

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 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 – FY2022 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 stabilize long term operational costs.

FY2022 Capital Improvement Program (CIP) – highlights of proposed CIP and FY2022 Capital Budget

For FY2022, 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 historic infrastructure.

The City of Salem is scheduled to receive an estimated \$840,000 from the Commonwealth of Mass for road repairs from Chapter 90 Grant funding. In addition to the authorized Chapter 90 funding, the City will be funding an additional \$1,500,000 for roadway improvements and sidewalks beyond the state aid appropriation. As well, as funding a number of other specific roadway projects.

The FY2022 capital improvement plan reflects a continued commitment to addressing aging infrastructure and improving the appearance of our City overall. Investments in playground upgrades, traffic calming, parking infrastructure, roadway improvement, technology initiatives, also including computer hardware, various departmental vehicles and equipment, as well as building repairs and maintenance.

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 and must have a depreciable life of five (5) or more years. Examples of Capital Assets are 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.

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.

TOTAL PROPOSED CAPITAL PLAN FOR THE CITY OF SALEM:	\$	11,654,000
TOTAL PROPOSED FOR BORROWING AND CAPITAL LEASES:	\$	9,819,000

FY22 CIP –CH. 90:

Engineering	Roads, Sidewalks & Crosswalks (Chapter 90)	840,000
TOTAL CH.90:		840,000

FY22 CIP-Funded from one time revenue sources-CAPITAL OUTLAY FUND-FUND 2000

Building	Improvements, Upgrades, Repairs, and ADA Compliance -	40,000
City Clerk	Replacement of Voting Equipment	55,000
Electrical	F350 Utility Truck	55,000
Fire	Portable Radios	20,000
Fire	General Building Maintenance/Upgrades/Master Plan	50,000
HarborMaster	Dockhouse Relocation	50,000
Health	Mack Park Community Farm	15,000
Recreation	Equipment - Golf Course & Winter Island	87,000
Parking	Parking Equipment Install and Maintenance (meters, kiosks, Evs, other)	75,000
Planning	Studies, Including Open Space, Harmony Grove Multi-Use Path, Other	100,000
Planning	Dickson Chapel Next Phases Design	30,000
Planning	OTH & Artist Row General Upgrades, Improvements, Repairs, & ADA	30,000
Police	Body Worn Cameras, Police Equipment	90,000
Police	Community Cameras	45,000
Police	Police Headquarters General Repairs, Improvements, Elevator, ADA	75,000
Pulbic Services	F550 Dump	69,000
School	Motorized Cleaning Equipment	109,000
TOTAL CAPITAL OUTLAY FUND:		995,000

FY22 CIP-Funded from CAPITAL LEASES

TOTAL CAPITAL LEASES:

-

FY22 CIP-Funded from anticipated BOND AUTHORIZATION

	Roads, Sidewalks & Crosswalks (Non Chapter 90 eligible, includes Bridge, Boston, Washington, Essex, Other)	1,500,000
Engineering	Citywide Seawall Improvements	200,000
Engineering	McGrath Park Soils Redemption	200,000
Engineering	Derby St Complete Project phase 3	560,000
Fire	New Engine to Replace Engine 1	662,000
IT	Annual Equipment-Life-Cycle Mgmt Program (City)	125,000
Library	General Building Upgrades, Improvements, Envelope, ADA	85,000
Recreation	Golf Course Cart Paths	426,000
Recreation	City Wide Playgorund Equipmen, Court, Minor Park Repairs	100,000
Recreation	Park and Recreation Major Improvements/ADA	100,000
Recreation	Willows Pier	900,000
Parking and Traffic	Traffic Calming Improvements	70,000
Parking and Traffic	Bicycle Infrastructure Design, Implementation & Repairs/Improvements	100,000
Parking and Traffic	Museum Place Garage Renovation Phase 2	1,580,000
Parking and Traffic	South Harbor Garage Stair Replacement & ADA Compliance	850,000
Parking and Traffic	MP & SH Garage Maintenance, Repairs, ADA	100,000
Planning	OTH Restorations & Systems Assesment, Planning, Design	100,000
Police	Police & Fire Radio Communication System	250,000
Police	Vehicle Replacement Program	150,000
	Annual Small Repairs, DPS Building Studies and ADA Improvements - DPS &	
Public Servcies	Cemeteries	75,000
Public Servcies	Salem DPS Salt Shed Project	420,000
Public Servcies	Replae Primary Sweeper	241,000
Schools	School Life Safety, MEP, Utility, Roof Repairs, Upgrades, Studies	150,000
Schools	Collins Roof/Masonry Study/Repair	125,000
Schools	District Camera and Access Control	250,000
Schools	Energy/Water Upgrades and Audits	125,000
Schools	Witchcraft Heights Floor Replacement	300,000
Schools	ADA/Architectural/Interior, Site Repairs, Upgrades, Studies Schools	75,000

TOTAL BOND AUTHORIZATION:	9,819,000
GRAND TOTAL GENERAL FUND CAPITAL REQUESTS:	11,654,000

**City of Salem
Capital Plan - General Fund
Fiscal Year 2022-2026**

CAPITAL REQUEST		Approved FY20	Approved FY21	Approved FY21 Mid	FY22 Funding Source	Funded FY22	Dept. Request FY2022	Future Need	Requested			
									FY2023	FY2024	FY2025	FY2026
Building												
	Clerk's Office Phased Restoration of Walls, Carpets, & Associated Areas						50,000					
	Office Improvements, Upgrades, Repairs, and ADA Compliance		30,000		Fund 2000	Y	40,000		40,000	40,000	40,000	40,000
	Subtotal: Building		30,000				40,000		40,000	40,000	40,000	40,000
City Clerk												
	Replacement of Voting Equipment				Fund 2000	Y	55,000					
	Repair and Replace City Council Furniture			18,795								
	Vault Storage for Historic Preservation	51,125										
	Subtotal: City Clerk	51,125	-				55,000		-	-	-	-
Electrical												
	ADA Walk Signal Buttons		10,000				10,000		10,000	10,000	10,000	
	Riley Plaza LED Lighting		76,000									
	F150 Pick Up Truck						38,000			38,000		
	F350 Utility Truck				Fund 2000	Y	55,000					
	Led Lighting Upgrades (100 Watt Led Luminancies)											
	Smart Signalization Expansion	225,000	100,000									
	2019 Ford F350 Pickup Truck 8' Bed 2 Wheel Drive	31,000	24,000									
	Ford F650 Areal Truck						195,000		195,000			
	Subtotal: Electrical	256,000	210,000	-			55,000		205,000	48,000	10,000	-
Engineering - Roads, Sidewalks, & Crosswalks												
	Boston Street Complete Upgrade (TIP)	200,000	285,000				500,000	3,500,000				
	Bridge Street (Massworks) Roadway improvements	150,000	500,000				100,000					
	Citywide seawall improvements (inc. Columnbus)		100,000		Bonding	Y	200,000		500,000			
	Common Signature Park Fund			1,500,000								
	Common Bandstand Restoration	43,400	60,000									
	DPS relocation study / evaluation		185,000				500,000	25,000,000				
	Essex St Ped & vehicle access improv. (nic lights-north st)			200,000			200,000					
	Forest River Pool & Associated Facilities	200,000	1,000,000	10,100,000								
	McGrath Park Soils Remediation		80,000		Bonding	Y	200,000	2,100,000				
	Transfer Station Cap						1,000,000					
	Willows Park Restoration (and Signature Park)	210,000		1,000,000								
	Derby St Complete Streets	842,400	340,000		Bonding	Y	560,000					
	Washington & Bridge St. Intersection Mass works		100,000				100,000					
	Szetela Lance Shared Use Path	303,000										
	Roads, Sidewalks & Crosswalks (Non Chapter 90 eligible)	1,540,000	800,000		Bonding	Y	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000
	Howard Street Reconstruction						843,000					
	Winter Island Restoration Signature Park		2,100,000									
	Leggs Hill Culvert Study						100,000					
	Roads, Sidewalks & Crosswalks (Chapter 90)	870,000	870,000		Ch. 90	Y	840,000					
	Subtotal: Eng. - Roads, Sidewalks, Crosswalks	4,358,800	6,420,000	12,800,000			3,300,000		2,000,000	1,500,000	1,500,000	1,500,000
Fire												
	ADA - Fire Station - # Paving, Ramp, Drainage, R&M Bay Floor		125,000									
								750,000				

CAPITAL REQUEST		Approved FY20	Approved FY21	Approved FY21 Mid	FY22 Funding Source	Funded FY22	Dept. Request FY2022	Future Need	Requested			
									FY2023	FY2024	FY2025	FY2026
	Facade Repair - Station 2 & 4		32,000					250,000				
	General Building Upgrades/Master Plan/Repairs/ADA Ladder 1	30,000			Fund 2000	Y	50,000		85,000	85,000	85,000	85,000
	New Engine to Replace Engine 1				Bonding	Y	662,000					
	Paving Station 5						40,000					
	Portable Radios				Fund 2000	Y	20,000					
	Scott Self Contained Breathing Apparatus & Accessories	24,940										
	Bathroom and ADA Code Upgrades								250,000			
	Station 1 Antenna Project		346,000									
	Subtotal: Fire	54,940	503,000	-	-	-	732,000	1,000,000	335,000	85,000	85,000	85,000
Harbormaster												
	Department Truck											
	Harbormaster Dockhouse Relocation				Fund 2000	Y	50,000					
	Mooring/Harbor Management						12,000					
	Primary Patrol Vessel								337,000			
	Enhanced Communication DHS		25,500									
	Subtotal : Harbormaster		25,500	-	-	-	50,000	-	337,000	-	-	-
Health												
	Health Department Vehicle						35,000		35,000			
	Mack Park Community Farm			20,000	Fund 2000	Y	15,000	50,000				
	Subtotal : Health		-	20,000	-	-	15,000	50,000	35,000	-	-	-
Information Technology												
	Annual Equipment-Life-Cycle Mgmt Program (City)	120,995	120,405		Bonding	Y	125,000		120,000	120,000	120,000	120,000
	Annual Equipment- Life-Cycle Mgmt Program (Schools)	171,506	171,449				216,462		200,000			
	Ongoing Dilitization of record, City wide	75,000	150,000				139,585		100,000	100,000	100,000	
	View Permit Upgrade	74,680										
	Subtotal: Information Technology	442,181	441,854	-	-	-	125,000	-	420,000	220,000	220,000	120,000
Library												
	ADA Upgrades		10,000				10,000					
	Theft detection system replacement	30,000										
	Repairs to roof emergency stairway		28,750									
	Fire Alarm Repairs			4,950								
	Outdoor ADA Accessible Book Drop						13,006					
	Children's Room redesign furniture and fixtures	20,000										
	General Building Upgrades/Improvements/Envelope/ADA				Bonding	Y	85,000		25,000	25,000	25,000	25,000
	Envelope & leak detection	10,000										
	Subtotal: Library	60,000	38,750	4,950	-	-	85,000	-	25,000	25,000	25,000	25,000
Parks, Recreation & Community Services												
	Park and Recreation Major Improvements inc. ADA -		40,000		Bonding	Y	100,000		100,000	100,000	100,000	100,000
	Apron Tee Greens Mower		46,000									
(a)	Bertram Field Phase 2	4,956,357										
	Court Renovations	75,000	125,000				100,000					
	Forest River Restrooms Interior Renovation		175,000									
	Park & Rec Facilities Truck		30,000									
	Playground, Irrigation & Fence Upgrades	75,000	75,000									
	Golf Course Cart Paths				Bonding	Y	426,000					
	Tractor/Loader/Backhoe		70,235									
	City Wide Playground, Court, Park Equipment, & Minor Repairs				Bonding	Y	100,000		125,000	125,000	125,000	125,000
	Equipment - Golf Course & Winter Island				Fund 2000	Y	87,000					

CAPITAL REQUEST		Approved FY20	Approved FY21	Approved FY21 Mid	FY22 Funding Source	Funded FY22	Dept. Request FY2022	Future Need	Requested			
									FY2023	FY2024	FY2025	FY2026
	Willows Pier				Bonding	Y	900,000					
	Pioneer Village Signature Park			2,000,000								
	Subtotal: Recreation	5,106,357	561,235	-	-	-	1,613,000	-	225,000	225,000	225,000	225,000
Parking and Traffic Department												
	South Harbor Security			175,000								
	South Harbor Garage Bathrooms			250,000								
	Bike Share			50,000								
	Parking Equipment Install and Maintenance (meters, kiosks, Evs, other)				Fund 2000	Y	75,000					
	Garage Improvements - Annual Maint & ADA Compliance	100,000	100,000		Bonding	Y	100,000		100,000	100,000	100,000	100,000
	Traffic Calming Improvements	76,500	50,000		Bonding	Y	70,000					
	Community Car Share						95,690					
	Bicycle Infrastructure Upgrades (Annual)	25,500									-	
	Bicycle Infrastructure Design, Implementation & Repairs/Improvements		200,000		Bonding	Y	100,000		208,000	212,000	216,000	220,000
	Museum Place Garage Renovation Phase 1	200,000	1,100,000									
	Norman Summer Chestnut Roundabout Phase 4		241,000									
	Museum Place Garage Restoration Future Phases				Bonding	Y	1,580,000	1,500,000				
	Signs/Safety/Tactical	25,500										
	South Harbor Stair Replacement & ADA Compliance				Bonding	Y	850,000					
	Subtotal: Parking and Traffic	427,500	1,691,000	475,000	-	-	2,775,000	1,500,000	308,000	312,000	316,000	320,000
Planning												
	Artists Row Bathroom Reno, Design & Construction		130,000									
	Purchase of Nissan Leaf at End of Lease	9,346										
	Common Fence Maintenance						20,000					
	Gallows Hill Park Renovation	227,259										
	Mansell Field Restoration		150,000									
	Municipal Harbor Plan	55,500										
	Palmer Cove Park Renovation & Signature Park	50,000	270,000	500,000								
	Bike Plan Infratstructure		10,000									
	Bike Plan Implementation	25,000							30,000	30,000		
	Dickson Memorial Chapel Study, Door Repair, Future Phases	25,000	30,500		Fund 2000	Y	30,000	350,000				
	Underpass Public Art Installation	25,000										
	OTH and Artists Row Repair, Minor Renos, ADA Comp. Studies		30,000		Fund 2000	Y	30,000		30,000	30,000	30,000	30,000
	Willows Restoration & Park Improvements		1,000,000									
	Forten Park Programming, Management, Maintenance						10,000					
	Harmony Grove Multiuse Path Study/Design						30,000					
	OTH Restorations & Systems Assesment, Planning, & Design				Bonding	Y	100,000					
	Historic Cemetery Stone Restorations						25,000					
	Neighborhood Interpretive Signs						14,000					
	Studies, Including Open Space, Harmony Grove Multi-Use Path, Other				Fund 2000	Y	100,000					
	OTH Capital and Business Needs Study	25,000										
	Subtotal: Planning	442,105	1,620,500	500,000	-	-	260,000	350,000	60,000	60,000	30,000	30,000
POLICE												
	Auditorium Seating and Flooring Replacement with ADA Comp		33000									
	Body Worn Cameras / Police Equipment				Fund 2000	Y	90,000		65,000	65,000	65,000	65,000
	Elevator Controller and Door Operator Replacement						55,000					

CAPITAL REQUEST		Approved FY20	Approved FY21	Approved FY21 Mid	FY22 Funding Source	Funded FY22	Dept. Request FY2022	Future Need	Requested			
									FY2023	FY2024	FY2025	FY2026
	Police & Fire Radio Communication System	50,000			Bonding	Y	250,000	4,500,000				
	Police Headquarters General Repairs, Improvements, Elevator, ADA		30,000		Fund 2000	Y	75,000					
	Vehicle Replacement Plan	196,000	250,000		Bonding	Y	150,000		250,000	250,000	250,000	250,000
	Cameras - Community/Police	75,000	45,000		Fund 2000	Y	45,000		45,000	45,000	45,000	45,000
	Boiler and Heaters	157,595										
	Subtotal: Police	478,595	358,000	-	-	-	610,000	4,500,000	360,000	360,000	360,000	360,000
Public Services												
	International Dump Truck		100,000				50,000					
	Annual Small Repairs, DPS Building Studies and ADA Improvements - DPS & Cemeteries		25,000		Bonding	Y	75,000		30,000	30,000	30,000	30,000
	Ball Field Maint. Mach.	31,000										
	Replace 16 yr truck with +/-50% grant funded new vehicle		109,100									
	Park Department Foreman Truck						40,000					
	Replace Primary Sweeper #28 (2003)				Bonding	Y	241,000					
	Salem DPS Salt Shed Project				Bonding	Y	420,000					
	Replace 16 yr truck with +/-50% grant funded new vehicle		109,100									
	Cat. Backhoe	100,000										
	F550 Dump	67,000	23,012		Fund 2000	Y	69,000					
	F350 Ford Pickup		43,000									
	Ford Escape/Engineering-DPS						34,000					
	Replace 2000 Front End Loader						243,000		243,000			
	Winter Island Lighthouse Concrete Restoration, Painting	30,000										
	Subtotal: Public Services	228,000	409,212	-	-	-	805,000	-	273,000	30,000	30,000	30,000
Schools												
	Bentley Boilers/HVAC			226,000								
	Bathroom Renovations - SHS		200,000									
	Building and Strategic Master Plan		125,000					50,000,000				
	Bus-29 Passenger #1 (leased over 3 years)		68,500									
	30 Pass. Bus w/ 2 WC	95,000										
	Capital Repairs (Roof Projs, Signage, Playground, Other)		330,000									
	Collins Roof/Masonry Study/Repair				Bonding	Y	125,000					
	District Camera and Access Control				Bonding	Y	250,000					
	77 Passenger Bus	97,000										
	Energy/Water Upgrades and Audits				Bonding	Y	125,000					
	Horace Mann Gym floor Replacement						50,000					
	New High School Gym Floor						220,000					
	SHS Library Remodel	20,000	250,000									
	Playground Equip Replacment											
	School Life Safety, MEP, Utility, Roof Repairs, Upgrades, Studies				Bonding	Y	150,000		250,000	250,000	250,000	250,000
	Saltonstall Water Heaters	84,000										
	Witchcraft Chiller & Assoc. HVAC System	605,000										
	Site/Field Studies & Small Repairs to Capital Assets	30,000										
	Office Remodel - Collins		270,000									
	Life Safety Studies & Small Repairs to Capital Assets	90,000										
	MEP/Elevator/Utility Studies & Small Repairs to Capital Assets	180,000										
	Roof/Envelope Studies&Small Repairs to Capital Assets	25,000										
	Witchcraft Heights Floor Replacement				Bonding	Y	300,000		300,000			

CAPITAL REQUEST		Approved	Approved	Approved	FY22 Funding	Funded	Dept.	Future Need	Requested			
		FY20	FY21	FY21 Mid	Source	FY22	Request FY2022		FY2023	FY2024	FY2025	FY2026
	Motorized Cleaning Equipment				Fund 2000	Y	109,000					
	Access/ADA/Archit Studies & Small Repairs to Capital Assets	160,000	265,000		Bonding	Y	75,000		150,000	150,000	150,000	150,000
	Subtotal: Schools	1,386,000	1,508,500	226,000	-	-	1,134,000	50,000,000	700,000	400,000	400,000	400,000

Bonding	9,819,000
Capital Leases	-
Ch. 90	840,000
Fund 2000	995,000
Total CIP	11,654,000
Total to be Bonded	9,819,000

Footnotes:

(a) Bertram Field is listed at full amount of loan, CPA authorized payment of \$100k for 20 years

IMPACT OF CAPITAL IMPROVEMENT PROJECTS ON OPERATING BUDGET

Department	Description	Funding	Cost	Impact
Building	Improvements, Upgrades, Repairs, and ADA Compliance -		40,000	Code Compliance/ Preventative Maintenance
City Clerk	Replacement of Voting Equipment	Fund 2000	55,000	Increased Efficiency
				Decreased Maintenance/ Improves Safety of Asset/ Increased Efficiency/Preventative Maintenance
Electrical	F350 Utility Truck	Fund 2000	55,000	
Engineering	Roads, Sidewalks & Crosswalks (Non Chapter 90 eligible, includes Bridge, Boston, Washington, Essex,	Bonding	1,500,000	Asset Preservation/Decreased Maintenance
Engineering	Citywide Seawall Improvements	Bonding	200,000	Asset Preservation
Engineering	McGrath Park Soils Redemption	Bonding	200,000	Asset Preservation/Improves Safety of Asset
Engineering	Derby St Complete Project phase 3	Bonding	560,000	Asset Preservation/Improves Safety of Asset/ Increased Efficiency
Fire	Portable Radios	Fund 2000	20,000	No Impact
				Asset Preservation/Code Compliance/Decreased Maintenance
Fire	General Building Maintenance/Upgrades/Master Plan	Fund 2000	50,000	
				Decreased Maintenance/Improves Safety of Asset
Fire	New Engine to Replace Engine 1	Bonding	662,000	
HarborMaster	Dockhouse Relocation	Fund 2000	50,000	Asset Preservation
Health	Mack Park Community Farm	Fund 2000	15,000	No Impact
IT	Annual Equipment-Life-Cycle Mgmt Program (City)	Bonding	125,000	No Impact
				Asset Preservation Improves Safety of Asset Increased Efficiency
Library	General Building Upgrades, Improvements, Envelope, ADA	Bonding	85,000	
Parking	Parking Equipment Install and Maintenance (meters, kiosks, Evs, other)	Fund 2000	75,000	Increased Efficiency, Revenue Generator
Parking and Traffic	Traffic Calming Improvements	Bonding	70,000	No Impact
				Asset Preservation/Code Compliance/Decreased Maintenance
Parking and Traffic	Bicycle Infrastructure Design, Implementation & Repairs/Improvements	Bonding	100,000	
				Asset Preservation/Improves Safety of Asset/ Increased Efficiency
Parking and Traffic	Museum Place Garage Renovation Phase 2	Bonding	1,580,000	
Parking and Traffic	South Harbor Garage Stair Replacement & ADA Compliance	Bonding	850,000	Asset Preservation/Safety of Asset
Parking and Traffic	MP & SH Garage Maintenance, Repairs, ADA	Bonding	100,000	Preventative Maintenance
Planning	Studies, Including Open Space, Harmony Grove Multi-Use Path, Other	Fund 2000	100,000	No Impact New Investment
Planning	Dickson Chapel Next Phases Design	Fund 2000	30,000	Asset Preservation
				Asset Preservation/Code Compliance/Decreased Maintenance
Planning	OTH & Artist Row General Upgrades, Improvements, Repairs, & ADA	Fund 2000	30,000	
				Asset Preservation/Code Compliance/Decreased Maintenance
Planning	OTH Restorations & Systems Assesment, Planning, Design	Bonding	100,000	
Police	Body Worn Cameras, Police Equipment	Fund 2000	90,000	No Impact
Police	Community Cameras	Fund 2000	45,000	Improves Safety of Asset
				Asset Preservation/Code Compliance/Decreased Maintenance
Police	Police Headquarters General Repairs, Improvements, Elevator, ADA	Fund 2000	75,000	
Police	Police & Fire Radio Communication System	Bonding	250,000	Decreased Maintenance/ Increased Efficiency
Police	Vehicle Replacement Program	Bonding	150,000	Increased Efficiency
				Capital Planning/Decreased Maintenance/Increased Efficiency
Public Servcies	Annual Small Repairs, DPS Building Studies and ADA Improvements - DPS & Cemeteries	Bonding	75,000	
Public Servcies	Salem DPS Salt Shed Project	Bonding	420,000	Asset Preservation/Increased Efficiency
Public Servcies	Replace Primary Sweeper	Bonding	241,000	Preventative Maintenance
Pulbic Services	F550 Dump	Fund 2000	69,000	No Impact
Recreation	Equipment - Golf Course & Winter Island	Fund 2000	87,000	Increased Efficiency, Preventative Maintenace

IMPACT OF CAPITAL IMPROVEMENT PROJECTS ON OPERATING BUDGET

Department	Description	Funding	Cost	Impact
Recreation	Golf Course Cart Paths	Bonding	426,000	Improves Safety of Asset/New Investment for Economic Growth/Asset Preservation
Recreation	City Wide Playgorund Equipmen, Court, Minor Park Repairs	Bonding	100,000	Preventatative Mainteance/No Impact
Recreation	Park and Recreation Major Improvements/ADA	Bonding	100,000	Asset Preservation
Recreation	Willows Pier	Bonding	900,000	Improves Safety of Asset/New Investment for Economic Growth/Asset Preservation
School	Motorized Cleaning Equipment	Fund 2000	109,000	Preventative Maintenance/ No Impact
Schools	School Life Safety, MEP, Utility, Roof Repairs, Upgrades, Studies	Bonding	150,000	Asset Preservation/Code Compliance/Decreased Maintenance/Increased Efficiency
Schools	Collins Roof/Masonry Study/Repair	Bonding	125,000	Asset Preservation/Preventative Maintenance
Schools	District Camera and Access Control	Bonding	250,000	Improves Safety of Asset
Schools	Energy/Water Upgrades and Audits	Bonding	125,000	Increased Efficiency
Schools	Witchcraft Heights Floor Replacement	Bonding	300,000	Improves Safety of Asset
Schools	ADA/Architectural/Interior, Site Repairs, Upgrades, Studies Schools	Bonding	75,000	Asset Preservation/Code Compliance/Decreased Maintenance

FY 2022 CIP Enterprise Funds Executive Summary

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.

Total proposed Capital Plan for the City of Salem's Enterprise Funds for FY22 is:	\$ 4,429,000
Total proposed for Borrowing & Capital Leases for the WS Enterprise Funds for FY22 is:	<u>\$ 4,429,000</u>

FY2 Enterprise Fund CIP – Funding Sources

FY22 Enterprise Fund CIP-Funded from bonding

Water	Bridge St. Water Main Replacement	
Water	Citywide Flushing, valve excercise, leak detection, GIS -	400,000
Water	Folly Hill Water Tank Upgrades/Major Repairs	345,000
Water	Highland Ave 16 inch Water Main -	300,000
Water	Water Distribution Main System Improvements -	800,000
Water	Water Meter Reader Truck	34,000
Water	Water Transmission Main System Improvements -	400,000
Water	Loring Ave. 16 Ince Water Main Replacement	200,000
Sewer	Community Wide Climate Change/Stormwater/Watershed Model and Outreach	50,000
Sewer	Brown/Church Street Drainage Improvements	
Sewer	Citywide Drain & Sewer Flushing, Pipe Replacements, Sewer Extensions, GIS -	1,450,000
Sewer	Ocean Ave Sewer Pump Station Design	150,000
Sewer	Rosie's Pond Flood Protection & Drainage System Improvements -	
Sewer	SSES Report Implementation (eliminate I/I sources citywide) -	300,000
Sewer	Stodder Place Drainage Improvements	

Sewer Willow Ave. Sewer Line Replacement-

TOTAL BONDING: **4,429,000**

FY22 CIP-Funded from CAPITAL LEASES

TOTAL CAPITAL LEASES:

GRAND TOTAL ENTERPRISE FUND CAPITAL REQUESTS: **4,429,000**

City of Salem
Capital Plan - Water and Sewer Enterprise Fund
FY2022 to 2026

CAPITAL REQUEST	Approved FY20	FY2021	FY22 Funding Source	REQUESTED					
				FY2022	FY2023	FY2024	FY2025	FY2026	Future Need
Water Enterprise-Engineering									
Distribution System									
Highland Ave 16 inch water main and valves (replace 1930 vintage system)		200,000	Bonding	300,000					8,500,000
Szetela lane (from lee fort terrance to memorial drive loop)									
Bertram Field Phase 2	100,000								
Bridge St. Water Main Replacement									
City Wide-Distribution Main System Initiatives (plan, design & construct)	100,000	300,000	Bonding	800,000	1,145,000	1,145,000	1,145,000		
Vactor Truck #18 Replacement		433,033							
Forest River New Water Line		100,000							
City Wide System Flushing, Valve Maint., Leak Detection and GIS Admin.	100,000	300,000	Bonding	400,000	400,000	400,000	400,000		
Water Meter Reader Truck			Bonding	34,000					
Replace 2001 Primary Front End Loader									
Transmission main system initiatives (plan, design & construct)	100,000	500,000	Bonding	400,000	1,000,000	1,000,000	1,000,000		
Loring Ave 16 inch Water Main			Bonding	200,000					3,800,000
Folly Hill Water Tank Upgrades/Major Repairs			Bonding	345,000					
Subtotal: Water Enterprise	400,000	1,833,033		2,479,000	2,545,000	2,545,000	2,545,000		
Sewer Enterprise-Engineering									
Sewer - City Wide System Flushing, Valve Maint., Leak Detection and GIS Admin.	200,000	300,000	Bonding	1,450,000	400,000	400,000	400,000		
EPA MS4 Stormwater Permit Compliance/Illicit Connection Removal									
Pre-Paving Sewer/ drain inspections (prior to annual paving)	50,000								
Spoil Material Disposal at dps (testing and disposal)	50,000								
SSES report implementation (eliminate I/I sources city wide)	600,000	600,000	Bonding	300,000	800,000	800,000	800,000		
289 derby drain (replace existing)									
289 Derby St at Congress-Drainage system repairs(Waterfront Hotel Commitment)	250,000	575,000							
Fowler and No Pine St Sewer Rehabilitation									
Moffat drainage easement improvements									
Palmer Cove drain outfall clean-up (remove bacteria source)				100,000					
Willow Ave (pipe beach) sewer replacement		200,000							
Bertram Field Phase 2	250,000								
Canal Street- SSU Flood Mitigation Improvements-Phase II									
Rosies Pond flood improvements		1,000,000		1,500,000					
Community Wide Climage Change/Watershed Stormwater Model			Bonding	50,000					
531/2 Canal Sewer Easement Evaluation				50,000					
Brown/Church Street Drainage Improvements				200,000					
Derby ST. Interceptor Sewer Cleaning Evaluation				250,000					
Ocean Ave Sewer Pump Station Deisgn			Bonding	150,000					
Stodder Place Drainage Improvements				100,000					
International Dump Truck	80,000	250,000							
Subtotal: Sewer Enterprise	1,400,000	2,925,000		4,150,000	1,200,000	1,200,000	1,200,000		
Total: Enterprise Fund	1,800,000	4,758,033		6,629,000	3,745,000	3,745,000	3,745,000		Sec. 7-16

City of Salem
Capital Plan - Water and Sewer Enterprise Fund
FY2022 to 2026

CAPITAL REQUEST	Approved FY20	FY2021	FY22 Funding Source	REQUESTED					
				FY2022	FY2023	FY2024	FY2025	FY2026	Future Need
			Bonding	4,429,000					
			Bond Premium	-					
			Grants	-					
			R/E	-					
			Capital Lease	-					
			SESD	-					

IMPACT OF WATER & SEWER CAPITAL IMPROVEMENT PROJECTS ON OPERATING BUDGET

Water or Sewer	Description	Funding	Cost	Impact
Water	Citywide Flushing, valve excecise, leak detection, GIS -	Bonding	400,000	Preventative Maintenance, Increased Efficiency
Water	Folly Hill Water Tank Upgrades/Major Repairs	Bonding	345,000	Asset Preservation
Water	Highland Ave 16 inch Water Main -	Bonding	300,000	Asset Preservation, Increased Efficiency
Water	Water Distribution Main System Improvements -	Bonding	800,000	Increased Efficiency, Code Compliance
Water	Water Meter Reader Truck	Bonding	34,000	Increased Efficiency, Cost Transfer
Water	Water Transmission Main System Improvements -	Bonding	400,000	Increased Efficiency, Code Compliance
Water	Loring Ave. 16 Ince Water Main Replacement	Bonding	200,000	Asset Preservation, Increased Efficiency
		Bonding		
Sewer	Community Wide Climate Change/Stormwater/Watershed Model and Outreach	Bonding	50,000	Improves Safety of Asset, Asset Preservation
Sewer		Bonding		
	Citywide Drain & Sewer Flushing, Pipe Replacements, Sewer Extensions, C	Bonding	1,450,000	Preventative Maintenance, Increased Efficiency
Sewer	Ocean Ave Sewer Pump Station Design	Bonding	150,000	Improves Safety of Asset, Asset Preservation
Sewer		Bonding		
	SSES Report Implementation (eliminate I/I sources citywide) -	Bonding	300,000	Preventative Maintenance, Increased Efficiency
Grand Total All Water & Sewer Enterprise Capital Projects			4,429,000	

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 whos' 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 statues.
- 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.