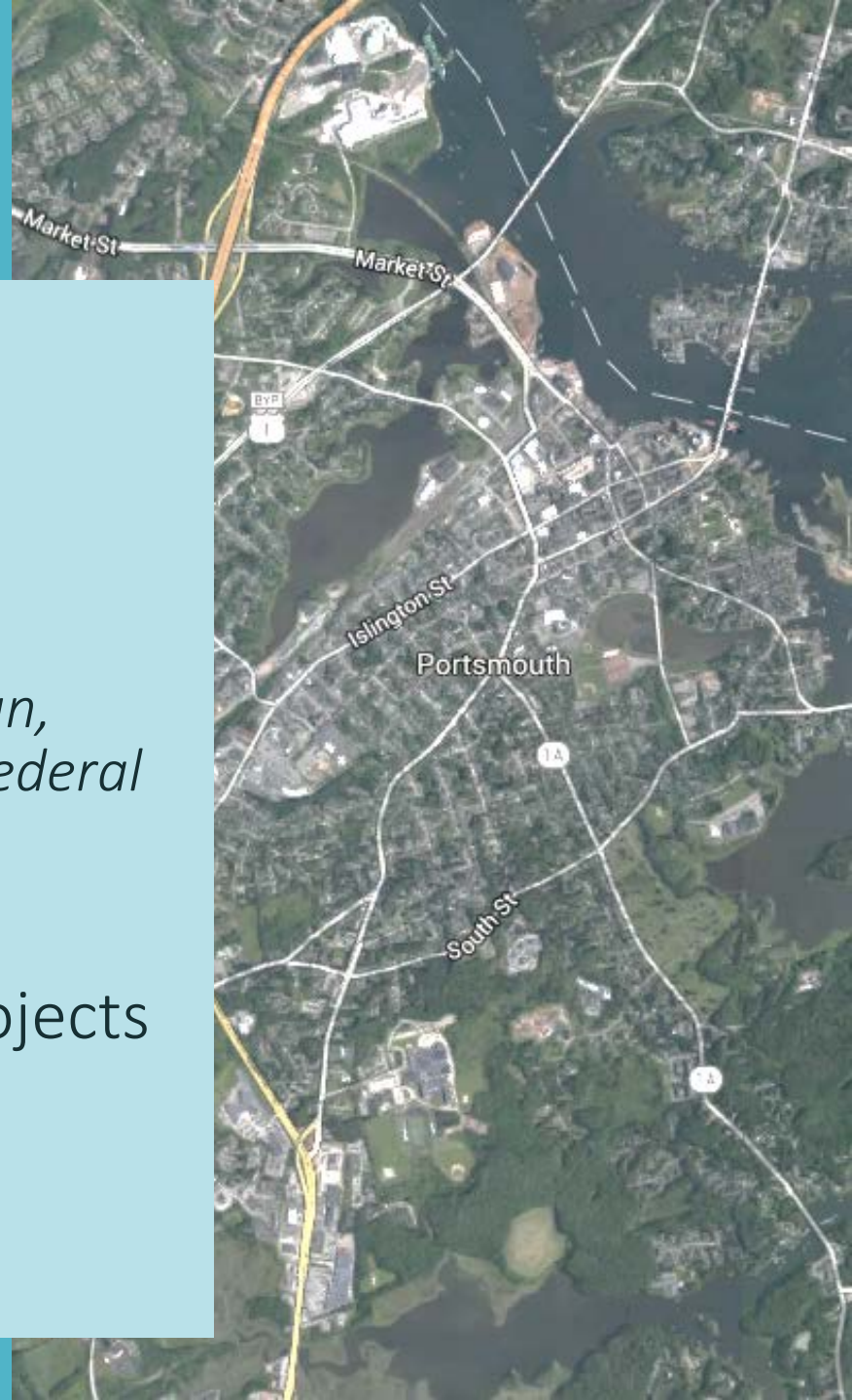


Capital Improvement Planning Process

September 23, 2015

Agenda

- ❖ CIP Process
 - *Requirements*
 - *Schedule*
 - *Project Selection Criteria and Prioritization*
 - *Relationship to City Master Plan, other city plans, and state or federal requirements*
 - *Funding*
- ❖ Overview of Current CIP Projects
 - *Project Types and Locations*
 - *Project Phasing*
- ❖ Public Input Session



City Charter Requirements

Manager must submit to the Council a six (6) year capital program at three (3) months prior to submission of the City budget.

The City Council must hold a public hearing on the CIP and must adopt it on or before the date for submission of the budget.

The capital program shall include:

1. A general summary of its contents;
2. A list of all capital improvements proposed during the next six (6) fiscal years;
3. Cost estimates, method of financing, recommended time schedules;
4. Estimated annual operating and maintenance costs

NH Legal Authority

- The Planning Board has authority to oversee a Capital Improvement Program (RSA 674:5)
- Non-regulatory function of the Planning Board
- Supports the Planning Board's responsibilities to prepare and amend the City's Master Plan
- Informs the development of the City's annual budget

*...a recommended program of municipal capital improvement projects projected **over a period of at least 6 years.***

...may encompass major projects being currently undertaken or future projects to be undertaken with federal, state, county and other public funds.

*...sole purpose and effect... shall be to aid the mayor...and the budget committee in their consideration of the **annual budget.***

Timeline

November

- Planning Board public input session (Nov. 19)

December

- Planning Board CIP Subcommittee evaluates requests

January

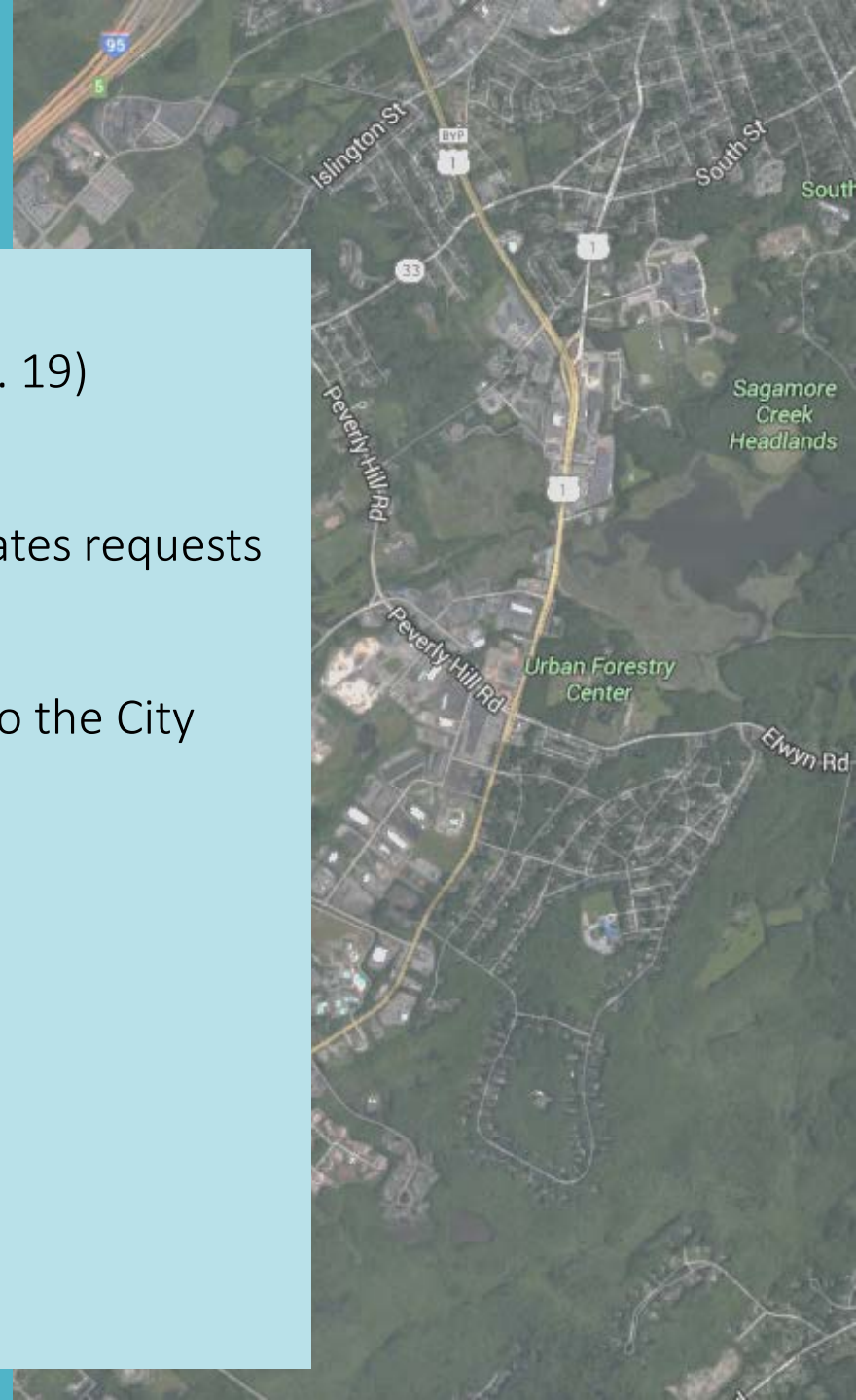
- Planning Board adopts CIP and submits to the City Council

February

- City Council work session

March

- City Council public hearing
- CIP Adoption



What is a Capital Improvement Plan?

A **plan** for accomplishing needed improvements on a scheduled basis

- *Provides a complete picture of the City's major development needs;*
- *Coordinates activities of various City departments and agencies;*
- *Assists in implementing recommendations of the City's Master Plan;*

A **guide** for the allocation of fiscal resources

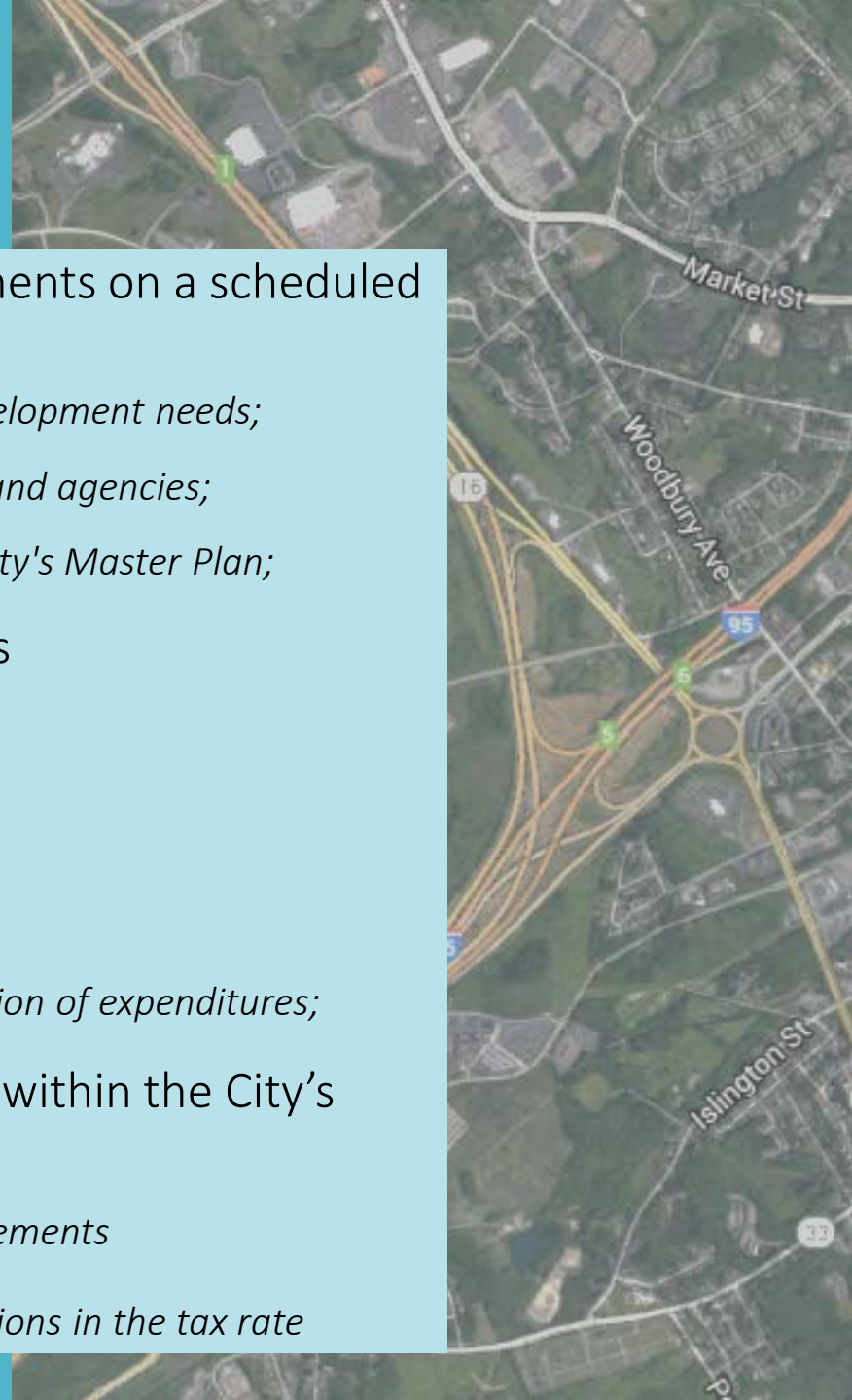
- *Establishes fiscal priorities for projects;*
- *Balances the use of funding sources;*

Helps **plan for future** City expenditures

- *Discourages piecemeal improvements and duplication of expenditures;*

Ensures that needed facilities are provided within the City's **financial capability**

- *Informs the taxpayers of anticipated future improvements*
- *Helps to schedule major projects to reduce fluctuations in the tax rate*



Capital Improvement Projects include one or more of the following:

- ❖ Land acquisition;
- ❖ Construction or expansion of a new facility or utility lines;
- ❖ Non-recurring rehabilitation of a facility provided the cost is \$50,000 or more;
- ❖ Design work or planning study related to a capital project or implementation of the Master Plan;
- ❖ Any item or piece of equipment, non-vehicular in nature, that costs more than \$50,000 and has a life expectancy of 5 or more years; or
- ❖ Replacement and purchase of vehicles which have a life expectancy of more than 5 years or cost more than \$50,000.

A capital improvement is a major expenditure, which is made infrequently or is non-recurring.

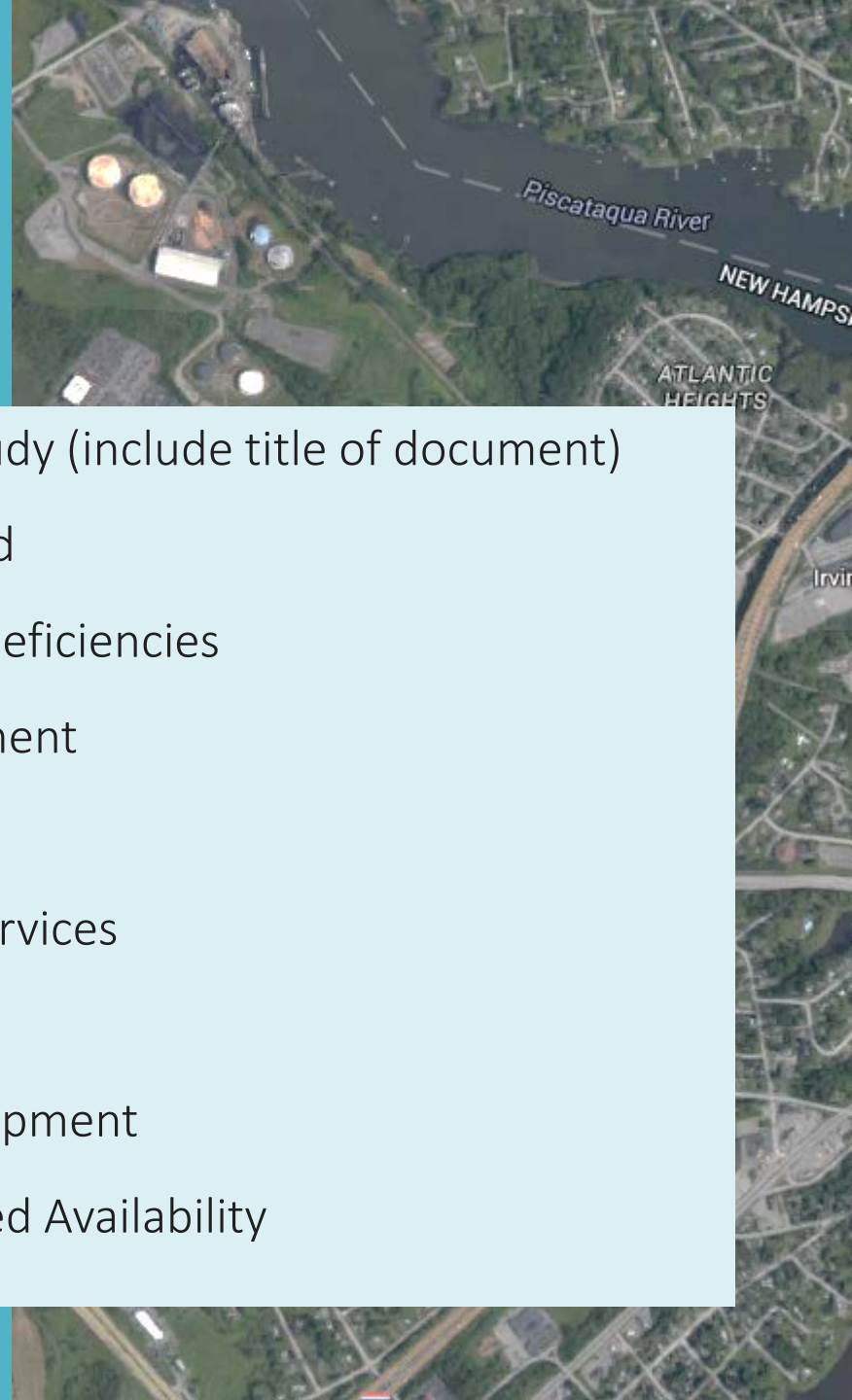
CIP Project Requests

- ❖ All project requests are submitted via City Departments to the City Manager.
- ❖ New Project Request
 - Clear statement of need
 - Location
 - Justification for the project
 - Costs
 - Net effect on the operating budget
 - Implementation schedule
- ❖ Current Projects
 - Funding request adjusted if additional funds are required
 - Implementation schedule updated



Project Justification Criteria

- ❖ Identified in Planning Document or Study (include title of document)
- ❖ Addresses Public Health or Safety Need
- ❖ Alleviates Substandard Conditions or Deficiencies
- ❖ Responds to Federal or State Requirement
- ❖ Improves Quality of Existing Services
- ❖ Provides Added Capacity to Existing Services
- ❖ Reduces Long-Term Operating Costs
- ❖ Provides Incentive to Economic Development
- ❖ Eligible for Matching Funds with Limited Availability



Sources for CIP Projects

- ❖ Federal state mandates or regulations
- ❖ Infrastructure / Facility updates or expansions
- ❖ Planning priorities
 - Related to implementation of the Master Plan or related studies
- ❖ Policy priorities
 - Specific direction provided by City Council

- ❖ Master Plan and supporting documents, such as:
 - Bicycle & Pedestrian Plan
 - Climate Change Vulnerability and Adaptation Plan
 - Hazard Mitigation Plan
 - Public Urban Lands Assessment
- ❖ State or federal mandates or requirements, such as:
 - Americans with Disabilities Act compliance
 - US EPA Municipal Separate Storm Sewer System requirements
 - Clean Water Act
- ❖ Facility Needs Assessments and Studies
- ❖ Pavement Management Index (Roads) and Sidewalk Assessment Inventory
- ❖ Regional and State Transportation Improvement Plans (TIPS)
- ❖ Water System Master Plan
- ❖ City Policies, such as:
 - Complete Streets
 - Bike and Walk Friendly Communities

Methods of Financing

Capital Improvement Plan projects are funded from a variety of sources.

Deciding on which method of financing for a project depends on a number of factors:

- ❖ Cost of the project
- ❖ Its useful life
- ❖ Eligibility of the project to receive funds from other than local taxes
- ❖ Long-term and short-term financial obligations of the City
- ❖ The project's relative priority in terms of implementation

The Capital Improvement Plan seeks to maximize the potential benefits from all revenue sources.

General Fund

Federal / State Grants

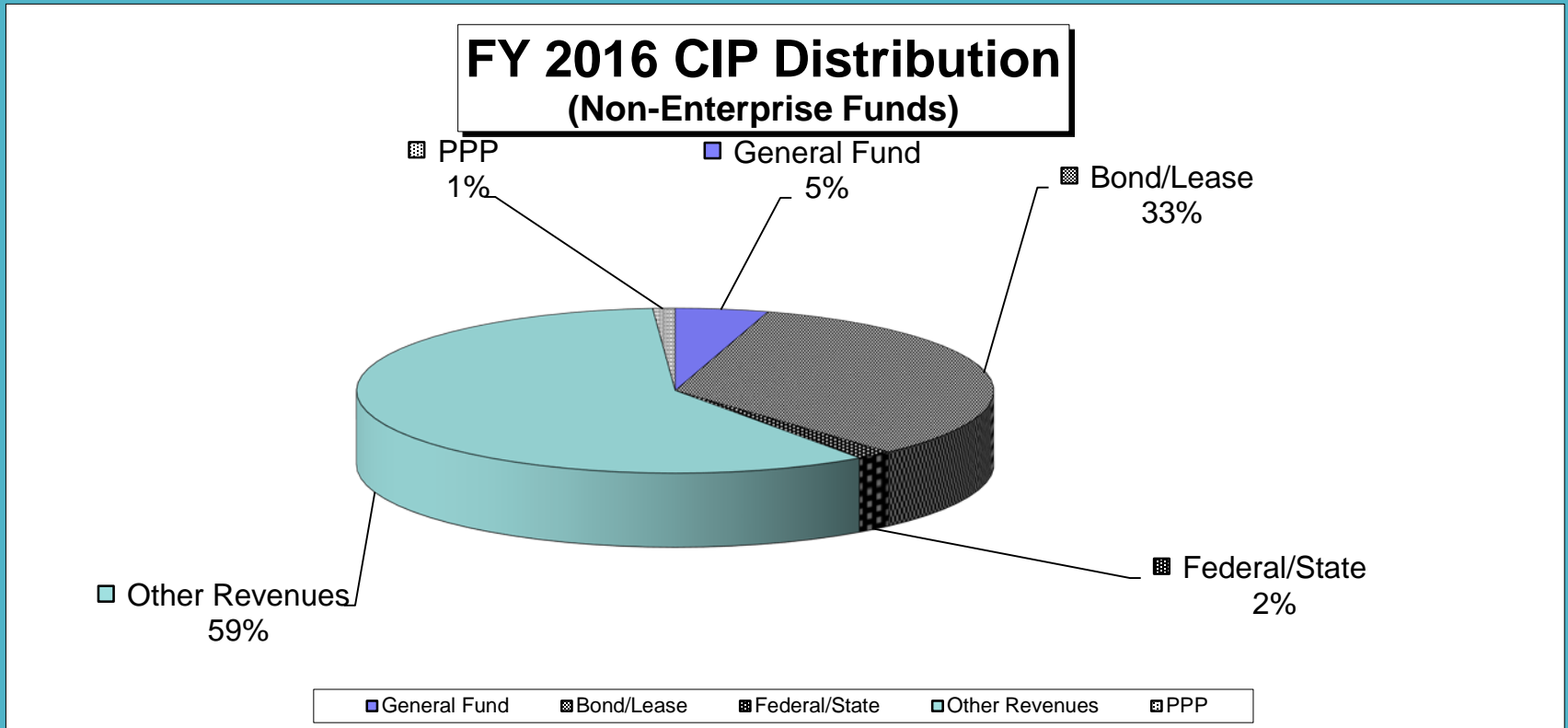
General Obligation Bonds

Revenues (Parking,
Water, Sewer)

State Revolving Loan
Fund

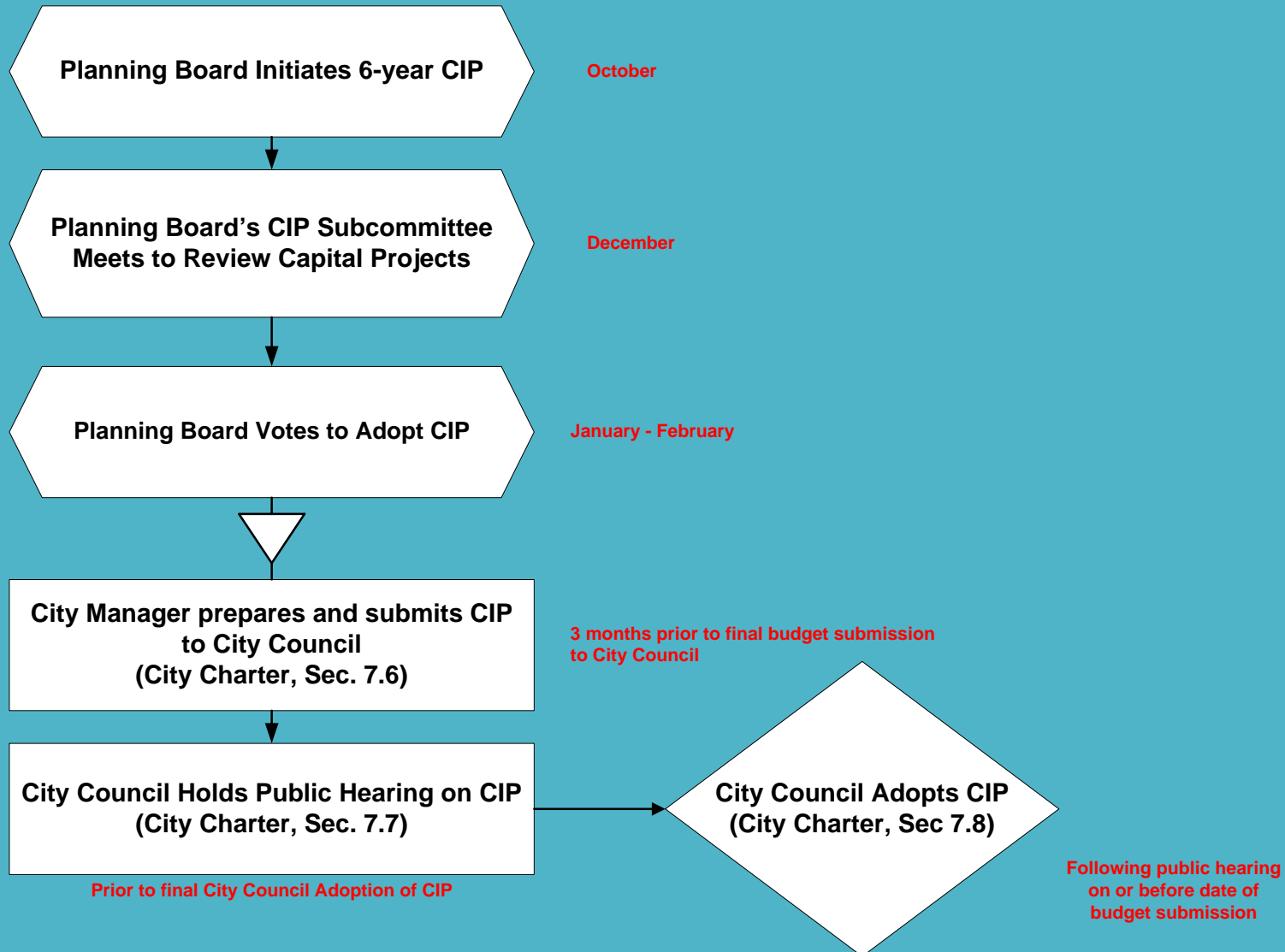
Public Private Partnership

Methods of Financing

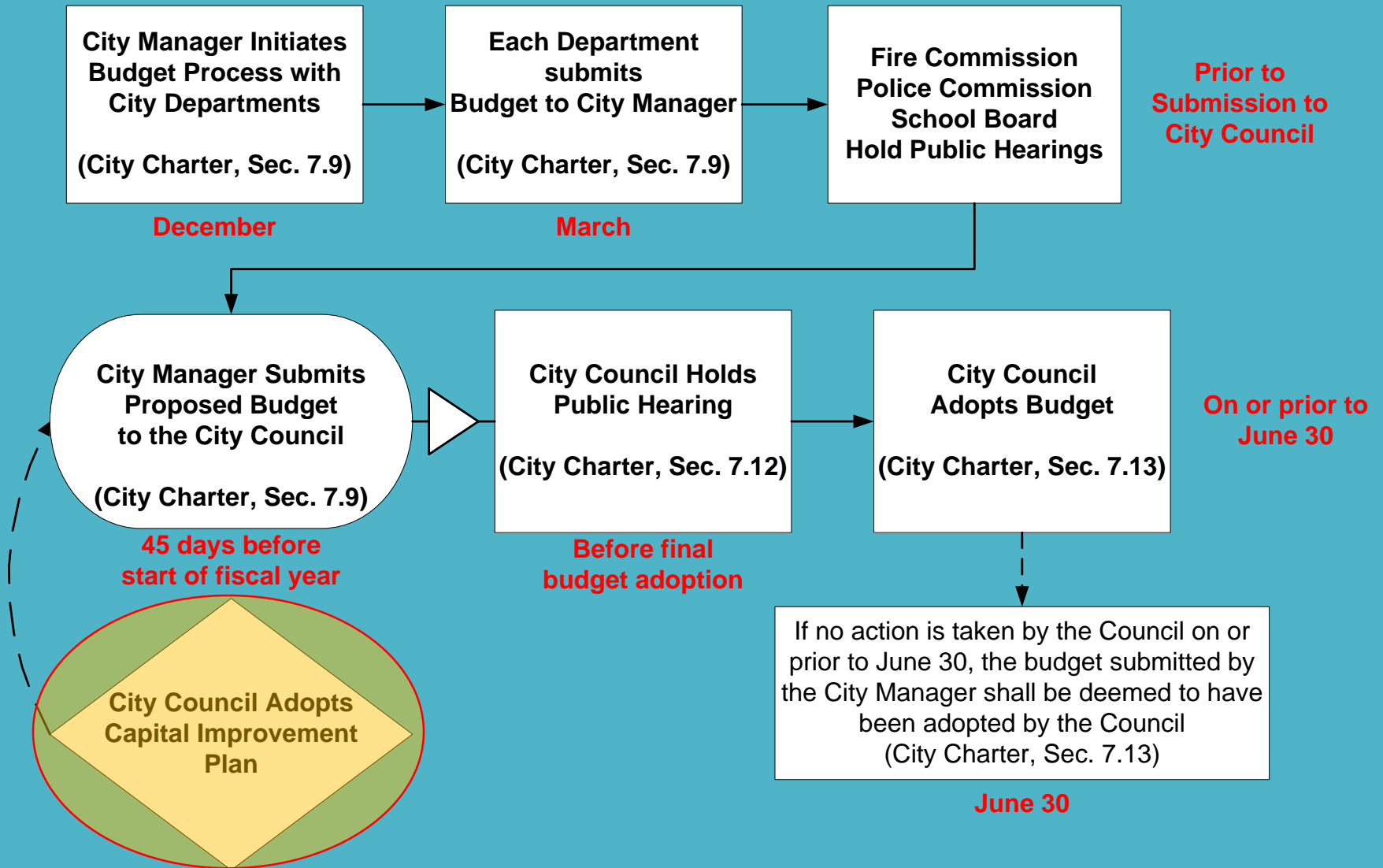


	General Fund	Bond/Lease	Federal/State	Other Revenues	PPP	Totals
Amount	\$1,765,000	\$12,600,000	\$698,000	\$21,971,700	\$425,000	\$37,459,700
% of Total	5%	34%	2%	59%	1%	

CIP and the Annual Budget



CIP and the Annual Budget



CIP and the Annual Budget

- ❖ The goal for the Annual Budget portion allocated for the Capital Outlay (CIP) is 2% of the prior year's General Fund Budget
- ❖ CIP General Fund allocation for Fiscal Year 2016 (July 2015 to June 2016) was \$1,765,000

Department Requests	Planning Board Recommended to City Council	City Council adopted CIP (Feb. 2015)	City Council adjusted for final FY16 Budget
\$2,330,000	\$1,900,000	\$1,850,000	\$1,765,000

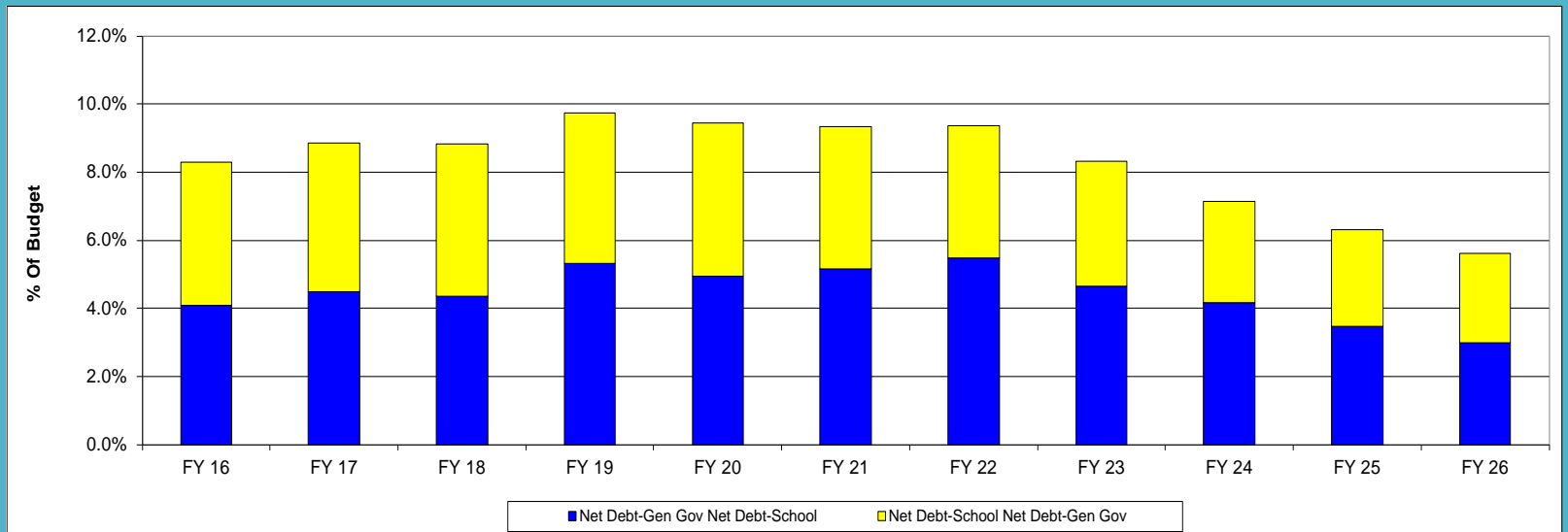
- ❖ Target for FY17 General Fund portion for CIP = \$2,020,900

Debt Service

Net Debt Service as a Percentage of General Fund Budget - Policy no more than 10% of annual appropriation

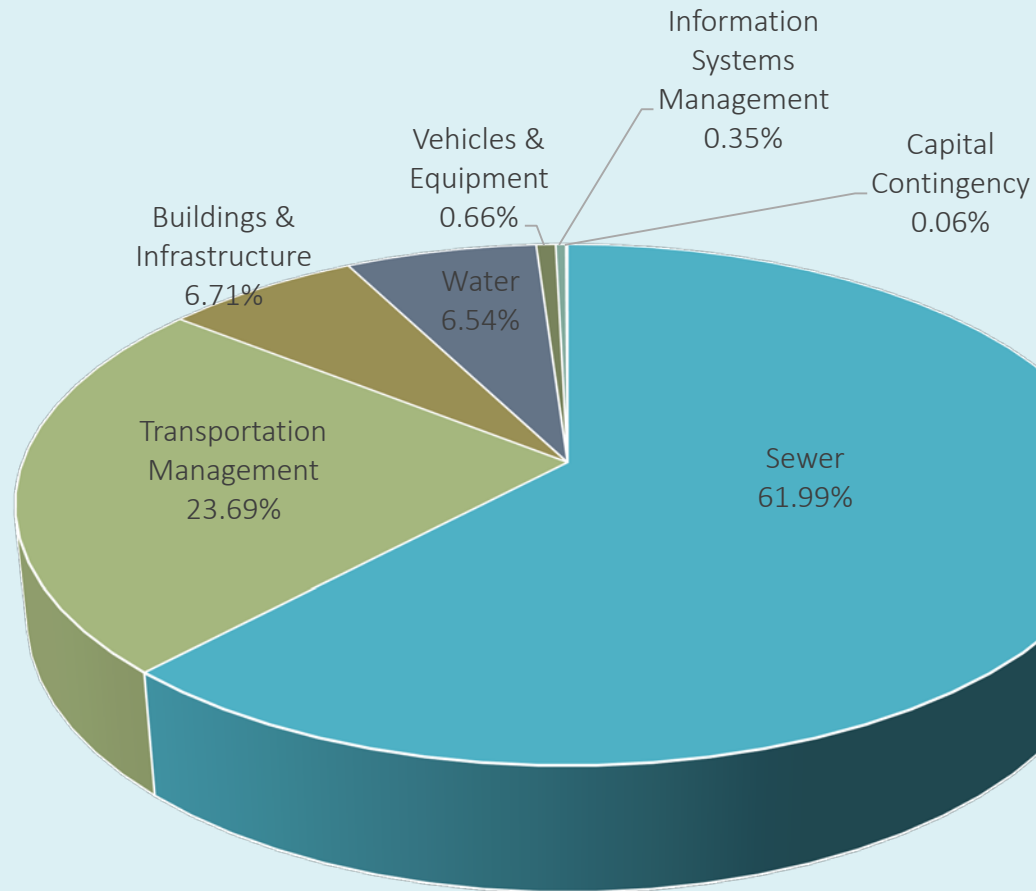
	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Total Gen Fund Without Debt Service (increase 2.50% in FY 16 and beyond)	89,289,577	91,521,817	93,809,862	96,155,109	98,558,986	101,022,961	103,548,535	106,137,249	108,790,680	111,510,447	114,298,208
Net Debt-Gen Gov	4,130,191	4,666,947	4,641,021	5,867,418	5,552,959	5,937,831	6,443,439	5,563,173	4,996,307	4,211,606	3,679,032
Net Debt-School	4,250,032	4,543,741	4,779,378	4,853,326	5,065,476	4,797,451	4,584,301	4,379,626	3,550,723	3,438,223	3,245,098
Total Net Debt	8,380,223	9,210,688	9,420,399	10,720,744	10,618,435	10,735,282	11,027,741	9,942,799	8,547,030	7,649,829	6,924,130
Total General Fund Budget	101,046,202	104,107,896	106,604,643	110,249,225	112,513,726	115,094,548	117,912,581	119,416,353	119,657,793	121,480,359	123,542,421

Percentage Debt Service of Budget:	8.29%	8.85%	8.84%	9.72%	9.44%	9.33%	9.35%	8.33%	7.14%	6.30%	5.60%
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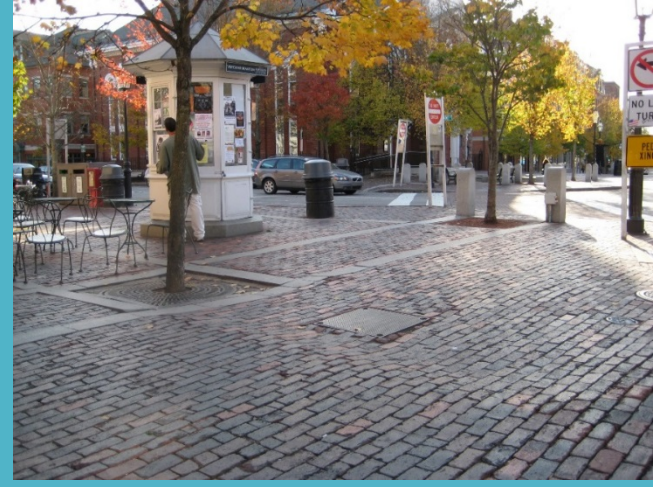


CIP Funding by Project Type

CIP FY 16 Distribution by Project Category



Project Implementation & Phasing

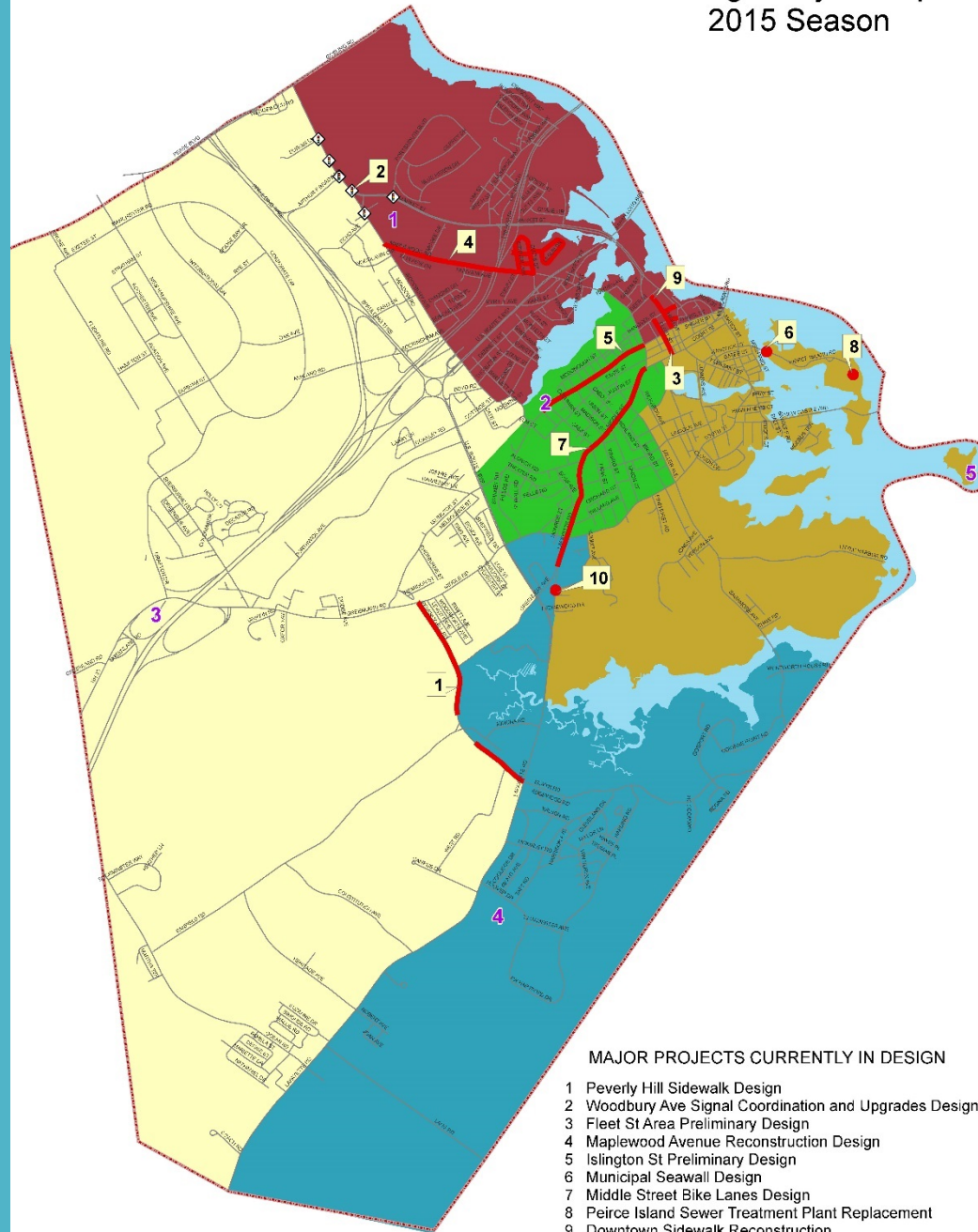


Capital Project Phases (typical)

- ❖ Planning / Feasibility
- ❖ Design / Engineering
- ❖ Construction



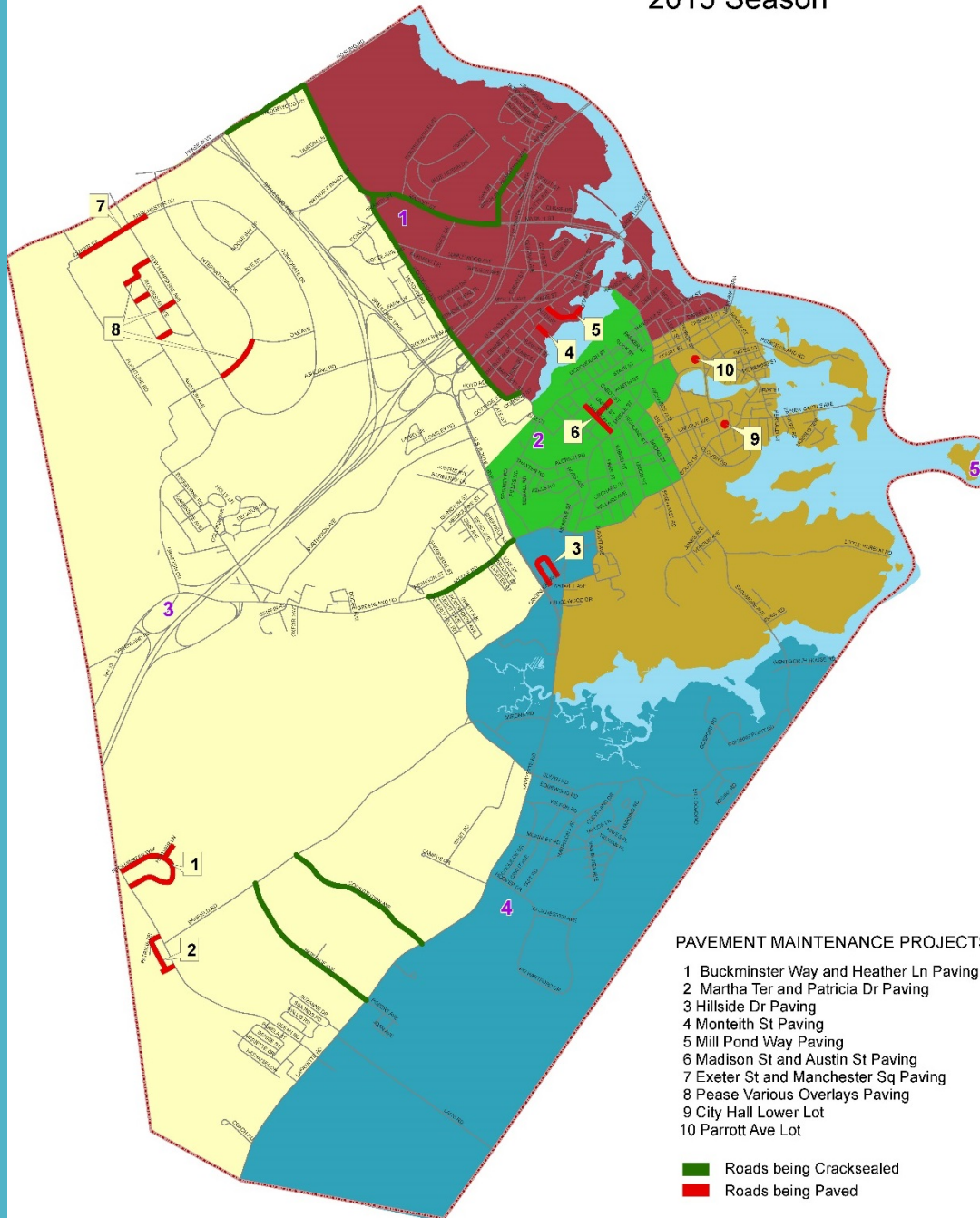
City of Portsmouth Design Project Map 2015 Season



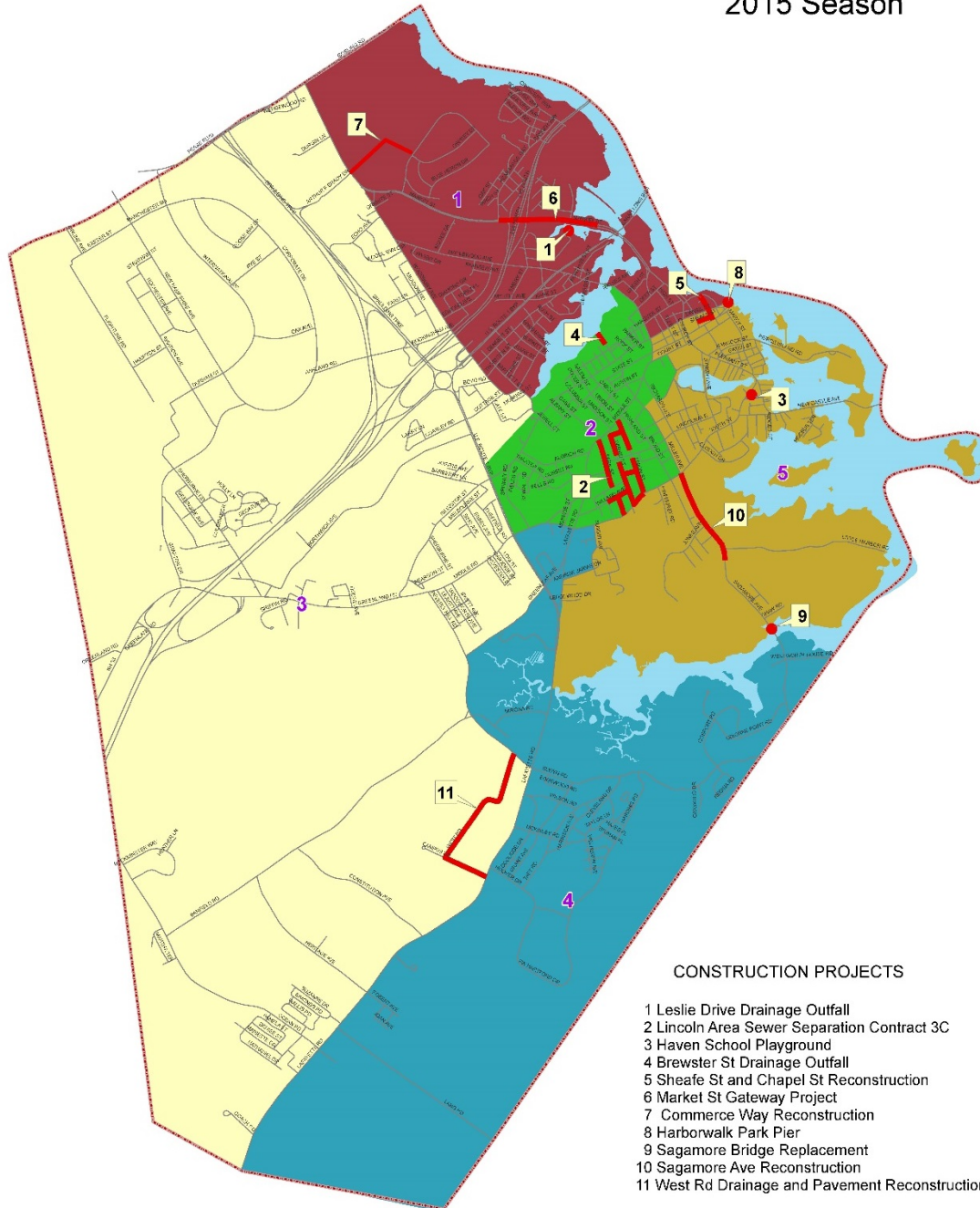
MAJOR PROJECTS CURRENTLY IN DESIGN

- 1 Pevery Hill Sidewalk Design
- 2 Woodbury Ave Signal Coordination and Upgrades Design
- 3 Fleet St Area Preliminary Design
- 4 Maplewood Avenue Reconstruction Design
- 5 Islington St Preliminary Design
- 6 Municipal Seawall Design
- 7 Middle Street Bike Lanes Design
- 8 Peirce Island Sewer Treatment Plant Replacement
- 9 Downtown Sidewalk Reconstruction
- 10 Andrew Jarvis Dr and Lafayette Rd Intersection Modifications

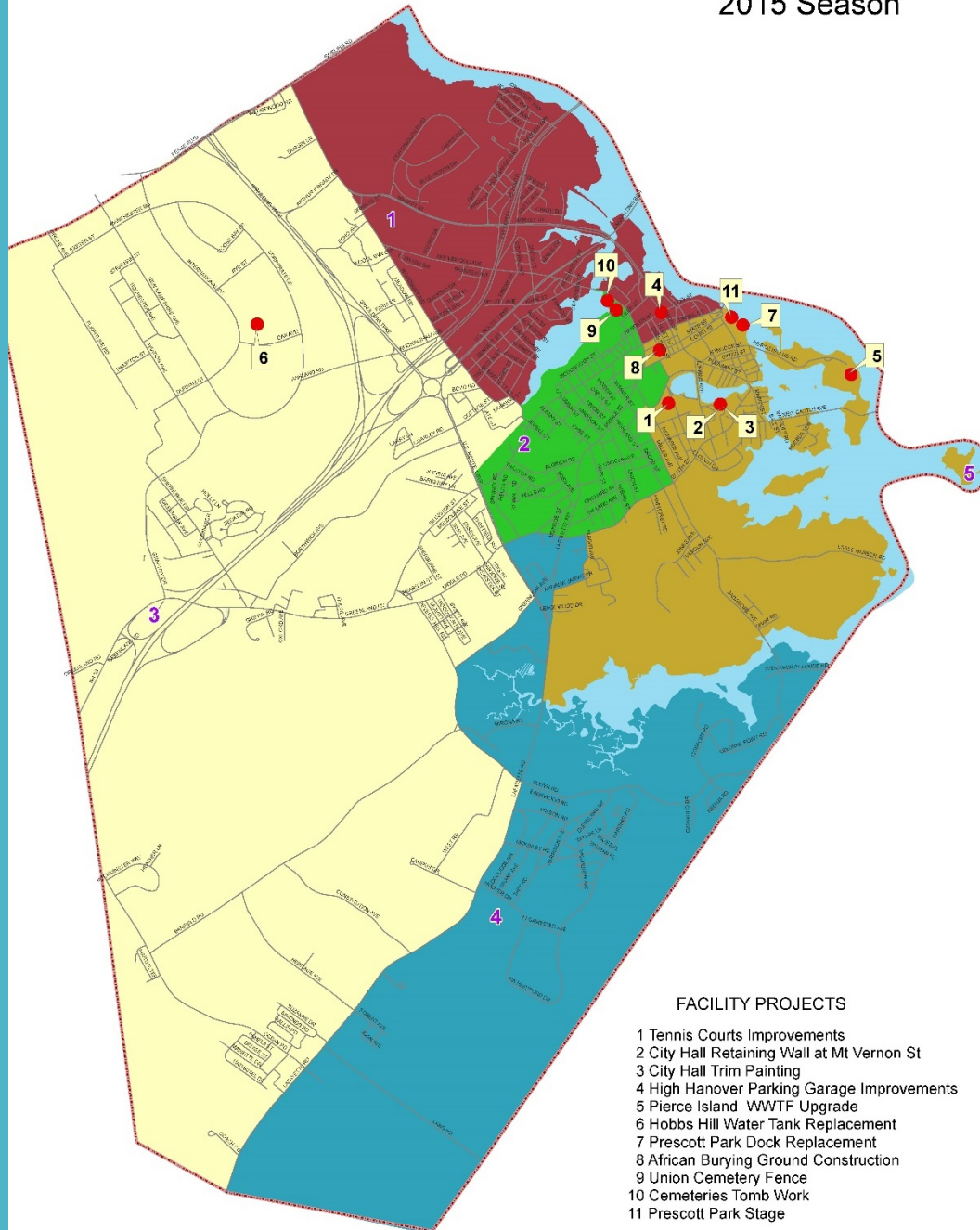
City of Portsmouth Pavement Maintenance Project Map 2015 Season



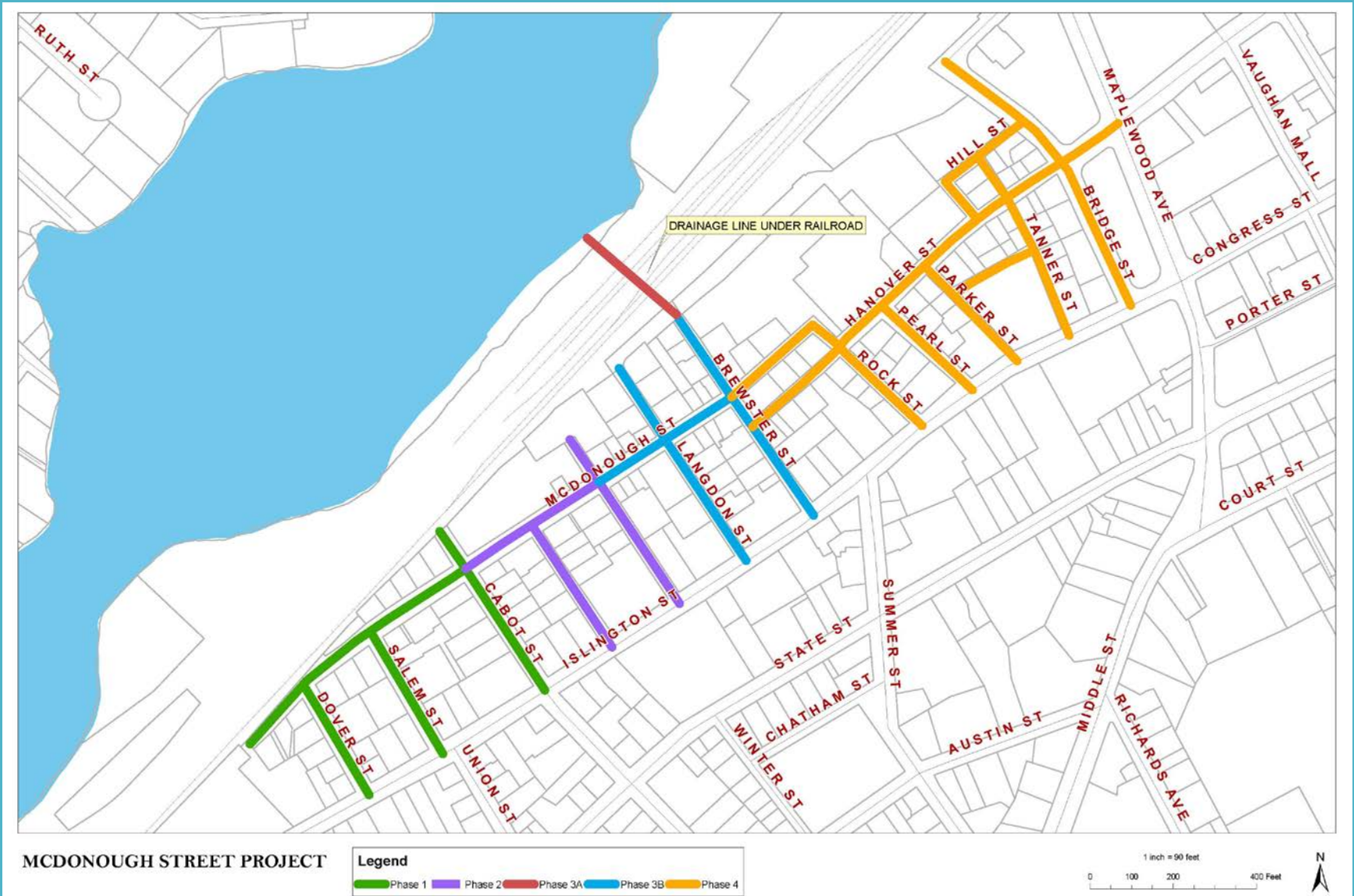
City of Portsmouth Construction Project Map 2015 Season



City of Portsmouth Facility Project Map 2015 Season



Case Study: McDonough Street Area



Case Study: McDonough Street Area

Phased Project

Phase	General Funds Authorized	General Funds Committed/ Spent	Water/Sewer Funds Committed/ Spent
1 (FY-10)	\$400,000	\$400,000	\$230,000
2 (FY-11)	\$400,000	\$400,000	
3a and 3b* (FY-13)	\$400,000	\$692,496.45*	\$550,000
4 (FY-14)	\$400,000		
5 (FY-15)	\$400,000		
Total	\$2,000,000	\$1,492,496.45	\$780,000

*Project 3a Drainage Pipe Under Rail Road

- Construction Cost \$1,069,260
- Engineering Cost \$173,236

Phase 3a and 3b Schedule Impacted By:

- Area Wide Drainage Issues
- Combined Sewer
- Rail Road Easement Taking
- Wetland and Shoreland Permitting
- First Bid Came in at \$1.8M
- Adjusted Bid Documents and Re-bid Project
- Re-bid
- Construction October 2015 to May 2016

Public Input Session

Capital Improvement Program Project Suggestion Form

Please use this form if you have a project to recommend for consideration in the Capital Improvement Program. All project requests will be reviewed by the appropriate City Department and shared with the Planning Board CIP Subcommittee for consideration in this year's or future year's Capital Improvement Program.

Submitter's Name (please print) _____

Submitter's Address _____

Project Location _____

Project Type (please check one)

- Land Acquisition
- Construction or expansion of a new public facility, street, or utility
- Rehabilitation of a facility
- Design work or planning study
- Equipment (non-vehicular)
- Replacement or purchase of vehicles
- Other _____

Project Description

Project Justification (check all that apply)

- Identified in Planning Document or Study (identify plan or study)

- Improves Quality of Existing Services
- Provides Added Capacity to Serve Growth
- Addresses Public Health or Safety Need
- Reduces Long-Term Operating Costs
- Alleviates Substandard Conditions or Deficiencies
- Provides Incentive to Economic Development
- Responds to Federal or State Requirement
- Eligible for Matching Funds with Limited Availability
- Other _____

**Please return to the Planning Department by October 16, 2015
3rd Floor City Hall, 1 Junkins Ave, Portsmouth, NH 03801**