

CAPITAL IMPROVEMENT PROGRAM
FY 2013-2018
WORKSHOP

February 21, 2012
5:30 PM

City Manager Belmore opened the workshop at 5:30 pm and thanked the audience for their attention, saying that there would be a power point presentation on the Capital Improvement Program for fiscal years 2013-2018 by City and School officials.

Mr. Belmore outlined the authority, evolution and development of the CIP process. He talked about Planning Board involvement in the process, City Department involvement and finally, City Council and School Board involvement. He said that over the last several years they have talked about how they can improve the process, considering increasing citizen input via public hearings, as well as establishing methods and levels of funding for the CIP. They outlined the city's financial policy criteria used to identify a CIP project and then defined priority ratings.

Seven priority I projects were identified by the City Manager for CIP 2013, totaling \$1,252,000. Eleven priority II projects totaling \$531,750 were listed, as well as four multi-year projects. Funding sources including bonds/leases (37%), Enterprise funds (16.51%), Grants/other (2.26%) and the operating budget (44.22%) were considered as was the net impact to the 2013 net tax rate.

A timeline for TE grant improvements through 2014 was submitted by City Planner, Dave Sharples.

City and School bond issue debt that will be retired within the next few years was considered as "windows" of opportunity to address some of these CIP items with a goal of stabilizing the tax rate.

Two important future projects- road reconstruction and fire station replacement were identified.

The School Department identified their six year CIP which is estimated at \$7,546,817 and includes HVAC's, security, window replacement, additions and renovations. \$540,000 is included in the FY2012-2013 budget as Phase I of the 6-year plan and begins to address HVAC and window problems.

Councilor Witham wants to better understand the total indebtedness for bonding. There was some discussion of guidelines of levels of indebtedness. Somersworth is below those levels.

Councilor McCallion asked if we could bond for many different projects, not just one. Finance Director Smith said that the issues would need to be qualified to be bondable, that is, not regular maintenance or operations.

Councilor Sprague asked Superintendent Mosca why they did not allocate more than \$540,000. She said that the original plan had called for \$893,000 but the School Board felt that was too much to absorb in this budget and decided to reduce the amount.

There was discussion about the fact that the cost of these projects is now higher than in previous years even though nothing new has been added. School Board member Perkins said that what was projected to cost \$6M last year is now projected at > \$7M.

Councilor Witham asked whether the 2-6 year CIP plans have been developed yet.

Superintendent Mosca said that depends on funding and what moves forward. ...HVAC's were identified as most important because if one of those goes, there is potential that the (building) would need to be shut down; that is the number one priority.

Councilor Durkee said that we need to tackle those projects that would preclude us from using the building(s). It is important to ... recognize the cost of doing nothing.

Ms. Mosca believes that if we do nothing, the number will be \$8M next year. She said that they also try to tackle projects in their operating budgets.

Councilor Durkee said that to pretend that doing nothing is not a cost does a disservice to the people that they represent.

Councilor Witham asked for a list of streets to be resurfaced. The City Manager said that we can get that list.

Generators for the City Hall and Public Works were discussed.

Councilor Witham talked about the idea of a new fire station instead of an addition saying that the old building is an energy sieve, as well as mentioning other (current facility) negatives. He suggested it could be cost effective (to have a new building), perhaps using the same site.

Councilor Sprague asked about land behind Public Works.

City Planner Sharples said he was not sure of wetland issues.

City Manager Belmore pondered creating a committee to consider.

Councilor Durkee wondered about the life expectancy of the old fire station when it was built.

Fire Chief Bliss said that he did not know, but mentioned several issues to be considered for a new building going forward.

The workshop was adjourned at 6:43 pm.

Respectfully submitted,

A handwritten signature in cursive script that reads "Elise B. Brelis". The signature is written in black ink and is positioned above a horizontal line.

Elise B. Brelis, Deputy City Clerk