

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 capital improvement budget and the overall budget strategy. By formalizing a capital plan and capital budget, the City of Salem now has the ability and knowledge to address deferred maintenance issues that have been postponed and ignored in prior years, as well as plan for the future needs of the City.

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 for certain projects that can be covered in full by such retained earnings. From a financing perspective, priority is given to projects with grant revenues or other matching funds to offset the costs of borrowing.

Addressing capital needs when appropriate will assist the City in reaching many of its longer-term goals such as reducing fuel consumption, decreasing deferred maintenance costs, reducing heating and electricity expenses, and creating efficiencies by means of technological advances and automation. As important, a sound capital improvement program 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.

Goals of the Mayor – FY2014 Capital Improvement Program (CIP)

The Mayor's main goals are to improve the overall planning and budget process for addressing capital needs and to 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, 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. Priority is given to projects that can use grant funds to help offset overall costs of projects, or in some cases, fund an entire project. Otherwise, projects are ranked based upon priority as well as the ability to reduce long term operational costs.

FY2014 Capital Improvement Program (CIP) – highlights of proposed CIP and FY2014 Capital Budget

For FY2014, the Mayor and Finance Director have created a capital plan that is fiscally responsible and transparent. The plan includes a particular focus on asset preservation, replacement of apparatus and equipment, and continued improvements to the City's infrastructure.

Also, with regards to the City's infrastructure, the City is scheduled to receive an estimated \$1,000,000 from the State for road repairs.

Other infrastructure related improvements include the City's committed financial portion to the construction of the new MBTA garage, upgrades to the security systems at Salem Public Schools, continuation of the development of the Salem Wharf project at Blaney Street pier, upkeep and maintenance of the Museum Place Garage, and the continued replacement of sections of the historic wrought iron fence at Salem Common.

The City proposes to use \$303,000 of one time funds for the replacement of capital equipment, including computer hardware, various public service and parks department equipment, as well as building repairs and maintenance.

The City also proposes to enter into a capital lease of \$279,000 the purchase of city vehicles and equipment, including one marked and one un-marked police cruiser, one school bus, one backhoe and one heavy duty pick-up truck.

As a new addition to the capital budget this year, the City proposes \$397,000 in Community Preservation Act projects. Projects for approval include the cleaning of Conant and Choate statues, open space beautification, upgrades to the historic wrought iron fences at the Salem Common, and a new splash pad for the recreation department at Forest Hills.

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 1/2.

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 2014 CIP Overview

During the FY2014 budget process, the City's Finance Director met with department heads to review the requests for FY2014. The Finance Director subsequently met with the Mayor to discuss funding options and priority levels for the requested items. This resulted in the FY2014 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 \$5,880,700 of which \$2,255,800 will come from State and Federal Grants, \$90,000 from R/Reserved, \$26,000 from Revolving Funds, \$396,700 from estimated Community Preservation Act Funds, \$353,000 will come from the Capital Outlay account, \$279,000 will come from capital leases and \$2,480,000 will come from a loan order.

FY 2014 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 FY2014 that is routine in nature would be as follows:

Vehicles (Police Department)

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|-------------------------------|-----------|
| • One Marked Police Cruiser | \$ 38,000 |
| • One Unmarked Police Cruiser | \$ 34,000 |

Buses (School Department)

- One 77 Passenger School Bus \$ 100,000

TOTAL: Vehicle Replacement	\$ 172,000
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Heavy Equipment (Public Services Department)

- Replace 1999 Ford F550 Dump Truck (Unit #86) \$ 69,000
- Replace 1987 John Deere Backhoe (Unit # 37) 12 year life \$ 128,000
- Replace 1999 Ford F350 pickup (Unit # 121) \$ 38,000

TOTAL: Heavy Equipment Replacement	\$ 235,000
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Public Safety Equipment

Fire Department

- Self-Contained Breathing Apparatus - cylinders (10 year life) \$ 55,000
- Jaws of Life for New Ladder Truck \$ 42,000
- Alter Door Height to accommodate Ladder 1 at Station 4 \$ 60,000

Police Department

- Bullet Proof Vest Replacement \$ 38,000 (Partially grant funded)

TOTAL: Public Safety Equipment	\$ 195,000
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Departmental Equipment

- I.T. (Hardware/Software/Consulting Services) \$ 140,000
- Electrical (Generator/Fire Alarm Terminal Boxes/Painting) \$ 65,000
- Recreation (Security Access Controls-Winter Island) \$ 25,000

TOTAL: Departmental Equipment	\$ 230,000
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General Repairs/Infrastructure

- Roads, Sidewalks & Crosswalks (non-Chapter 90 eligible) \$ 150,000
- Engineering - Canal Street (interim improvements) \$ 210,000
- Engineering- Bike Path - Design/Construction \$ 25,000
- Parks and Recreation (Salem Common Fence) \$ 50,000
- Parking- Museum Place Garage Waterproofing \$ 1,120,000

TOTAL: General Repairs/Infrastructure	\$ 1,555,000
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School Department

- District Wide Security Updates \$ 125,000

TOTAL: School Department	\$ 125,000
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R/Reserve/Revolving Fund Projects (No impact on General Fund)

- Harbormaster – Repowers Pacific Patrol Boat \$ 26,200
- Parks and Recreation – Golf Course Equipment \$ 40,000
- Parks and Recreation – Olde Salem Green Cart Paths \$ 25,000
- Parks and Recreation- Repairs to the Witch House \$ 25,000

TOTAL: R/Reserve and Revolving Fund Projects	\$ 116,200
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Community Preservation Act Funds – (Contingent upon approval of Community Preservation Committee (CPC))

• Library - Replacement of window frames and sills	\$	75,000
• Parks and Recreation-Upgrades to historic wrought iron fence	\$	50,000
• Parks and Recreation- Splash Pad at Forest River Park	\$	180,000
• Planning - Cleaning of Conant and Choate Statues	\$	41,700
• Planning - Open Space Beautification (Space Building)	\$	50,000

TOTAL: Community Preservation Act Projects	\$	396,700
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Grant Funding and Other Financial Sources

• Library- Replacement of window frames and sills	\$	50,000
• Planning - Blaney Street Pier and Terminal	\$	700,000
• Planning – Winter Island Scenic Pathway/Historic Fort	\$	500,000
• Police- Bullet Proof Vest Replacement	\$	30,800
• Public Services - Ch. 90 Roadway Improvements	\$	1,000,000

TOTAL: Projects Dependent on Grant Funding	\$	2,255,800
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GRAND TOTAL:	\$	5,880,700
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FY 2014 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 capital projects are all considered non-routine. The City does not have any debt service proposed for FY2014 that is non-routine in nature.

FY 2014 CIP GENERAL FUND EXECUTIVE SUMMARY

The total proposed Capital Plan for the City of Salem for is \$5,880,700. However, the total amount proposed for borrowing is \$2,480,000. This Capital Plan has multiple funding sources, including grant funds, capital lease, one-time appropriations, Community Preservation Act funds, 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.

FY14 CIP – Funding Sources

FY14 CIP – funded from one time revenue sources – Capital Outlay Fund

• Information Technology – Redundant Servers/Windows Upgrades	\$ 140,000
• Information Technology – Consulting for Consolidation School/City IT Services	\$ 30,000
• Electrical – North and Summer Streets Loop Detector System	\$ 25,000
• Police Department – Bullet Proof Vest Replacement	\$ 38,800 <i>(Partially Grant Funded)</i>
• Parks and Rec.—Upgrades to Historic Wrought Iron Fence	\$ 50,000 <i>(Fund 2001-CPA Projects)</i>
• Parks and Rec. – Security Access Controls at Winter Island	\$ 25,000
• Electric Department – Maintenance/Repairs – Streetlights	\$ 25,000
• Electric Department – Painting Pedestrian/Historical Streetlights	\$ 25,000
• Schools – Early Childhood Center Building Transition	\$ 25,000

TOTAL ~ CAPITAL OUTLAY FUND:	\$ 353,000
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FY14 CIP – funded from Grants and other financial sources

• Library – Replacement of Window Sills	\$ 100,000
• Planning – Blaney Street Pier and Terminal	\$ 700,000
• Planning – Winter Island Scenic Pathway and Historic Fort Renovation	\$ 500,000
• Police Department – equipment (surveillance cameras)	\$ 30,800 <i>(Partially Operating Budget Funded)</i>
• Engineering – Infrastructure-Ch. 90 Roadway Improvement	\$ 1,000,000

TOTAL ~ GRANTS AND OFS:	\$ 2,255,800
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FY14 CIP – funded from capital lease (built into operating budgets)

• Police Department – One Marked/One Un-Marked Cruiser	\$	72,000
• Public Services – One Dump Truck	\$	69,000
• Public Services– One Ford F350	\$	38,000
• School Department –One 77 Passenger School Bus	\$	100,000

TOTAL ~ CAPITAL LEASES	\$	279,000
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FY14 CIP – funded from anticipated Bond Authorization

• Electric -Generator for the DPW	\$	65,000
• Fire– Self Contained Breathing Apparatus	\$	55,000
• Fire – Jaws of Life for New Ladder Truck	\$	42,000
• Fire– Alter Door Height to Accommodate Ladder 1 (Station Four)	\$	60,000
• Parking -- Waterproofing Museum Place Garage	\$	1,120,000
• Planning – MBTA Garage Construction	\$	500,000
• Public Services – One Backhoe	\$	128,000
• Engineering – Non Ch. 90 Eligible Roadway Improvements	\$	150,000
• Engineering – Canal Street Interim Improvements	\$	210,000
• Engineering – Bike paths	\$	25,000
• Schools– District Wide Security Updates	\$	125,000

TOTAL ~ BOND AUTHORIZATION	\$	2,480,000
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FY14 CIP – funded from Community Preservation Act Funds

These projects are contingent upon approval of the Community Preservation Committee (CPC) and City Council.

• Library – Replacement of window frames and sills (partially grant funded)	\$	75,000
• Parks and Recreation-Upgrades to historic wrought iron fence	\$	50,000
• Parks and Recreation- Splash pad/restroom pavilion-Forest River Park	\$	180,000
• Planning – Cleaning of Conant and Choate Statues	\$	41,700
• Planning – Open Space Beautification (Space Building)	\$	50,000

TOTAL ~ COMMUNITY PRESERVATION ACT FUNDS	\$	396,700
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FY14 CIP -- Funded from R/Reserve and Revolving Funds

Please note, these projects have no impact on the General Fund

• Harbormaster – Repowers Pacific Patrol Boat	\$	26,200
• Parks and Recreation – Golf Course Equipment	\$	40,000
• Parks and Recreation – Olde Salem Green Cart Paths	\$	25,000
• Parks and Recreation- Maintenance and Repairs to the Witch House	\$	25,000

TOTAL ~ R/RESERVE AND REVOLVING FUNDS	\$	116,200
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**City of Salem
Capital Plan - General Fund
Fiscal Year 2013 - 2017**

CAPITAL REQUEST	FY13 Funding Source	ACTUAL FY 2013	FY14 Priority	FY14 Funding Source	Dept. Request FY 2014	FY 2015	FY 2016	FY 2017
Council on Aging								
Community Life Center					\$ -	\$ 4,994,136.00		
Senior Center - Furniture, Fixtures, and Equipment (FFE) (160K From						\$ 400,000.00		
Council on Aging Vans						\$ 75,000.00	\$ 75,000.00	
Subtotal: Council on Aging		\$ -			\$ -	\$ 5,469,136.00	\$ 75,000.00	\$ -
Data Processing/Information Tech.								
Replace Domain Controller + Exchange Servers								
CityWide permit management program (hardware/software costs)	Capital Lease	\$ 150,000.00						
Replace 12 Switches located at 93/120 Washington St.	Fund 2000	\$ 30,000.00						
Replace Windows XP machines with Windows 7 on Virtual Desktop -			1	Fund 2000	\$ 60,000.00			
Replace Windows XP machines with Windows 7 on Virtual Desktop -						\$ 60,000.00		
Replace Windows XP machines with Windows 7 on Virtual Desktop -							\$ 60,000.00	
Emergency Preparedness - Redundant servers-City				Fund 2000	\$ -	\$ 50,000.00		
Emergency Preparedness - Redundant servers-Police				Fund 2000	\$ -	\$ 50,000.00		
Emergency Preparedness - UPS			2	Fund 2000	\$ 50,000.00	\$ -		
IT Consulting Services: Consolidation of School/City IT Services			3	Fund 2000	\$ 30,000.00			
Subtotal: Data Processing		\$ 180,000.00			\$ 140,000.00	\$ 160,000.00	\$ 60,000.00	\$ -
Electrical								
Inspectional Services Truck (F-150) and rack body								
LED Light Replacement Program								
Bucket Truck replacement	Bonding	\$ 100,000.00						
Streetlight Pole and Luminaire Replacement			2	Fund 2000	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	
Fire Alarm Terminal Boxes			3	Fund 2000	\$ -	\$ 25,000.00		
Generator for DPW			1	Bonding	\$ 65,000.00			
Painting Pedestrian and Historical Lights (Preventative Maintenance)				Fund 2000	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	
Utility Truck - F350						\$ 35,000.00		
North & Summer Streets Loop Detector System			4	Fund 2000	\$ 25,000.00			
Subtotal: Electrical		\$ 100,000.00			\$ 140,000.00	\$ 110,000.00	\$ 50,000.00	\$ -
Fire								
Voice Recorder (for dispatch)								
General Building Maintenance								
New Ladder Truck #1	Bonding	\$ 1,100,000.00						
Vehicle Replacement - 95 Van used for Towing trailers & boats				Fund 2000	\$ -	\$ 38,000.00		
General Building Maintenance				Fund 2000	\$ -	\$ 25,000.00	\$ 25,000.00	
Self-Contained Breathing Apparatus - cylinders (10 year life)			2	Bonding	\$ 55,000.00			
Jaws of Life for New Ladder Truck			1	Bonding	\$ 42,000.00			
Alter Door Height to accommodate Ladder 1 at Station 4			3	Bonding	\$ 60,000.00			
Personal Protection Gear						\$ 170,000.00		
New Pumper Truck #5							\$ 475,000.00	
Subtotal: Fire		\$ 1,100,000.00			\$ 157,000.00	\$ 233,000.00	\$ 500,000.00	\$ -

**City of Salem
Capital Plan - General Fund
Fiscal Year 2013 - 2017**

CAPITAL REQUEST	FY13 Funding Source	ACTUAL FY 2013	FY14 Priority	FY14 Funding Source	Dept. Request FY 2014	FY 2015	FY 2016	FY 2017
Harbormaster								
Prevention and Response Multi-Mission Boat	Grant Funds	\$ 270,000.00						
Repowers Pacific Patrol Boat			1	Revolving Fund	\$ 26,200.00			
Electronic Replacement 27 Whaler				Revolving Fund	\$ -	\$ 28,870.00		
Multi Vessel Trailer				Revolving Fund	\$ -		\$ 25,999.00	
Subtotal: Harbormaster		\$ 270,000.00			\$ 26,200.00	\$ 28,870.00	\$ 25,999.00	\$ -
Library								
replacement of Window Frames and Sills								
Grant Portion			1	MHC Grant	\$ 25,000.00			
City Portion				CPA	\$ 75,000.00			
Roof & HVAC						\$ 150,000.00		
Subtotal: Library		\$ -			\$ 100,000.00	\$ -	\$ -	\$ -
Parks, Recreation & Community Services								
Playground Update - Splaine Park								
Garage Roof @ Mack Park	Fund 2000	\$ 30,000.00						
Playground Upgrades	Fund 2000	\$ 40,000.00	5	Fund 2001-CPA	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Upgrades to Historic Wrought Iron Fence - Salem Common	Bonding	\$ 140,000.00	6	CPA	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	
Upgrades to Historic Wrought Iron Fence - Salem Common	Grant Funds	\$ 100,000.00						
Equipment - Parks and Recreation (infield lawnmower)	Fund 2000	\$ 30,000.00						
Equipment - Golf Course			1	R/RES	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Olde Salem Greens Cart Paths			2	R/RES	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 46,000.00
Equipment Lease - Olde Salem Greens								
Renovations & Repairs - Witch House			3	R/RES	\$ 25,000.00			
Ford Escape - Park Foreman						\$ 26,271.00		
Memoraial Park - Pillars & Fencing						\$ 27,800.00	\$ 25,350.00	
Security & Acess Control - Winter Island			4	Fund 2000	\$ 25,000.00			
Wall around Mack Park							\$ 200,000.00	
Ford Escape - Rec Director						\$ 25,000.00		
Splash Pad/Restroom/Pavilion - Forest River Park				CPA	\$ 180,000.00			
Subtotal: Recreation		\$ 340,000.00			\$ 395,000.00	\$ 244,071.00	\$ 390,350.00	\$ 136,000.00

**City of Salem
Capital Plan - General Fund
Fiscal Year 2013 - 2017**

CAPITAL REQUEST	FY13 Funding Source	ACTUAL FY 2013	FY14 Priority	FY14 Funding Source	Dept. Request FY 2014	FY 2015	FY 2016	FY 2017
Parking Department								
Parking Study Recommendations (new smart-meters City Wide)		\$ 53,625.00						
Parking Study Recommendations (new kiosks City Wide)		\$ 17,470.00						
Parking Study Recommendations (development of design plans: Riley Plaza)		\$200,000						
Museum Place Garage - Waterproof (analysis)								
Parking Lot Maintenance	Fund 2000	\$ 50,000.00						
Museum Place Garage - Waterproof (design/construct)			1	Bonding	\$ 1,120,000.00			
Automation of Downtown Garage						\$ 330,000.00		
Automation of Waterfront Garage						\$ 170,000.00		
Construct 60 new spots @ Riley Plaza						\$ 75,000.00		
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							\$ 75,000.00	
New pickup truck (small Ranger/Colorado type, no plow or liftgate)							\$ 25,000.00	
Subtotal: Parking Dept.		\$ 321,095.00			\$ 1,120,000.00	\$ 710,000.00	\$ 100,000.00	\$ -
Planning								
Blaney Street Pier and Terminal - construction (seaport advisory)	Grant Funds	\$ 4,000,000.00	1	Grant Funds	\$ 700,000.00	\$ 3,000,000.00		
MBTA Garage			2	Bonding	\$ 500,000.00			
Cleaning of Conant and Choate Statues			5	CPA	\$ 41,700.00			
Open Space Beautification (Place Building)			4	CPA	\$ 50,000.00			
Winter Island Scenic Pathway and Historic Fort Restoration			3	Grant Funds	\$ 500,000.00			
Subtotal: Planning		\$ 4,000,000.00			\$ 1,791,700.00	\$ 3,000,000.00	\$ -	\$ -
Police								
Digital Radio Replacement (FCC required by 2013)	Bonding	\$ 200,000.00						
Vehicle Replacement (two marked patrol cars)	Capital Lease	\$ 74,000.00						
Building Repairs - (HVAC DDC control system)	Fund 2000	\$ 55,000.00						
Equipment - Side Scan Sonar	Grant Funds	\$ 46,000.00						
Equipment - Surveillance Cameras	Grant Funds	\$ 54,000.00						
Vehicle Replacement 1 marked patrol car			2	Capital Lease	\$ 38,000.00	\$ 78,000.00	\$ 78,000.00	\$ 80,000.00
Vehicle Replacement 1 unmarked car			3	Capital Lease	\$ 34,000.00	\$ 72,000.00	\$ 74,000.00	
Equipment - File Cabinets for Records Retention				Fund 2000	\$ -	\$ 30,000.00		
New Roof - Police Station							\$ 200,000.00	
Bullet Proof Vest Replacement - Federal Grant			1	Federal Grant	\$ 30,800.00			
City Portion				Fund 2000	\$ 38,000.00	Wait to see if State Covers if not appopr from Fund 2000		
Subtotal: Police		\$ 429,000.00			\$ 140,800.00	\$ 180,000.00	\$ 352,000.00	\$ 80,000.00
Public Property								
CITY HALL ENVELOPE REPAIRS		\$ 2,000,000.00						
Roof, skylights, Windows, Masonry Repairs								
Vehicle - administrative hybrid vehicle	Capital Lease	\$ 30,000.00						
Remediation of Tax Title Land - Universal Steel	Grants/Other Fund	\$ 1,850,000.00						
DPW heating controls/automation and EF Controls					\$ -	\$ 68,000.00		
City Hall heating controls/automation and thermostatic radiator valves					\$ -	\$ 35,000.00		
Subtotal: Public Property		\$ 3,880,000.00			\$ -	\$ 103,000.00	\$ -	\$ -

**City of Salem
Capital Plan - General Fund
Fiscal Year 2013 - 2017**

CAPITAL REQUEST	FY13 Funding Source	ACTUAL FY 2013	FY14 Priority	FY14 Funding Source	Dept. Request FY 2014	FY 2015	FY 2016	FY 2017
Public Services - Equipment								
Vehicle Lift - Motor Pool (two small lifts and one large lift)	Fund 2000	\$ 40,000.00						
Bandit wood chipper (Shade Tree Division)	Fund 2000	\$ 40,000.00						
Replace 1999 Ford F550 Dump Truck (Unit #86)			2	Lease	\$ 69,000.00			
Replace 1987 John Deere Backhoe (Unit # 37) 12 year life			1	Bond	\$ 128,000.00			
Replace 1999 Ford F350 pickup (Unit # 121)			3	Lease	\$ 38,000.00			
Replace 2000 International Dump Truck (Unit 15) - 12 year life						\$ 150,000.00		
Replace 2000 International Dump Truck (Unit 14) - 12 year life							\$ 150,000.00	
Replace 2000 International Dump Truck (Unit 12) - 12 year life					\$ -	\$ 150,000.00		
Street Sweeper						\$ 200,000.00		
Backhoe with Breaker						\$ 125,000.00		
Graffiti Removal Machine							\$ 45,000.00	
General Building Repairs (DPS Garage)						\$ 75,000.00		
General Building Repairs (bathroom renovations)						\$ 35,000.00		
2013 F-550 1 ton dump diesel (sander/plow)						\$ 75,000.00		
4x4 economical Ford F350 pickup						\$ 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	\$ 85,000.00
Ford 550 - Plow & Spreader						\$ 68,735.00	\$ 68,735.00	\$ 68,735.00
Subtotal: Public Services		\$ 80,000.00			\$ 235,000.00	\$ 993,735.00	\$ 498,735.00	\$ 153,735.00
Engineering - Roads, Sidewalks, & Crosswalks								
Roads, Sidewalks & Crosswalks (Chapter 90)								
Roads, Sidewalks & Crosswalks (non Chapter 90 eligible)								
Vehicle - administrative hybrid vehicle	Capital Lease	\$ 30,000.00						
Roads, Sidewalks & Crosswalks (Chapter 90)	CH 90 GRANT	\$ 874,160.00	1	Chapter 90	\$ 1,000,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Roads, Sidewalks & Crosswalks (non Chapter 90 eligible)			2	Bonding	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Engineering - Canal Street (interim improvements)			3	Bonding	\$ 210,000.00			
Bike Path - Design/Construction			4	Bonding	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Subtotal: Eng. - Roads, Sidewalks, Crosswalks		\$ 904,160.00			\$ 1,385,000.00	\$ 675,000.00	\$ 675,000.00	\$ 675,000.00
Engineering - Seawalls								
Seawall - Collins Cove (repairs as necessary)								
Seawall - Forest River					\$ -	\$ 100,000.00		
Seawall - Columbus Ave.						\$ 100,000.00		
Subtotal: Engineering - Seawalls		\$ -			\$ -	\$ 200,000.00	\$ -	\$ -
Veteran Services								
Vehicle Replacement					\$ -	\$ 21,395.00		
						\$ 100,000.00		
Subtotal: Veteran Services		\$ -			\$ -	\$ 121,395.00	\$ -	\$ -

**City of Salem
Capital Plan - General Fund
Fiscal Year 2013 - 2017**

CAPITAL REQUEST	FY13 Funding Source	ACTUAL FY 2013	FY14 Priority	FY14 Funding Source	Dept. Request FY 2014	FY 2015	FY 2016	FY 2017
Schools								
Collins - MSBA Project (waterproofing/masonry, etc - design/build)								
Saltonstall - MSBA Project (waterproofing/masonry, etc. - design/build)								
Technology - Districtwide Assessment Software	Capital Lease	\$ 100,000.00						
Replace Carpeting with Vinyl Floor Tile - Bentley	Bonding	\$ 150,000.00						
29 Passenger Type A school bus	Capital Lease	\$ 52,000.00						
Service Van - Maintenance Dept.	Capital Lease	\$ 31,500.00						
Technology Improvements - Bentley (wireless internet/new computers)	Bonding	\$ 50,000.00						
Interactive Whiteboards - Bentley	Bonding	\$ 50,000.00						
Interactive Whiteboards - Districtwide					\$ -	\$ 112,500.00	\$ 112,500.00	
Computer Replacement - Districtwide					\$ -	\$ 210,000.00	\$ 210,000.00	
Building Wireless Infrastructure - Districtwide					\$ -	\$ 240,000.00	\$ 240,000.00	
District Wide Security Updates			1	Bonding	\$ 125,000.00			
29 Passenger Type A school bus					\$ -	\$ 60,000.00	\$ 60,000.00	\$ 120,000.00
Bates - Elevator repair						\$ 120,000.00		
Early Childhood Center and Elementary Building Transition			3	Fund 2000	\$ 25,000.00			
Relocation of Building Services Office				Fund 2000	\$ -	\$ 35,000.00		
77 Passenger school bus			2	Capital Lease	\$ 100,000.00			
42 Passenger School Bus				Capital Lease	\$ -	\$ 85,000.00		
Roof HVAC unit - Salerno Vocational School						\$ 85,000.00		
Roof Replacement - Salerno Tech						\$ 25,000.00		
Roof Replacement - Bentley						\$ 110,500.00		
Masonry Repairs - Bates							\$ 300,000.00	
Subtotal: Schools		\$ 433,500.00			\$ 250,000.00	\$ 1,083,000.00	\$ 922,500.00	\$ 120,000.00
Total - General Fund		\$ 11,937,755.00			\$ 5,880,700.00	\$ 13,201,207.00	\$ 3,599,584.00	\$ 1,164,735.00

Grant Total Fund CIP 2014

Bonding	\$ 2,480,000.00
Fund 2000	\$ 303,000.00
Fund 2001-CPA	\$ 50,000.00
Grants	\$ 1,255,800.00
CH90	\$ 1,000,000.00
Capital Leases	\$ 279,000.00
R/Reserve	\$ 90,000.00
Revolving Funds	\$ 26,200.00
CPA	\$ 396,700.00
TOTAL	\$ 5,880,700.00

Note - CPA estimated to bring in 460K City 119,600 State = 579,600

IMPACT OF CAPITAL IMPROVEMENT PROJECTS ON OPERATING BUDGET

<u>Description</u>	<u>Cost</u>	<u>Funding</u>	<u>Impact on Operating Budget</u>
I.T. – Phase 1 of Windows XP Upgrade	60,000	Capital Outlay Fund	More efficient communication between departments.
I.T. – Emergency Preparedness UPS	50,000	Capital Outlay Fund	Decrease in maintenance and more efficient communication between departments.
I.T.—Consulting Services to study the Consolidation of School/City IT Services	30,000	Capital Outlay Fund	Potential streamlining of IT services/increased communication for the City and School District.
Electrical – Streetlight Pole and Luminaire Replacement	25,000	Capital Outlay Fund	Asset preservation, decrease in long term capital outlay for new poles.
Electrical –Generator for the DPW	65,000	Bonding	No impact.
Electrical -- Painting Pedestrian and Historical Lights	25,000	Capital Outlay Fund	Asset preservation and decrease in long term capital outlay for new poles.
Electrical – North and Summer Streets Loop Detector System	25,000	Capital Outlay Fund	No impact.
Fire – Self Contained Breathing Apparatus	55,000	Bonding	No impact.
Fire – Jaws of Life for New Ladder Truck	42,000	Bonding	No impact.
Fire – Alter Door Height at Station Four	60,000	Bonding	No impact.
Library – Replacement of Window Sills and Frames	100,000	Community Preservation Act and MHC Grant	Improves energy efficiency, and reduces heat costs.
Parks and Recreation-Upgrades to historic wrought iron fence	50,000	Community Preservation Act	Extends life of the fence and reduces annual maintenance costs.
Parks and Recreation- Splash pad/restroom pavilion-Forest River Park	180,000	Community Preservation Act	No impact.

Description	Cost	Funding	Impact on Operating Budget
Parks and Recreation – Upgrades to Wrought Iron Fence	100,000	Capital Outlay Fund and Community Preservation Act	Extends life of the fence and reduces annual maintenance costs.
Parks and Recreation—Security Access Control at Winter Island	25,000	Capital Outlay Fund	Provides proper security measures for the Winter Island area, and reduces vandalism.
Parking – Waterproofing at Museum Place Garage	1,120,000	Bonding	Extends life of garage and reduces annual maintenance and electricity costs.
Planning – Cleaning of Conant and Choate Statues	41,700	Community Preservation Act	Extends life of the statue and reduces annual maintenance costs.
Planning – Open Space Beautification (Space Building)	25,000	Community Preservation Act	No impact.
Planning – MBTA Garage Construction	500,000	Bonding	No impact.
Police – One Marked/One Un-Marked Cruiser	72,000	Capital Lease	Annual payments for each vehicle through the capital leasing program.
Police – Bullet Proof Vest Replacement	38,000	Capital Outlay Fund and Partial Grant Funding	Partially grant funded necessary increase in public safety equipment.
Public Services -- Dump Truck	69,000	Capital Lease	Annual payment for the truck through the capital leasing program.
Public Services -- Backhoe	128,000	Bonding	No impact.
Public Services -- Pick Up Truck	38,000	Capital Lease	Annual payment for the truck, through the capital leasing program.
Engineering – Non-Ch. 90 Eligible Roadway Improvement	150,000	Bonding	No impact.
Engineering- Canal Street Interim Improvements (Roadway)	210,00	Bonding	No impact.
Engineering- Bike Paths	25,000	Bonding	No impact.
Schools-District Wide Security Updates	125,000	Bonding	No impact.
Schools- Early Childhood Center and Elementary Building Transition	25,000	Capital Outlay Fund	Evaluates transitional options for the Early Childhood Center for FY15.
Schools – One 77 Passenger	100,000	Capital Lease	Annual payments for the bus through the capital leasing program.

FY14 CIP Enterprise Funds Executive Summary

- The total proposed Capital Plan for the City of Salem's Enterprise Funds for FY14 is \$1,275,000.
- 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.

FY14 Enterprise Fund CIP – Funding Sources

FY14 Enterprise Fund CIP – funded from one time revenue sources – Retained Earnings

- | | |
|--|------------|
| • 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:	\$ 760,000
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FY14 Enterprise Fund CIP – funded from other financial sources (SESD)

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

TOTAL -- GRANTS and OTHER FINANCIAL SOURCES:	\$ 25,000
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- | | |
|--|-------------|
| • Water: Internal/External Rehabilitation-Folly Hills Storage Tank | \$1,000,000 |
|--|-------------|

TOTAL – BONDING:	\$1,000,000
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City of Salem
Capital Plan ~ Water and Sewer Enterprise Fund
Fiscal Year 2013 - 2017

CAPITAL REQUEST	FY13 Funding Source	ACTUAL FY 2013	Additional FY 2013	FY14 PRIORITY	FY14 Funding Source	Dept Request FY2014	FY2015	FY2016	FY 2017
Water Enterprise-Engineering									
Internal/External Rehabilitation ~ Gallows Hills Storage Tanks (2011)	bonding						\$ 1,500,000.00		
Internal/External Rehabilitation ~ Folly Hills Storage	bonding			5	bonding	\$ 1,000,000.00	\$ 1,700,000.00		
Energy efficiency evaluation - SBWSB pump station	r/e	\$ 35,000.00							
Main System Upgrades Vales/Pipe replacement	r/e	\$ 100,000.00		6	R/E	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Water Easements - Research, Taking, Clearing	r/e	\$ 175,000.00							
Transmission System									
Salem PS and Booster Station							\$ 150,000.00	\$ 850,000.00	
Sohier Road							\$ 1,903,000.00		
Transmission Main Rehab and easements (10 Year Program)									\$ 7,800,000.00
Distribution System									
Distriburion Main Rehab								\$ 6,000,000.00	
Valve Hydrant Service Replacement-known replacements						\$ -	\$ 180,000.00	\$ 460,000.00	
Valve Hydrant Service Replacement-Annual Program								\$ 100,000.00	\$ 100,000.00
Water Meter Replacement	bonding					\$ -	\$ 1,400,000.00		
Water Meter Replacement - Annual Program								\$ 50,000.00	\$ 50,000.00
Subtotal: Water Enterprise		\$ 310,000.00	\$ -			\$ 1,100,000.00	\$ 5,433,000.00	\$ 7,560,000.00	\$ 8,050,000.00

City of Salem
Capital Plan ~ Water and Sewer Enterprise Fund
Fiscal Year 2013 - 2017

CAPITAL REQUEST	FY13 Funding Source	ACTUAL FY 2013	Additional FY 2013	FY14 PRIORITY	FY14 Funding Source	Dept Request FY2014	FY2015	FY2016	FY 2017
Sewer Enterprise-Engineering									
Illicit connection removal (study, design, construction)	R/E	\$ 400,000.00		2	R/E	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ -
Sewer Line Extension/Upgrade/Rehabilitation	R/E	\$ 50,000.00		3	R/E	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -
I/I Removal Program	SESD	\$ 25,000.00		4	SESD	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ -
Canal Street Utility Program (In advance of roadway)									
Drainage	Bonding		\$ 4,200,000.00	1	Bonding			\$ 6,000,000.00	\$ 7,500,000.00
Sewer	Bonding		\$ 400,000.00	1	Bonding			\$ 530,000.00	\$ 662,500.00
Water	Bonding		\$ 400,000.00	1	Bonding			\$ 500,000.00	\$ 625,000.00
So River Conduit	Bonding		\$ 900,000.00	1	Bonding			\$ 1,280,000.00	\$ 1,600,000.00
Bids are opening in March 2013 Need Bond Authorization to award contracts									
Subtotal: Sewer Enterprise		\$ 475,000.00	\$ 5,900,000.00			\$ 175,000.00	\$ 175,000.00	\$ 8,485,000.00	\$ 10,387,500.00
Total: Enterprise Fund		\$ 785,000.00	\$ 5,900,000.00			\$ 1,275,000.00	\$ 5,608,000.00	\$ 16,045,000.00	\$ 18,437,500.00

Bonding:	\$ 1,000,000.00
R/E	\$ 250,000.00
SESD	\$ 25,000.00
BAN	
Total	\$ 1,275,000.00

IMPACT OF CAPITAL IMPROVEMENT PROJECTS ON OPERATING BUDGET

<u>Description</u>	<u>Cost</u>	<u>Funding</u>	<u>Impact on Operating Budget</u>
Water – Main System upgrades	100,000	Retained Earnings – Enterprise Fund	Reduction in repairs to water systems.
Sewer – Illicit Connection removal	100,000	Retained Earnings – Enterprise Fund	Reductions in penalties/fines from DEP and EPA on mandates for correction illicit connections.
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.
Water-Internal/External Rehabilitation for Folly Hills Storage Tank.	1,000,000	Bonding	Repairing structural defects, as well as sealing the roof to prevent future water leaks.

Water and Sewer Enterprise Fund

Capital Projects Update – Approved Projects

May 16, 2013

Water Enterprise Fund

Highland Avenue Water Tank & Main System Upgrades (2003)

- Authorized: \$ 12,000,000
- Issued: \$ 7,671,792 (bonded)
- Unissued: \$ 4,328,208

- As of May 16, 2013, we have \$1.4 million encumbered, \$2.9 million available, and \$8.7 million expended

The 2003 \$12 million loan authorization included the completed Lafayette and Loring Ave. water main improvement project, the Highland Ave water tank design and construction, 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 potential commercial development at the site which may impact the location of the tank. All other aspects of this loan authorization are complete.

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. (2009)

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

- As of May 16, 2013, we have \$144,000 encumbered, \$1.0 million available, and \$1.36 million expended

The 2009 \$2.5 million loan authorization was for the upgrade of the City's 20-inch transmission main in Rantoul Street, from Beverly Hospital to the Salem Beverly Bridge. The cleaning and lining of that segment of water main was completed in 2010 and a portion of the remaining funds were used to prepare construction documents for the remaining segment of transmission main, from the Beverly Hospital to the Water Treatment Plant on Arlington Avenue in Beverly.

The remaining funds will be used to continue the water meter replacement project.

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

Upgrade of Water Meters (2009)

- Authorized: \$ 3,000,000
- Issued: \$ 3,000,000 (bonded)
- Unissued: \$ 0

- **As of May 16, 2013, we have \$1.0 million encumbered, \$253,000 available, and \$1.72 million expended**

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 is underway, as of the end of FY 2013, with the entire loan authorization expended, approximately 80% of the meters will have been replaced. The available funds from the Transmission Main loan authorization will be used to continue the meter project. All BAN's have been converted to bonds in FY2011. It is estimated that an additional \$500,000 may be needed to complete this project.

Internal and External Rehabilitation – Gallows and Folly Hills Storage Tanks (2011)

- Authorized \$ 1,000,000
- Issued \$ 1,000,000
- Unissued \$ 0

- **As of May 16, 2013, we have \$323,000 encumbered, \$388,000 available, and \$289,000 expended**

Both Storage tanks were inspected in 2010, the results found the protective painting system at the Gallows Hill Tank was failing and needs to be replaced, and the Folly Hill Tank required further structural inspection.

The Folly Hill Tank was drained and inspected in the fall of 2011, a report summarizing the findings of the inspection is expected by the end of FY 2013. Improvements to the Folly Hill Tank are expected, but not yet defined.

The current loan authorization is being expended to complete the investigations of both tanks. Necessary improvements will require additional funding.

Sewer Enterprise Fund

South River Basin Upgrade (2009)

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

- **As of May 16, 2013, we have \$86,000 encumbered, \$2.7 million available, and \$1.6 million expended**

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.

Conceptual improvement alternatives have been developed and Flood Mitigation Grant Funding has been requested to make improvements to the Canal/Salem Statue University Area and the Rosies Pond/Jefferson Avenue Area. The City has received a \$3 million grant from Flood Mitigation Grant to offset the costs of this project. The City is initiating the first of 2 phases of drainage improvements on Canal Street this spring. Phase I Improvements will include new drainage piping and other utility improvements in Canal Street that are needed prior to the City stating the Canal Street Corridor Roadway Improvement construction, scheduled for funding from Mass Dot in the Spring of 2014. Phase II drainage improvements will be constructed after the roadway improvements are complete.

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.

The remaining loan authorization will fund the advancement of the Phase I Utility Improvements to construction. Further Phase I construction and construction oversight funding has been approved, along with design, permitting and construction funds needed to advance the Phase II improvements.

Forrester Street Relief Drain

- Authorized \$ 375,000
- Issued \$ 0
- Unissued \$ 375,000

- **As of May 16, 2013, we have encumbered entire amount, and matched it with funds from 2003 Main Systems Upgrade to complete \$550,000 project**

This project is complete

City of Salem, Massachusetts
Fiscal 2014 Long-Term Debt Service Payments

Date	Issue / Purpose	Principal	Interest	Total Pmt
07/01/2013	January 1 2005 : School (Wichcroft Elementary) (I)	-	23,790.63	23,790.63
	January 1 2005 : Carlton School (O)	-	7,003.75	7,003.75
	January 1 2005 : Parking Garage Repairs (I)	-	10,750.00	10,750.00
	Subtotal	-	\$41,634.38	\$41,634.38
07/15/2013	January 15 2003 non-called : Bowditch Elementary School (O)	-	10,571.25	10,571.25
	January 15 2003 non-called : Carlton Elementary School (O)	-	13,845.00	13,845.00
	December 14 2004 DW-05-12 (O)	108,110.00	17,204.22	125,413.22
	Subtotal	\$108,110.00	\$50,710.47	\$158,820.47
08/01/2013	January 27 2010 NSR (SQ) : Cur Ref July 1 1998 Middle East Elementary (O)	815,000.00	15,675.00	830,675.00
	January 27 2010 NSR (SQ) : Cur Ref July 1 1998 School Ren (I)	85,000.00	4,675.00	89,675.00
	January 27 2010 NSR (SQ) : Adv Ref Sept 15 2000 Bates School (O)	670,000.00	82,452.50	752,452.50
	January 27 2010 NSR (SQ) : Adv Ref Sept 15 2000 Golf Course Clubhouse (I)	30,000.00	1,035.00	31,035.00
	October 15 2010 (SQ) : Water Systems Improvement (O)	100,000.00	33,700.00	133,700.00
	October 15 2010 (SQ) : Water Meters (O)	200,000.00	46,000.00	246,000.00
	October 15 2010 (SQ) : Water Main (O)	140,000.00	42,300.00	182,300.00
	October 15 2010 (SQ) : Sewer Pump Station (I)	10,000.00	3,050.00	13,050.00
	October 15 2010 (SQ) : South River Basin Upgrade (I)	85,000.00	25,225.00	110,225.00
	October 15 2010 (SQ) : Golf Course Dept. Equip (I)	10,000.00	1,450.00	11,450.00
	October 15 2010 (SQ) : Dump Truck (I)	10,000.00	775.00	10,775.00
	October 15 2010 (SQ) : DPW Equipment (I)	10,000.00	775.00	10,775.00
	October 15 2010 (SQ) : Engineering Infrastructure (I)	15,000.00	2,175.00	17,175.00
	October 15 2010 (SQ) : Engineering Seawalls (I)	5,000.00	725.00	5,725.00
	October 15 2010 (SQ) : Police Vehicles (I)	15,000.00	800.00	15,800.00
	October 15 2010 (SQ) : Police Equipment (I)	10,000.00	460.00	10,460.00
	October 15 2010 (SQ) : Police Radar (I)	5,000.00	225.00	5,225.00
	October 15 2010 (SQ) : Police Range Repair (I)	10,000.00	300.00	10,300.00
	October 15 2010 (SQ) : Fire Pumper Truck (I)	25,000.00	8,125.00	33,125.00
	October 15 2010 (SQ) : Turret Gun Equipment (I)	5,000.00	225.00	5,225.00
	October 15 2010 (SQ) : Parking Equipment (I)	5,000.00	725.00	5,725.00
	October 15 2010 (SQ) : Wilch House (I)	5,000.00	725.00	5,725.00
	October 15 2010 (SQ) : Departmental Equipment (I)	5,000.00	725.00	5,725.00
	October 15 2010 (SQ) : Forest River Pool (I)	20,000.00	2,250.00	22,250.00
	October 15 2010 (SQ) : Forest River Park (I)	5,000.00	725.00	5,725.00
	October 15 2010 (SQ) : Willow Public Bathroom (I)	10,000.00	1,450.00	11,450.00
	October 15 2010 (SQ) : Fire Alarm Receiver (I)	5,000.00	325.00	5,325.00
	October 15 2010 (SQ) : Traffic Signal (I)	20,000.00	900.00	20,900.00
	October 15 2010 (SQ) : School Fire Alarm Systems (I)	15,000.00	1,775.00	16,775.00
	October 15 2010 (SQ) : School Buses (I)	15,000.00	1,875.00	16,875.00
	October 15 2010 (SQ) : School Infrastructure (I)	5,000.00	1,225.00	6,225.00
	October 15 2010 (SQ) : School Equipment (I)	5,000.00	225.00	5,225.00
	October 15 2010 (SQ) : Parking Multi Space Meters (I)	10,000.00	450.00	10,450.00
	October 15 2010 (SQ) : Parking Posts & Signage (I)	10,000.00	450.00	10,450.00
	October 15 2010 (SQ) : Police Vehicles 2 (I)	30,000.00	1,200.00	31,200.00
	October 15 2010 (SQ) : Fire SCBA Compressor (I)	5,000.00	725.00	5,725.00
	October 15 2010 (SQ) : Public Service Equip. & Vehicles (I)	30,000.00	4,250.00	34,250.00
	October 15 2010 (SQ) : Public Service Garage Doors (I)	5,000.00	325.00	5,325.00
	October 15 2010 (SQ) : Roads, Sidewalks & Crosswalks (I)	110,000.00	20,050.00	130,050.00
	October 15 2010 (SQ) : Playground Equipment (I)	5,000.00	725.00	5,725.00
	October 15 2010 (SQ) : Furlong Park Remodeling (I)	20,000.00	4,500.00	24,500.00
	October 15 2010 (SQ) : Willows Gazebos (I)	5,000.00	225.00	5,225.00
	October 15 2010 (SQ) : Roads, Sidewalks & Crosswalks 2 (I)	10,000.00	2,450.00	12,450.00
	October 15 2010 (SQ) : Canal St. Improvement Design (I)	35,000.00	7,075.00	42,075.00
	October 15 2010 (SQ) : Storage Tanks (O)	100,000.00	14,500.00	114,500.00
	October 15 2010 (SQ) : School Ballfield Remodeling (I)	5,000.00	1,125.00	6,125.00
	October 15 2010 (SQ) : School Field House Remodeling (I)	5,000.00	825.00	5,825.00
	September 27 2012 : Water System Improvements (ISQ)	52,402.00	21,011.03	73,413.03
	September 27 2012 : Sewer Pump Station Upgrade (ISQ)	10,000.00	3,208.75	13,208.75
	September 27 2012 : South River Basin Upgrade (ISQ)	20,000.00	7,756.25	27,756.25
	September 27 2012 : South River Basin Upgrade 2 (ISQ)	10,000.00	5,412.50	15,412.50
	September 27 2012 : Forester Street Drain Relief (ISQ)	15,000.00	5,837.50	20,837.50
	September 27 2012 : Forester Street Drain Relief (ISQ)	10,000.00	750.00	10,750.00
	September 27 2012 : Domain Controller & Exchange Services (ISQ)	15,000.00	1,125.00	16,125.00
	September 27 2012 : City Hall Roof (ISQ)	16,000.00	10,707.50	26,707.50
	September 27 2012 : City Hall Skylights (ISQ)	5,000.00	2,425.00	7,425.00
	September 27 2012 : City Hall Windows (ISQ)	5,000.00	5,581.25	10,581.25
	September 27 2012 : City Hall Masonry Repairs (ISQ)	15,000.00	13,868.88	28,868.88
	September 27 2012 : Parking Study (ISQ)	40,000.00	3,000.00	43,000.00
	September 27 2012 : Police Vehicle Replacement (ISQ)	20,000.00	1,000.00	21,000.00
	September 27 2012 : Public Service Equipment (ISQ)	10,000.00	875.00	10,875.00
	September 27 2012 : Roads, Sidewalks & Crosswalks (ISQ)	40,000.00	12,504.38	52,504.38
	September 27 2012 : Collins Cove Seawall (ISQ)	5,000.00	1,034.30	6,034.30
	September 27 2012 : Parks & Rec. Equipment (ISQ)	5,000.00	525.00	5,525.00
	September 27 2012 : School Wheelchair Bus (ISQ)	17,500.00	1,312.50	18,812.50
	September 27 2012 : School Convent School Bus (ISQ)	15,000.00	1,350.00	16,350.00
	September 27 2012 : Remediation (ISQ)	30,000.00	22,743.75	52,743.75
	September 27 2012 : Collins School (ISQ)	27,036.00	21,350.32	48,386.32
	September 27 2012 : Collins School 2 (ISQ)	106,915.00	87,084.37	194,010.37
	September 27 2012 : Safford School (ISQ)	23,000.00	10,316.88	33,316.88
	September 27 2012 : Safford School 2 (ISQ)	48,244.00	40,340.86	88,584.86
	Subtotal	\$3,110,000.00	\$650,024.40	\$3,760,024.40

City of Salem, Massachusetts
Fiscal 2014 Long-Term Debt Service Payments

Date	Issued - Purpose	Principal	Interest	Total Pay
10/15/2013	October 15 2007 : High School (I)	345,600.00	103,621.88	449,221.88
	October 15 2007 : Police Equipment (I)	80,000.00	4,700.00	84,700.00
	October 15 2007 : Ferry Boat Project (I)	60,000.00	8,425.00	68,425.00
	October 15 2007 : Water System Improvements (O)	165,000.00	48,893.75	213,893.75
	Subtotal	\$650,000.00	\$165,640.63	\$815,640.63
01/01/2014	January 1 2005 : School (Witchcraft Elementary) (I)	65,000.00	23,780.63	118,780.63
	January 1 2005 : Carlton School (O)	30,000.00	7,083.75	37,083.75
	January 1 2005 : Parking Garage Repairs (I)	75,000.00	10,750.00	85,750.00
	Subtotal	\$200,000.00	\$41,614.38	\$241,614.38
01/15/2014	January 15 2003 non-called : Bowditch Elementary School (O)	75,000.00	10,571.25	85,571.25
	January 15 2003 non-called : Carlton Elementary School (O)	50,000.00	13,845.00	63,845.00
	December 14 2008 DW-05-12 (O)	-	16,213.03	16,213.03
	Subtotal	\$125,000.00	\$40,629.28	\$165,629.28
03/01/2014	January 27 2010 NSR (SQ) : Cur Ref July 1 1996 Middle East Elementary (O)	-	300.00	300.00
	January 27 2010 NSR (SQ) : Cur Ref July 1 1996 School Ren (I)	-	2,550.00	2,550.00
	January 27 2010 NSR (SQ) : Adv Ref Sept 15 2000 Bates School (O)	-	75,702.50	75,702.50
	January 27 2010 NSR (SQ) : Adv Ref Sept 15 2000 Golf Course Clubhouse (I)	-	1,185.00	1,185.00
	October 15 2010 (SQ) : Water Systems Improvement (O)	-	32,200.00	32,200.00
	October 15 2010 (SQ) : Water Meters (O)	-	46,000.00	46,000.00
	October 15 2010 (SQ) : Water Main (O)	-	40,200.00	40,200.00
	October 15 2010 (SQ) : Sewer Pump Station (I)	-	2,000.00	2,000.00
	October 15 2010 (SQ) : South River Basin Upgrade (I)	-	23,850.00	23,850.00
	October 15 2010 (SQ) : Golf Course Ditch Equip (I)	-	1,300.00	1,300.00
	October 15 2010 (SQ) : Dump Truck (I)	-	825.00	825.00
	October 15 2010 (SQ) : DPW Equipment (I)	-	625.00	625.00
	October 15 2010 (SQ) : Engineering Infrastructure (I)	-	1,950.00	1,950.00
	October 15 2010 (SQ) : Engineering Seawalls (I)	-	850.00	850.00
	October 15 2010 (SQ) : Police Vehicles (I)	-	375.00	375.00
	October 15 2010 (SQ) : Police Equipment (I)	-	300.00	300.00
	October 15 2010 (SQ) : Police Radar (I)	-	150.00	150.00
	October 15 2010 (SQ) : Police Range Repair (I)	-	150.00	150.00
	October 15 2010 (SQ) : Fire Pumper Truck (I)	-	5,750.00	5,750.00
	October 15 2010 (SQ) : Turnout Gear Equipment (I)	-	150.00	150.00
	October 15 2010 (SQ) : Parking Equipment (I)	-	850.00	850.00
	October 15 2010 (SQ) : Watch House (I)	-	650.00	650.00
	October 15 2010 (SQ) : Departmental Equipment (I)	-	1,950.00	1,950.00
	October 15 2010 (SQ) : Forest River Park (I)	-	650.00	650.00
	October 15 2010 (SQ) : Willow Public Bathroom (I)	-	1,300.00	1,300.00
	October 15 2010 (SQ) : Fire Alarm Receiver (I)	-	250.00	250.00
	October 15 2010 (SQ) : Traffic Signal (I)	-	600.00	600.00
	October 15 2010 (SQ) : School Fire Alarm Systems (I)	-	1,550.00	1,550.00
	October 15 2010 (SQ) : School Buses (I)	-	1,650.00	1,650.00
	October 15 2010 (SQ) : School Infrastructure (I)	-	1,150.00	1,150.00
	October 15 2010 (SQ) : School Equipment (I)	-	150.00	150.00
	October 15 2010 (SQ) : Parking Multi Space Meters (I)	-	300.00	300.00
	October 15 2010 (SQ) : Parking Posts & Signage (I)	-	300.00	300.00
	October 15 2010 (SQ) : Police Vehicles 2 (I)	-	750.00	750.00
	October 15 2010 (SQ) : Fire SCBA Compressor (I)	-	650.00	650.00
	October 15 2010 (SQ) : Public Service Equip. & Vehicles (I)	-	3,600.00	3,600.00
	October 15 2010 (SQ) : Public Service Garage Doors (I)	-	250.00	250.00
	October 15 2010 (SQ) : Roads, Sidewalks & Crosswalks (I)	-	22,300.00	22,300.00
	October 15 2010 (SQ) : Playground Equipment (I)	-	850.00	850.00
	October 15 2010 (SQ) : Furlong Park Remodeling (I)	-	4,200.00	4,200.00
	October 15 2010 (SQ) : Willows Gazebo Roof (I)	-	150.00	150.00
	October 15 2010 (SQ) : Roads, Sidewalks & Crosswalks 2 (I)	-	2,300.00	2,300.00
	October 15 2010 (SQ) : Canal St. Improvement Design (I)	-	7,150.00	7,150.00
	October 15 2010 (SQ) : Storage Tanks (O)	-	13,000.00	13,000.00
	October 15 2010 (SQ) : School Ballfield Remodeling (I)	-	1,050.00	1,050.00
	October 15 2010 (SQ) : School Field House Remodeling (I)	-	450.00	450.00
	September 27 2012 : Water System Improvements (OSQ)	-	21,125.00	21,125.00
	September 27 2012 : Sewer Pump Station Upgrade (ISQ)	-	3,118.75	3,118.75
	September 27 2012 : South River Basin Upgrade (ISQ)	-	7,456.25	7,456.25
	September 27 2012 : South River Basin Upgrade 2 (ISQ)	-	5,262.50	5,262.50
	September 27 2012 : Forester Street Drain Relief (ISQ)	-	5,612.50	5,612.50
	September 27 2012 : Domain Controller & Exchange Services (ISQ)	-	900.00	900.00
	September 27 2012 : Domain Controller & Exchange Services 2 (ISQ)	-	900.00	900.00
	September 27 2012 : City Hall Roof (ISQ)	-	10,562.50	10,562.50
	September 27 2012 : City Hall Skylights (ISQ)	-	2,350.00	2,350.00
	September 27 2012 : City Hall Windows (ISQ)	-	5,508.25	5,508.25
	September 27 2012 : City Hall Masonry Repairs (ISQ)	-	13,671.88	13,671.88
	September 27 2012 : Parking Study (ISQ)	-	2,400.00	2,400.00
	September 27 2012 : Police Vehicle Replacement (ISQ)	-	1,500.00	1,500.00
	September 27 2012 : Public Service Equipment (ISQ)	-	825.00	825.00
	September 27 2012 : Roads, Sidewalks & Crosswalks (ISQ)	-	11,884.38	11,884.38
	September 27 2012 : Collins Cove Seawall (ISQ)	-	1,858.38	1,858.38
	September 27 2012 : Parks & Rec. Equipment (ISQ)	-	450.00	450.00
	September 27 2012 : School: Wheelchair Bus (ISQ)	-	1,050.00	1,050.00
	September 27 2012 : School: Conventional Bus (ISQ)	-	1,125.00	1,125.00
	September 27 2012 : Remediation (ISQ)	-	22,293.75	22,293.75
	September 27 2012 : Collins School (ISQ)	-	20,031.25	20,031.25
	September 27 2012 : Collins School 2 (ISQ)	-	85,400.63	85,400.63
	September 27 2012 : Saltonstall School (ISQ)	-	18,971.88	18,971.88
	September 27 2012 : Saltonstall School 2 (ISQ)	-	39,625.00	39,625.00
	Subtotal	\$560,184.40	\$560,184.40	\$560,184.40
04/15/2014	October 15 2007 : High School (I)	-	86,721.00	86,721.00
	October 15 2007 : Police Equipment (I)	-	3,100.00	3,100.00
	October 15 2007 : Ferry Boat Project (I)	-	8,225.00	8,225.00
	October 15 2007 : Water System Improvements (O)	-	45,203.75	45,203.75
	Subtotal	\$153,340.63	\$153,340.63	\$153,340.63
Total		\$4,188,119.00	\$1,744,308.57	\$5,932,427.57

**City of Salem
FY 2014 Debt Service Payments**

CIP DEBT SERVICE EXPENSES	CIP 2009 PRINCIPAL	CIP 2010 PRINCIPAL	CIP 2011 PRINCIPAL	CIP 2012 PRINCIPAL	CIP 2009 INTEREST	CIP 2010 INTEREST	CIP 2011 INTEREST	CIP 2012 INTEREST
Golf Course Dept. Equipment - Principal	\$ 10,000.00							
Dump Truck - Principal	\$ 10,000.00							
DPW Equipment - Principal	\$ 10,000.00							
Engineering Infrastructure - Principal	\$ 15,000.00							
Engineering Seawalls - Principal	\$ 5,000.00							
Police Vehicles - Principal	\$ 15,000.00							
Police Equipment - Principal	\$ 10,000.00							
Police Radar - Principal	\$ 5,000.00							
Police Range Repair - Principal	\$ 10,000.00							
Fire Pump Truck - Principal	\$ 25,000.00							
Turnout Gear Equipment - Principal	\$ 5,000.00							
Parking Equipment - Principal	\$ 5,000.00							
Witch House - Principal	\$ 5,000.00							
Departmental Equipment - Principal	\$ 5,000.00							
Forest River Pool - Principal	\$ 20,000.00							
Forest River Park - Principal	\$ 5,000.00							
Willow Public Bathroom - Principal	\$ 10,000.00							
Fire Alarm Receiver - Principal	\$ 5,000.00							
Traffic Signal - Principal	\$ 20,000.00							
School Fire Alarm Systems - Principal	\$ 15,000.00							
School Buses - Principal	\$ 15,000.00							
School Infrastructure - Principal	\$ 5,000.00							
School Equipment - Principal	\$ 5,000.00							
Sewer Pump Station - Principal	\$ 10,000.00							
Sewer Pump Station - Principal	\$ 10,000.00							
South River Basin Upgrade - Principal	\$ 85,000.00							
South River Basin Upgrade 2 - Principal	\$ 30,000.00							
Water System Improvements - Principal	\$ 100,000.00							
Water System Improvements - Principal	\$ 52,402.00							
Water Meters - Principal	\$ 200,000.00							
Water Main - Principal	\$ 140,000.00							
Parking Multi Space Meters - Principal		\$ 10,000.00						
Parking Posts & Signage - Principal		\$ 10,000.00						
Police Vehicles 2 - Principal		\$ 30,000.00						
Fire SCBA Compressor - Principal		\$ 5,000.00						
Public Service Equipment & Vehicles - Principal		\$ 30,000.00						
Public Service Garage Doors - Principal		\$ 5,000.00						
Roads, Sidewalks & Crosswalks - Principal		\$ 110,000.00						
Playground Equipment - Principal		\$ 5,000.00						
Furlong Park Remodeling - Principal		\$ 20,000.00						
Willows Gazebo Roof - Principal		\$ 5,000.00						
School Ballfield Remodeling - Principal		\$ 5,000.00						
School Field House Remodeling - Principal		\$ 5,000.00						
Roads, Sidewalks & Crosswalks 2 - Principal			\$ 10,000.00					
Canal Street Improvement Design - Principal			\$ 35,000.00					

**City of Salem
FY 2014 Debt Service Payments**

CIP DEBT SERVICE EXPENSES	CIP 2009 PRINCIPAL	CIP 2010 PRINCIPAL	CIP 2011 PRINCIPAL	CIP 2012 PRINCIPAL	CIP 2009 INTEREST	CIP 2010 INTEREST	CIP 2011 INTEREST	CIP 2012 INTEREST
Water - Storage Tanks - Principal			\$ 100,000.00					
Replace Domain Controller & Exchange Services - Principal				\$ 10,000.00				
Replace Domain Controller & Exchange Services 2 - Principal				\$ 15,000.00				
City Hall Roof - Principal				\$ 15,000.00				
City Hall Skylights - Principal				\$ 5,000.00				
City Hall Windows - Principal				\$ 5,000.00				
City Hall Masonry Repairs - Principal				\$ 15,000.00				
Parking Study - Principal				\$ 40,000.00				
Police Vehicles - Principal				\$ 20,000.00				
PublicService Equipment - Principal				\$ 10,000.00				
Roads, Sidewalks & Crosswalks - Principal				\$ 40,000.00				
Collins Cove Seawall - Principal				\$ 5,000.00				
Parks & Recreation Equipment - Principal				\$ 5,000.00				
School Wheelchair Bus - Principal				\$ 17,500.00				
School Buses - Principal				\$ 15,000.00				
Sewer Infrastructure Forrester Street Drain Relief - Principal				\$ 15,000.00				
Golf Course Dept. Equipment - Interest					\$ 2,750.00			
Dump Truck - Interest					\$ 1,400.00			
DPW Equipment - Interest					\$ 1,400.00			
Engineering Infrastructure - Interest					\$ 4,125.00			
Engineering Seawalls - Interest					\$ 1,375.00			
Police Vehicles - Interest					\$ 975.00			
Police Equipment - Interest					\$ 750.00			
Police Radar - Interest					\$ 375.00			
Police Range Repair - Interest					\$ 450.00			
Fire Pump Truck - Interest					\$ 11,875.00			
Turnout Gear Equipment - Interest					\$ 375.00			
Parking Equipment - Interest					\$ 1,375.00			
Witch House - Interest					\$ 1,375.00			
Departmental Equipment - Interest					\$ 1,375.00			
Forest River Pool - Interest					\$ 4,200.00			
Forest River Park - Interest					\$ 1,375.00			
Willow Public Bathroom - Interest					\$ 2,750.00			
Fire Alarm Receiver - Interest					\$ 575.00			
Traffic Signal - Interest					\$ 1,500.00			
School Fire Alarm Systems - Interest					\$ 3,325.00			
School Buses - Interest					\$ 3,525.00			
School Infrastructure - Interest					\$ 2,375.00			
School Equipment - Interest					\$ 375.00			
Sewer Pump Station - Interest					\$ 5,950.00			
Sewer Pump Station - Interest					\$ 6,387.50			
South River Basin Upgrade - Interest					\$ 49,175.00			
South River Basin Upgrade 2 - Interest					\$ 25,887.50			
Water System Improvements - Interest					\$ 65,900.00			
Water System Improvements - Interest					\$ 43,036.03			
Water Meters - Interest					\$ 95,000.00			

City of Salem
FY 2014 Debt Service Payments

CIP DEBT SERVICE EXPENSES	CIP 2009 PRINCIPAL	CIP 2010 PRINCIPAL	CIP 2011 PRINCIPAL	CIP 2012 PRINCIPAL	CIP 2009 INTEREST	CIP 2010 INTEREST	CIP 2011 INTEREST	CIP 2012 INTEREST
Water Main - Interest					\$ 82,500.00			
Parking Multi Space Meters - Interest						\$ 750.00		
Parking Posts & Signage - Interest						\$ 750.00		
Police Vehicles 2 - Interest						\$ 1,950.00		
Fire SCBA Compressor - Interest						\$ 1,375.00		
Public Service Equipment & Vehicles - Interest						\$ 8,050.00		
Public Service Garage Doors - Interest						\$ 575.00		
Roads, Sidewalks & Crosswalks - Interest						\$ 46,250.00		
Playground Equipment - Interest						\$ 1,375.00		
Furlong Park Remodeling - Interest						\$ 8,700.00		
Willows Gazebo Roof - Interest						\$ 375.00		
School Ballfield Remodeling - Interest						\$ 2,175.00		
School Field House Remodeling - Interest						\$ 975.00		
Roads, Sidewalks & Crosswalks 2 - Interest							\$ 4,750.00	
Canal Street Improvement Design - Interest							\$ 14,825.00	
Storage Tanks - Interest							\$ 27,500.00	
Replace Domain Controller & Exchange Services - Interest								\$ 1,350.00
Replace Domain Controller & Exchange Services 2 - Interest								\$ 2,025.00
City Hall Roof - Interest								\$ 21,350.00
City Hall Skylights - Interest								\$ 4,775.00
City Hall Windows - Interest								\$ 11,087.50
City Hall Masonry Repairs - Interest								\$ 27,568.76
Parking Study - Interest								\$ 5,400.00
Police Vehicles - Interest								\$ 3,300.00
Public Service Equipment - Interest								\$ 1,800.00
Roads, Sidewalks & Crosswalks - Interest								\$ 24,568.76
Collins Cove Seawall - Interest								\$ 3,793.76
Parks & Recreation Equipment - Interest								\$ 975.00
School Wheelchair Bus - Interest								\$ 2,362.50
School Buses - Interest								\$ 2,475.00
Sewer Infrastructure Forrester Street Drain Relief - Interest								\$ 11,450.00
Total GF & Enterprise	\$ 862,402.00	\$ 240,000.00	\$ 145,000.00	\$ 232,500.00	\$ 423,811.03	\$ 73,300.00	\$ 47,075.00	\$ 124,281.28
Total Enterprise	\$ 627,402.00		\$ 100,000.00	\$ 15,000.00	\$ 373,836.03		\$ 27,500.00	\$ 11,450.00
Total General Fund	\$ 235,000.00	\$ 240,000.00	\$ 45,000.00	\$ 217,500.00	\$ 49,975.00	\$ 73,300.00	\$ 19,575.00	\$ 112,831.28
Grand Total GF & Enterprise								\$ 2,148,369.31
Grand Total Enterprise								\$ 1,155,188.03
Grand Total General Fund								\$ 993,181.28

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