Hospital to the Salem Beverly Bridge. The main upgrade is needed in anticipation of the city of Beverly's Rantoul street roadway construction project.

Construction was completed in 2010, and planning for the improvement to the remaining 20- and 30-inch water transmission main is underway, utilizing the available balance of the appropriation. Construction for this second phase of improvements should be completed by the end of calendar year 2011.

The existing \$2,500,000 BAN has been converted to bonds in FY2011.

Upgrade of Water Meters (2007)

- Authorized: \$ 3,000,000
- Issued: \$ 3,000,000
- Unissued: \$ 0

Status:

The 2007 \$3.0 million loan authorization is for the replacement of aging and inaccurate water meters and replacement of the meter reading capability in the city. A 100% replacement program is expected.

The installation of new automatic meter reading system and the new meters throughout the City began this year and should be complete within two years. All BAN's have been converted to bonds in FY2011.

Sewer Enterprise Fund

South River Basin Upgrade

- Authorized: \$ 4,350,000
- Issued: \$ 1,500,000
- Unissued: \$ 2,850,000

Status:

The 2007 \$4.35 million loan authorization included investigations and exhaustive elevation surveys, conduit cleanings, modeling and analysis to identify specific mitigation measures that should be implemented to achieve the projects objectives. Immediately following, the implementation of the selected measures, including permitting, design and construction would be conducted.

Improvement alternatives have been developed and currently being reviewed. A FEMA/MEMA grant application for the Canal Street and Parallel/Brooks/Jefferson Avenue area has been submitted. Once the alternative analysis is complete, a capital improvement plan will be created for implementation.

The \$1,451,000 BAN has been converted to \$1,500,000 in bonds in FY2011. The remaining \$2,850,000 will remain authorized and unissued.

Sewer Pump Station Upgrade/Replacement

- Authorized \$ 400,000
- Issued \$ 190,000
- Unissued \$ 210,000

Status:

The 2007 \$400,000 loan authorization included capital improvements to the City's water and sewerage pumps stations. Improvements include, but are not limited to new scada equipment, new pumps and motors, new stand by generators, etc at each station. This work has been completed and the entire \$400,000 authorization will be converted to bonds in FY2012.

Forrester St and Station/Moffat upgrades

- Authorized \$ 300,000 (\$150,000 per project)
- Issued \$ 300,000

Status:

The 2007 \$300,000 loan authorization included the study, design, permitting and construction of storm water improvements to mitigate flooding events in the city. Two major flood locations are on Station/Moffat road's drainage terminus at Monroe Road and the Forrester Ave. drainage systems' terminus at Derby and Webb Street. Completed to date is the cleaning and investigation of each drainage system. A new tide gate is planned for installation at the Forrester Avenue outfall. This work has been completed and the entire \$300,000 authorization has been converted to bonds in FY2011.

CIP Finance Summary for FY 2012 Projects

Department		Project	Total Estimated Expenditure	FY12	FY13	FY14	FY15	FY16	Yrs of Debt Svc. - MGL
Data Processing		Replace Domain Controller & Exchange Servers	\$ 125,000	\$ -	\$ 31,250	\$ 30,000	\$ 28,750	\$ 27,500	5 - G.L. c.44, § 7 clause 9
Public Property		ESCO Audit	\$ 54,217	\$ 54,217					
Public Property		City Hall Roof	\$ 660,000	\$ -	\$ 55,000	\$ 53,900	\$ 52,800	\$ 51,700	30 - G.L. c.44, § 7 clause 3A
Public Property		City Hall Skylights	\$ 150,000	\$ -	\$ 12,500	\$ 12,250	\$ 12,000	\$ 11,750	30 - G.L. c.44, § 7 clause 3A
Public Property		City Hall Windows	\$ 340,000	\$ -	\$ 28,333	\$ 27,766	\$ 27,200	\$ 26,633	30 - G.L. c.44, § 7 clause 3A
Public Property		City Hall Masonry Repairs	\$ 850,000	\$ -	\$ 70,833	\$ 69,416	\$ 68,000	\$ 68,583	30 - G.L. c.44, § 7 clause 3A
Public Property		Police Station Lighting replacement /conservation(3.11)	\$ 80,000	\$ 80,000					
Public Property		Fire Station Lighting replacement/conservation(3.16)	\$ 60,000	\$ 60,000					
Public Property		Library Lighting replacement/ conservation(3.13)	\$ 50,000	\$ 50,000					
Public Property		City Hall Lighting replacement /conservation(3.15)	\$ 20,000	\$ 20,000					
Parking Department		Parking Study Recommendation(new smart-meters City Wide)	\$ 200,000	\$ -	\$ 30,000	\$ 29,000	\$ 28,000	\$ 27,000	10 - G.L. c.44, § 7 clause 5
Parking Department		Parking Study Recommendation(development of design plans:Riley Plaza)	\$ 25,000	\$ 25,000					
Police		Vehicle Replacement - 4 marked patrol cars(2012 Chevy Caprice)	\$ 120,000	\$ -	\$ 30,000	\$ 28,800	\$ 27,600	\$ 26,400	5 - G.L. c.44, § 7 clause 9
Police		Repair/Renovation - HVAC DDC control system	\$ 25,000	\$ 25,000					
Fire		General Building Maintenance	\$ 25,000	\$ 25,000					
Fire		Equipment - Voice Recorder(for dispatch)	\$ 25,000	\$ 25,000					
Electrical		Vehicles - Inspectional Service Truck F-150 pickup and rack body	\$ 25,000	\$ 25,000					
Electrical		Equipment - LED Light Replacement Program	\$ 25,000	\$ 25,000					
Public Services		Equipment - F-550 1 ton pickup with plow & sander	\$ 65,000	\$ -	\$ 16,250	\$ 15,600	\$ 14,950	\$ 14,300	5 - G.L. c.44, § 7 clause 9
Engineering		Infrastructure - roads, sidewalks, crosswalks(non Chapter 90 eligible)	\$ 800,000	\$ -	\$ 93,333	\$ 90,666	\$ 87,670	\$ 85,333	15 - G.L. c.44, § 7 clause 6
Engineering		Infrastructure - roads, sidewalks, crosswalks (Ch. 90)	\$ 870,920	\$ 870,920					
Engineering		Infrastructure - Collins Cove Seawall(repairs as necessary)	\$ 125,000	\$ -	\$ 12,500	\$ 12,250	\$ 12,000	\$ 11,750	20 - G.L. c.44, § 7 clause 7
Parks, Rec. & Comm Svcs.		Vehicle - F-350 4x4 pickup with plow/liftgate - Winter Island	\$ 35,000	\$ -	\$ 9,000	\$ 8,700	\$ 8,400	\$ 8,100	5 - G.L. c.44, § 7 clause 9
Parks, Rec. & Comm Svcs.		Equipment - Upgrades and Playground equipment	\$ 50,000	\$ 50,000					
Parks, Rec. & Comm Svcs.		Infrastructure - Wrought Iron Fence @ Salem Common	\$ 25,000	\$ 25,000					
Subtotal - Municipal			\$ 4,830,137	\$ 1,360,137	\$ 388,999	\$ 378,348	\$ 367,370	\$ 359,049	
Schools		Buildings - Collins - design/build (MSBA project)	\$ 26,974,836	\$ 21,040,372	\$ 148,362	\$ 496,723	\$ 486,723	\$ 476,723	30 - G.L. c.44, § 7 clause 3A
Schools		Buildings - Salts - design/build (MSBA project)	\$ 11,136,200	\$ 8,686,236	\$ 61,249	\$ 202,498	\$ 192,498	\$ 182,498	30 - G.L. c.44, § 7 clause 3A
Schools		Vehicle - 42 passenger wheelchair bus	\$ 87,500	\$ -	\$ 22,000	\$ 21,150	\$ 20,700	\$ 19,850	5 - G.L. c.44, § 7 clause 9
Schools		Vehicle - 77 passenger conventional bus	\$ 90,000	\$ -	\$ 23,000	\$ 22,300	\$ 21,900	\$ 21,150	5 - G.L. c.44, § 7 clause 9
Subtotal - Schools			\$ 38,288,536	\$ 29,726,608	\$ 254,611	\$ 742,671	\$ 721,821	\$ 700,221	
Water		Infrastructure - Main System Upgrades Valves/Pipes	\$ 100,000	\$ 100,000					
Water		Infrastructure - Energy efficient evaluation	\$ 35,000	\$ 35,000					
Sewer		Infrastructure - Forrester Street Relief Drain	\$ 375,000		\$ 31,250	\$ 30,750	\$ 30,250	\$ 29,750	30 - G.L. c.44, § 7 clause 1
Sewer		Infrastructure - Sewer Line Upgrades/Rehabilitation	\$ 50,000	\$ 50,000					
Sewer		Infrastructure - Inflow/Infiltration Removal Program	\$ 25,000	\$ 25,000					
Sewer		Infrastructure - Illicit connection removal	\$ 100,000	\$ 100,000					
			\$ 685,000	\$ 310,000	\$ 31,250	\$ 30,750	\$ 30,250	\$ 29,750	
TOTAL EXPENDITURES - City, School, Enterprise			\$ 43,803,673	\$ 31,396,745	\$ 674,860	\$ 1,151,769	\$ 1,119,441	\$ 1,089,020	

CIP Finance Summary for FY 2012 Projects

		Total Estimated Expenditure	FY12	FY13	FY14	FY15	FY16	
Department	Project							Yrs of Debt Svc. - MGL
Funding Summary:	General Obligation Bonds - General Fund	\$ 12,056,928	\$ -	\$ 643,610	\$ 1,121,019	\$ 1,089,191	\$ 1,059,270	
	General Obligation Bonds - Enterprise Fund	\$ 375,000	\$ -	\$ 31,250	\$ 30,750	\$ 30,250	\$ 29,750	
	Capital Outlay (CIP Fund)	\$ 254,217	\$ 254,217					
	Enterprise Fund - Retained Earnings	\$ 210,000	\$ 210,000					
	Enterprise Fund - SESD Retained Earnings	\$ 25,000	\$ 25,000					
	State Aid - Chapter 90 Funds	\$ 870,920	\$ 870,920					
	Green Communities Grant	\$ 210,000	\$ 210,000					
	MSBA reimbursement - Collins (78%)	\$ 21,040,372	\$ 21,040,372					
	MSBA reimbursement - Salts (78%)	\$ 8,686,236	\$ 8,686,236					
TOTAL FUNDING - City, School, Enterprise		\$ 43,728,673	\$ 31,296,745	\$ 674,860	\$ 1,151,769	\$ 1,119,441	\$ 1,089,020	

Long-Term Debt Obligations
Fiscal Year 2011 - 2030

Date of Issue	Original Issue	Project	O/S	Pmt Sch	Interest Rate (%)	Outstanding	2012		2013		2014	
						at June 30, 2011	Principal	Intererst	Principal	Interest	Principal	Intererst
Bonds:												
9/15/2000	10,705,000	Bates School Construction*	x	x	4.50-6.75%		-	-	-	-	-	-
9/15/2000	450,000	Swimming Pool*	x	x	4.50-6.75%		-	-	-	-	-	-
9/15/2000	470,000	Golf Course*	x	x	4.50-6.75%		-	-	-	-	-	-
8/1/2001	4,710,000	School Construction	x	x	3.50-4.00%		-	-	-	-	-	-
8/1/2001	6,495,000	School Construction	x	x	3.50-4.00%	612,000.00	612,000.00	12,240.00	-	-	-	-
8/1/2001	2,935,000	Police Station	x	x	3.50-4.00%	293,000.00	293,000.00	5,860.00	-	-	-	-
1/15/2003	17,646,075	School Construction	x	x	3.00-5.00%	12,280,000.00	805,000.00	540,100.00	840,000.00	509,912.50	875,000.00	476,312.50
1/15/2003	9,523,925	School Construction	x	x	3.00-5.00%	6,625,000.00	435,000.00	291,328.76	455,000.00	275,016.26	470,000.00	256,816.26
1/15/2003	1,500,000	School Construction	x	x	3.00-5.00%	920,000.00	85,000.00	39,655.00	90,000.00	36,467.50	95,000.00	32,867.50
6/1/2003	4,480,000	School Construction	x	x	2.25-4.50%	925,000.00	465,000.00	27,675.00	460,000.00	10,350.00	-	
1/1/2005	1,887,447	School Construction	x	x	3.00-5.00%	1,315,000.00	95,000.00	55,561.26	95,000.00	52,331.26	95,000.00	47,581.26
1/1/2005	577,553	School Construction	x	x	3.00-5.00%	395,000.00	30,000.00	16,707.50	30,000.00	15,687.50	30,000.00	14,187.50
1/1/2005	1,100,000	Parking Garage Repairs	x	x	3.00-5.00%	650,000.00	75,000.00	27,800.00	75,000.00	25,250.00	75,000.00	21,500.00
2006	2,330,656	Water-MWPAT-DW-05-12	N/A	x	2.00%	1,939,280.00	103,880.00	37,746.80	105,978.00	35,648.22	108,119.00	33,507.25
10/15/2007	6,885,633	High School	x	x	4.125-5.00%	5,850,000.00	345,000.00	233,118.76	345,000.00	215,868.76	345,000.00	200,343.76
10/15/2007	3,250,503	Water System Improvements	x	x	4.125-5.00%	2,750,000.00	165,000.00	109,562.50	165,000.00	101,312.50	165,000.00	93,887.50
10/15/2007	658,864	Police Equipment	x	x	3.750-5.00%	400,000.00	80,000.00	15,400.00	80,000.00	11,400.00	80,000.00	7,800.00
10/15/2007	775,000	Ferry Boat Project	x	x	4.00-5.00%	595,000.00	60,000.00	23,350.00	60,000.00	20,350.00	60,000.00	17,650.00
1/19/2010	8,285,000	G.O. State Qual Refunding*	x	x	2.00-5.00%	8,285,000.00	870,000.00	254,975.00	840,000.00	237,875.00	1,400,000.00	194,475.00
10/15/2010	7,464,000	Water Bonds	x	x	3.00 & 4.00%	7,464,000.00	444,000.00	269,860.00	440,000.00	256,600.00	440,000.00	243,400.00
10/15/2010	1,690,000	Sewer Bonds	x	x	3.00 & 4.00%	1,690,000.00	105,000.00	61,125.00	100,000.00	58,050.00	95,000.00	55,125.00
10/15/2010	1,995,000	CIP 2009 Bonds	x	x	3.00 & 4.00%	1,995,000.00	245,000.00	64,525.00	245,000.00	57,175.00	235,000.00	49,975.00
10/15/2010	4,224,000	CIP 2010 Bonds	x	x	3.00 & 4.00%	4,224,000.00	394,000.00	143,760.00	390,000.00	132,000.00	385,000.00	120,375.00
BOND TOTAL						54,983,280.00	5,706,880.00	2,230,350.58	4,815,978.00	2,051,294.50	4,953,119.00	1,865,803.53
HUD Section 108 Loans:												
6/30/2004	350,000	HUD Section 108 B-94-MC-25			2.31-5.19%	140,000	35,000.00	6,168.75	35,000.00	4,462.50	35,000.00	2,705.50
HUD SECTION 108 TOTAL						140,000.00	35,000.00	6,168.75	35,000.00	4,462.50	35,000.00	2,705.50
TOTAL LONG-TERM DEBT						55,123,280.00	5,741,880.00	2,236,519.33	4,850,978.00	2,055,757.00	4,988,119.00	1,868,509.03

*Refinanced 1/19/10 as General Obligation State Qualified Bond

Long-Term Debt Obligations
Fiscal Year 2011 - 2030

Date of Issue	Original Issue	Project	2015		2016		2017		2018		2019	
			Principal	Interest	Principal	Intererst	Principal	Interest	Principal	Intererst	Principal	Interest
Bonds:												
9/15/2000	10,705,000	Bates School Construction*	-	-	-	-	-	-	-	-	-	-
9/15/2000	450,000	Swimming Pool*	-	-	-	-	-	-	-	-	-	-
9/15/2000	470,000	Golf Course*	-	-	-	-	-	-	-	-	-	-
8/1/2001	4,710,000	School Construction	-	-	-	-	-	-	-	-	-	-
8/1/2001	6,495,000	School Construction	-	-	-	-	-	-	-	-	-	-
8/1/2001	2,935,000	Police Station	-	-	-	-	-	-	-	-	-	-
1/15/2003	17,646,075	School Construction	915,000.00	441,312.50	950,000.00	404,712.50	990,000.00	365,525.00	1,035,000.00	323,450.00	1,080,000.00	278,945.00
1/15/2003	9,523,925	School Construction	495,000.00	238,016.26	515,000.00	218,216.26	535,000.00	196,972.50	560,000.00	174,235.00	580,000.00	150,155.00
1/15/2003	1,500,000	School Construction	100,000.00	29,067.50	100,000.00	25,067.50	105,000.00	20,942.50	110,000.00	16,480.00	115,000.00	11,750.00
6/1/2003	4,480,000	School Construction	-	-	-	-	-	-	-	-	-	-
1/1/2005	1,887,447	School Construction	95,000.00	42,831.26	95,000.00	38,081.26	95,000.00	34,281.26	95,000.00	30,481.26	95,000.00	26,681.26
1/1/2005	577,553	School Construction	30,000.00	12,687.50	30,000.00	11,187.50	30,000.00	9,987.50	30,000.00	8,787.50	30,000.00	7,587.50
1/1/2005	1,100,000	Parking Garage Repairs	75,000.00	17,750.00	75,000.00	14,000.00	75,000.00	11,000.00	75,000.00	8,000.00	75,000.00	5,000.00
2006	2,330,656	Water-MWPAT-DW-05-12	110,303.00	31,323.03	112,532.00	29,094.68	114,805.00	26,821.31	117,124.00	24,502.02	119,490.00	22,135.88
10/15/2007	6,885,633	High School	345,000.00	186,543.76	345,000.00	173,175.01	345,000.00	159,806.26	345,000.00	146,006.26	345,000.00	132,206.26
10/15/2007	3,250,503	Water System Improvements	165,000.00	87,287.50	165,000.00	80,893.75	165,000.00	74,500.00	160,000.00	68,000.00	160,000.00	61,600.00
10/15/2007	658,864	Police Equipment	80,000.00	4,600.00	80,000.00	1,500.00						
10/15/2007	775,000	Ferry Boat Project	60,000.00	15,250.00	60,000.00	12,925.00	60,000.00	10,600.00	60,000.00	8,200.00	60,000.00	5,800.00
1/19/2010	8,285,000	G.O. State Qual Refunding*	840,000.00	146,875.00	850,000.00	121,525.00	785,000.00	73,300.00	830,000.00	47,887.50	860,000.00	17,200.00
10/15/2010	7,464,000	Water Bonds	440,000.00	230,200.00	440,000.00	217,000.00	440,000.00	201,600.00	440,000.00	184,000.00	440,000.00	166,400.00
10/15/2010	1,690,000	Sewer Bonds	95,000.00	52,275.00	95,000.00	49,425.00	95,000.00	46,100.00	95,000.00	42,300.00	95,000.00	38,500.00
10/15/2010	1,995,000	CIP 2009 Bonds	225,000.00	43,075.00	210,000.00	36,550.00	150,000.00	30,400.00	140,000.00	24,600.00	135,000.00	19,100.00
10/15/2010	4,224,000	CIP 2010 Bonds	380,000.00	108,900.00	380,000.00	97,500.00	330,000.00	85,200.00	315,000.00	72,300.00	315,000.00	59,700.00
BOND TOTAL			4,450,303.00	1,687,994.31	4,502,532.00	1,530,853.46	4,314,805.00	1,347,036.33	4,407,124.00	1,179,229.54	4,504,490.00	1,002,760.90
HUD Section 108 Loans:												
6/30/2004	350,000	HUD Section 108 B-94-MC-25	35,000.00	908.25								
HUD SECTION 108 TOTAL			35,000.00	908.25								
TOTAL LONG-TERM DEBT			4,485,303.00	1,688,902.56	4,502,532.00	1,530,853.46	4,314,805.00	1,347,036.33	4,407,124.00	1,179,229.54	4,504,490.00	1,002,760.90

*Refinanced 1/19/10 as General Obligation State Qualified Bond

Long-Term Debt Obligations
Fiscal Year 2011 - 2030

Date of Issue	Original Issue	Project	2020		2021		2022		2023		2024	
			Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Bonds:												
9/15/2000	10,705,000	Bates School Construction*	-	-	-	-	-	-	-	-	-	-
9/15/2000	450,000	Swimming Pool*	-	-	-	-	-	-	-	-	-	-
9/15/2000	470,000	Golf Course*	-	-	-	-	-	-	-	-	-	-
8/1/2001	4,710,000	School Construction	-	-	-	-	-	-	-	-	-	-
8/1/2001	6,495,000	School Construction	-	-	-	-	-	-	-	-	-	-
8/1/2001	2,935,000	Police Station	-	-	-	-	-	-	-	-	-	-
1/15/2003	17,646,075	School Construction	1,125,000.00	224,945.00	1,170,000.00	168,695.00	1,220,000.00	116,045.00	1,275,000.00	59,925.00	-	-
1/15/2003	9,523,925	School Construction	605,000.00	121,155.00	630,000.00	90,905.00	660,000.00	62,555.00	685,000.00	32,195.00	-	-
1/15/2003	1,500,000	School Construction	120,000.00	6,000.00	-	-	-	-	-	-	-	-
6/1/2003	4,480,000	School Construction	-	-	-	-	-	-	-	-	-	-
1/1/2005	1,887,447	School Construction	95,000.00	22,881.26	95,000.00	19,081.26	95,000.00	15,281.26	90,000.00	11,362.50	90,000.00	7,650.00
1/1/2005	577,553	School Construction	30,000.00	6,387.50	25,000.00	5,187.50	25,000.00	4,187.50	25,000.00	3,156.26	25,000.00	2,125.00
1/1/2005	1,100,000	Parking Garage Repairs	50,000.00	2,000.00	-	-	-	-	-	-	-	-
2006	2,330,656	Water-MWPAT-DW-05-12	121,904.00	19,721.94	124,367.00	17,259.23	126,880.00	14,746.76	129,443.00	12,183.53	132,058.00	9,568.52
10/15/2007	6,885,633	High School	345,000.00	118,406.26	345,000.00	104,606.26	345,000.00	90,806.26	345,000.00	77,006.26	345,000.00	63,206.26
10/15/2007	3,250,503	Water System Improvements	160,000.00	55,200.00	160,000.00	48,800.00	160,000.00	42,400.00	160,000.00	36,000.00	160,000.00	29,600.00
10/15/2007	658,864	Police Equipment										
10/15/2007	775,000	Ferry Boat Project	60,000.00	3,400.00	55,000.00	1,100.00						
1/19/2010	8,285,000	G.O. State Qual Refunding*										
10/15/2010	7,464,000	Water Bonds	440,000.00	148,800.00	440,000.00	131,200.00	440,000.00	113,600.00	440,000.00	96,000.00	435,000.00	78,500.00
10/15/2010	1,690,000	Sewer Bonds	95,000.00	34,700.00	90,000.00	31,000.00	85,000.00	27,500.00	85,000.00	24,100.00	85,000.00	20,700.00
10/15/2010	1,995,000	CIP 2009 Bonds	130,000.00	13,800.00	130,000.00	8,600.00	30,000.00	5,400.00	30,000.00	4,200.00	30,000.00	3,000.00
10/15/2010	4,224,000	CIP 2010 Bonds	310,000.00	47,200.00	305,000.00	34,900.00	170,000.00	25,400.00	170,000.00	18,600.00	170,000.00	11,800.00
BOND TOTAL			3,686,904.00	824,596.96	3,569,367.00	661,334.25	3,356,880.00	517,921.78	3,434,443.00	374,728.55	1,472,058.00	226,149.78
HUD Section 108 Loans:												
6/30/2004	350,000	HUD Section 108 B-94-MC-25										
HUD SECTION 108 TOTAL												
TOTAL LONG-TERM DEBT			3,686,904.00	824,596.96	3,569,367.00	661,334.25	3,356,880.00	517,921.78	3,434,443.00	374,728.55	1,472,058.00	226,149.78
*Refinanced 1/19/10 as General Obligation State Qualified Bond												

*Refinanced 1/19/10 as General Obligation State Qualified Bond

Long-Term Debt Obligations
Fiscal Year 2011 - 2030

Date of Issue	Original Issue	Project	2025		2026		2027		2028		2029		2030	
			Principal	Interest	Principal	Intererst	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Bonds:														
9/15/2000	10,705,000	Bates School Construction*	-	-	-	-	-	-	-	-	-	-	-	-
9/15/2000	450,000	Swimming Pool*	-	-	-	-	-	-	-	-	-	-	-	-
9/15/2000	470,000	Golf Course*	-	-	-	-	-	-	-	-	-	-	-	-
8/1/2001	4,710,000	School Construction	-	-	-	-	-	-	-	-	-	-	-	-
8/1/2001	6,495,000	School Construction	-	-	-	-	-	-	-	-	-	-	-	-
8/1/2001	2,935,000	Police Station	-	-	-	-	-	-	-	-	-	-	-	-
1/15/2003	17,646,075	School Construction	-	-	-	-	-	-	-	-	-	-	-	-
1/15/2003	9,523,925	School Construction	-	-	-	-	-	-	-	-	-	-	-	-
1/15/2003	1,500,000	School Construction	-	-	-	-	-	-	-	-	-	-	-	-
6/1/2003	4,480,000	School Construction	-	-	-	-	-	-	-	-	-	-	-	-
1/1/2005	1,887,447	School Construction	90,000.00	3,825.00	-	-	-	-	-	-	-	-	-	-
1/1/2005	577,553	School Construction	25,000.00	1,062.50	-	-	-	-	-	-	-	-	-	-
1/1/2005	1,100,000	Parking Garage Repairs	-	-	-	-	-	-	-	-	-	-	-	-
2006	2,330,656	Water-MWPAT-DW-05-12	134,726.00	6,900.68	137,447.00	4,178.95	140,224.00	1,402.24	-	-	-	-	-	-
10/15/2007	6,885,633	High School	345,000.00	49,190.63	340,000.00	35,062.50	340,000.00	21,037.50	340,000.00	7,012.50	-	-	-	-
10/15/2007	3,250,503	Water System Improvements	160,000.00	23,100.00	160,000.00	16,500.00	160,000.00	9,900.00	160,000.00	3,300.00	-	-	-	-
10/15/2007	658,864	Police Equipment	-	-	-	-	-	-	-	-	-	-	-	-
10/15/2007	775,000	Ferry Boat Project	-	-	-	-	-	-	-	-	-	-	-	-
1/19/2010	8,285,000	G.O. State Qual Refunding*	-	-	-	-	-	-	-	-	-	-	-	-
10/15/2010	7,464,000	Water Bonds	435,000.00	61,100.00	430,000.00	43,800.00	230,000.00	30,600.00	230,000.00	21,400.00	230,000.00	12,200.00	95,000.00	5,700.00
10/15/2010	1,690,000	Sewer Bonds	85,000.00	17,300.00	85,000.00	13,900.00	85,000.00	10,500.00	85,000.00	7,100.00	85,000.00	3,700.00	50,000.00	1,000.00
10/15/2010	1,995,000	CIP 2009 Bonds	30,000.00	1,800.00	30,000.00	600.00	-	-	-	-	-	-	-	-
10/15/2010	4,224,000	CIP 2010 Bonds	170,000.00	5,000.00	40,000.00	800.00	-	-	-	-	-	-	-	-
BOND TOTAL			1,474,726.00	169,278.81	1,222,447.00	114,841.45	955,224.00	73,439.74	815,000.00	38,812.50	315,000.00	15,900.00	145,000.00	6,700.00
HUD Section 108 Loans:														
6/30/2004	350,000	HUD Section 108 B-94-MC-25	-	-	-	-	-	-	-	-	-	-	-	-
HUD SECTION 108 TOTAL			-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LONG-TERM DEBT			1,474,726.00	169,278.81	1,222,447.00	114,841.45	955,224.00	73,439.74	815,000.00	38,812.50	315,000.00	15,900.00	145,000.00	6,700.00

*Refinanced 1/19/10 as General Obligation State Qualified Bond

Capital Improvement Policies

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 whose 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.

Debt Policies

- The city will confine long-term borrowing to capital improvements or projects/equipment that cannot be finance from current revenues.
- 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.
- 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.
- Total general obligation debt will not exceed that 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 retire bond anticipation debt within six months after completion of the project.
- 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