

MEMO

TO: Town Council

FROM: Diane Barnes, Town Manager

DATE: April 12, 2016

RE: First draft of fiscal 2017 Proposed Capital Improvement Plan

The Town's Capital Improvement Program (CIP) compiles all proposed capital projects and requests for capital equipment from all municipal departments and conducts a feasibility and affordability evaluation, planning, and scheduling process that results in a five-year Capital Improvement Plan. The CIP supports the overall objectives of the Town and assimilates department requests through the sizing, timing, and location of public facilities including buildings and park facilities throughout Lisbon. While each capital project may meet a specific need identified, all proposed capital projects must compete for limited resources. Projects receive funding in accordance with priority and are formally adopted as an integral part of the annual budget. A properly developed CIP has the following purpose:

- Balances planning capital needs and the additional base operating cost required by completed projects.
- Prioritizes projects based on community objectives and fiscal capacity of the Town.
- Informs the public regarding future capital project needs.
- Encourages careful project coordination, planning and design to avoid costly mistakes.

All proposed capital projects were rated and prioritized by the Internal Capital Committee (ICC) based on information provided by each department head. The ICC, for the FY 2016 Budget development process, included representation from the Town's strategic focus areas: safety of facilities, public safety, transportation, maintenance of current services, and quality - of - life projects for the Town.

Whereas a Funded Capital Reserve Account with regular budgetary allocations remains elusive, projects were predominantly prioritized based on the following criteria:

- Safety: Projects that promote public health and safety or correct a health or safety hazard.
- Protection/Preservation of Town Assets: The Town is committed to protecting its investments by maintaining and preserving its capital facilities, infrastructure, and equipment.
- Return on Investment/Budget Impact: Projects are ranked on their budget impact. A project's effect on base operating expenses and operating revenues is considered in this criterion, as well as, assessing what additional funds may be leveraged by undertaking a project.

Capital Improvement Plan Review and Adoption:

The resulting project prioritization and recommendations of the ICC are presented to the Council and Town of Lisbon's Planning Board. The Council adopts the recommended plan either in its entirety, or those parts of the plan as the legislative body deems appropriate. Projects are selected for funding consideration in-light of priority, category, and resources available to support the project over its economic life including periodic capital investment when necessary. The Planning Board reviews the CIP to advise the Council and Town Manager as to its conformance with the Town's Comprehensive Plan.

Status Review:

Once the capital plan is adopted and in-progress, ICC meets periodically to discuss current project status and projects yet to begin. The meeting is used to track expenditures, total available resources and timing of cash flow to efficiently maximize the funds set aside for the capital project(s). These meetings are used to compile the background necessary for reporting to the Council on the status various capital projects that have been approved.

Plan Review:

This year's CIP should form the baseline for the next several fiscal years. While the form of the plan may change to due input from the Council, or by way of a continuous effort to improve the format and content of the Plan, recommended projects should be added when appropriate, completed projects and acquisitions dropped from the plan upon completion of the project life-cycle, and projects not adopted by the Council for inclusion in the CIP should be kept as addenda to the plan for reconsideration or as a reminder as to why the project failed adoption. They may be dropped from the addenda at an agreed upon future date.

Funding:

This year's additions to the CIP rely on a mix of funding. In the Fire Department, we are proposing to use resources that are reserved for truck and equipment replacement. Public Works will utilize a mix of General Obligations Bonds and appropriated resources to fund paving projects and to seed the natural gas project to be undertaken by Summit Corporation. Additionally, Public Works will rely on bank debt to fund purchases of a heavy duty truck and front-end loader. The Police Department will continue to replace patrol units by relying on bank debt to finance to units during 2017. The cash requirements for these three departments to replace equipment as it ages and to undertake the paving projects identified for 2017 and 2018 will require an investment of \$8.1M from 2017 through 2026. This does not include any project that is already underway and funded, or the ongoing cost of maintenance. The present value, taking into account opportunity cost for the cash flows over the 10 year period, equates to \$6.9M at a 4% discount rate.

Enclosed for your review are the projects, cash flows for projects underway, and projected cash flows for each project pending adoption.

LISBON

Forecasted Capital Improvements & Equipment Purchases

For the years ending June 30,

CAPITAL IMPROVEMENT PLAN FOR MUNICIPAL GOVERNMENT

CONSOLIDATED BY DEPARTMENT TOTAL

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
DEPARTMENT TOTALS	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
POLICE DEPARTMENT	\$ 39,832	\$ 29,751	\$ 95,530	\$ 59,502	\$ 91,827	\$ 29,825	\$ 29,825		\$ 61,288	
FIRE DEPARTMENT	150,000	-	10,000	-	-	625,000	-	-	122,500	1,330,000
ANIMAL CONTROL	-	-	-	-	-	-	-	-	-	27,473
PUBLIC WORKS	330,000	310,000	225,000	230,000	185,000	25,000	130,000	-	330,000	-
PAVING BOND	2,642,869	653,354	-	-	-	-	-	-	-	-
SOLID WASTE	-	-	-	-	-	100,000	50,000	-	-	100,000
TREATMENT PLANT	-	40,000	-	-	-	-	50,000	-	-	-
Total Capital Expenditures	\$ 3,162,701	\$ 1,033,105	\$ 330,530	\$ 289,502	\$ 276,827	\$ 779,825	\$ 259,825	\$ -	\$ 513,788	\$ 1,457,473

The analysis does not include a forecast of requirements or cash required for the Unitil Gas Project

LISBON

Forecasted Capital Improvements & Equipment Purchases

For the years ending June 30,

CAPITAL IMPROVEMENT PLAN FOR MUNICIPAL GOVERNMENT

PUBLIC SAFETY	Forecast 6/30/2017	Forecast 6/30/2018	Forecast 6/30/2019	Forecast 6/30/2020	Forecast 6/30/2021	Forecast 6/30/2022	Forecast 6/30/2023	Forecast 6/30/2024	Forecast 6/30/2025	Forecast 6/30/2026
FIRE DEPARTMENT										
ENGINE 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ENGINE 2	-	-	-	-	-	-	-	-	-	1,300,000
SQUAD 3	-	-	10,000	-	-	-	-	-	-	-
ENGINE 7	-	-	-	-	-	625,000	-	-	-	-
TRUCK 6	-	-	-	-	-	-	-	-	-	-
TANK 9	150,000	-	-	-	-	-	-	-	-	-
RESCUE 10	-	-	-	-	-	-	-	-	122,500	-
CAR 501	-	-	-	-	-	-	-	-	-	30,000
CAR 4	-	-	-	-	-	-	-	-	-	-
Total FIRE DEPARTMENT	150,000	-	10,000	-	-	625,000	-	-	122,500	1,330,000
POLICE DEPARTMENT										
PD 1 2014 FORD EXPLORER	-	-	-	29,751	-	-	-	-	30,644	-
PD 5 2010 FORD CROWN VIC	39,832	-	-	-	29,788	29,825	-	-	-	-
PD 2 2015 FORD EXPLORER	-	-	-	29,751	-	-	-	-	30,644	-
PD 4 2013 FORD EXPLORER	-	29,751	-	-	-	-	29,825	-	-	-
PD 3 2015 FORD EXPLORER	-	-	-	-	29,788	-	-	-	-	-
PD 6 2009 FORD FUSION	-	-	30,465	-	-	-	-	-	-	-
PD 7 2009 FORD FUSION	-	-	30,465	-	-	-	-	-	-	-
PD 8 2014 FORD K - 9 UNIT	-	-	-	-	32,251	-	-	-	-	-
PD 10 11 MOBILE RADIOS	-	-	34,600	-	-	-	-	-	-	-
Total POLICE DEPARTMENT	39,832	29,751	95,530	59,502	91,827	29,825	29,825	-	61,288	-
ANIMAL CONTROL										
AC0 1 FORD PICK UP	-	-	-	-	-	-	-	-	-	27,473
Total ANIMAL CONTROL	-	27,473								
	\$ 189,832	\$ 29,751	\$ 105,530	\$ 59,502	\$ 91,827	\$ 654,825	\$ 29,825	\$ -	\$ 183,788	\$ 1,357,473

PUBLIC WORKS	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Total PAVING	\$ 2,642,869	\$ 653,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOLID WASTE										
2007 STERLING LT 9500 TRACTOR TRAILER	-	-	-	-	-	-	-	-	-	-
1997 FORD TRACTOR TRAILER	-	-	-	-	-	100,000	-	-	-	-
2003 MONTAINE DUMP TRAILER	-	-	-	-	-	-	50,000	-	-	-
2010 STECCO TRASH TRAILER 75 CU YDS PUSH PLATE	-	-	-	-	-	-	-	-	-	100,000
2012 MANAC WOOD TRAILER DUMP	-	-	-	-	-	-	-	-	-	-
2013 J & J TRASH TRAILER 75 CU YD PUSH PLATE	-	-	-	-	-	-	-	-	-	-
1999 CASE 621 C LOADER/2.5 YD	-	-	-	-	-	-	-	-	-	-
Total SOLID WASTE	-	-	-	-	-	100,000	50,000	-	-	100,000
TREATMENT PLANT										
2001 DAEWOO FORKLIFT 3768 6000LBS	-	-	-	-	-	-	-	-	-	-
2003 CHEVROLET 2500 HD 4x PICK UP W/PLOW	-	40,000	-	-	-	-	-	-	-	-
2014 FREIGHTLINER 114 SD JETTER/VACTOR	-	-	-	-	-	-	-	-	-	-
2008 FORD F 250 SD 4x PICK UP W/PLOW & UTIL BODY	-	-	-	-	-	-	50,000	-	-	-
2001 FREIGHTLINER FL80 BOOM TRUCK	-	-	-	-	-	-	-	-	-	-
Total TREATMENT PLANT	-	40,000	-	-	-	-	50,000	-	-	-
TOTAL PUBLIC WORKS	\$ 2,972,869	\$ 1,003,354	\$ 225,000	\$ 230,000	\$ 185,000	\$ 125,000	\$ 230,000	\$ -	\$ 330,000	\$ 100,000

1. Repurpose 222 Stainless Steel Body with new plow gear (60,000)

4 & 5. Repurpose Stainless Steel Body with new plow gear (60,000)

8 & 9. Includes State Participation of 200,000 more or less in each year

2. Repurpose 224 Stainless Steel Body with new plow gear (60,000)

6. Replace with used Excavator

3. Repurpose 220 Stainless Steel Body with new plow gear (60,000)

7. Paving Program is contingent on Bond Issue Approval

LISBON

Forecasted Lease - Purchase Payments

For the years ending June 30,

CAPITAL IMPROVEMENT PLAN FOR MUNICIPAL GOVERNMENT

ACQUIRED & PURCHASED BEFORE JUNE 30, 2017

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
IN - PROGRESS										
Manac Dump Trailer	\$ 10,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
K9 - Unit	5,952	5,952								
Dump Body	7,736									
Solid Waste Trailer	18,800	18,800								
Spaulding Hot Box	6,675	6,675								
2 - 2015 Patrol Units	10,403	10,403								
2 - Copiers	7,654									
Ford F-550	11,295	11,295	11,295	11,295						
PW Truck	18,545	18,545								
QECB	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825	54,825
SCBA Air-Pacs	28,539	28,539	28,539	28,539	28,539					
Total Committed	\$ 180,501	\$ 155,034	\$ 94,659	\$ 94,659	\$ 83,364	\$ 54,825				
PROPOSED										
Heavy Duty Truck	\$ 2,300	\$ 17,091	\$ 16,439	\$ 15,788	\$ 15,143	\$ 14,484	\$ 13,833	\$ 13,181		
Front End Loader	3,834	28,486	27,400	26,313	25,239	24,141	23,054	21,967		
Patrol Vehicle	844	12,392	11,835	11,277						
Total Proposed	\$ 6,978	\$ 57,969	\$ 55,674	\$ 53,378	\$ 40,382	\$ 38,625	\$ 36,887	\$ 35,148	\$ -	\$ -
Total All	\$ 187,479	\$ 213,003	\$ 150,333	\$ 148,037	\$ 123,746	\$ 93,450	\$ 91,712	\$ 89,973	\$ 54,825	\$ 54,825

LISBON

Forecasted Lease - Purchase Payments

For the years ending June 30,

CAPITAL IMPROVEMENT PLAN FOR MUNICIPAL GOVERNMENT

ACQUIRED & PURCHASED BEFORE JUNE 30, 2017

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
IN - PROGRESS										
2005 B	\$ 34,280	\$ 32,775	\$ 31,896	\$ 33,624						
2006 C	41,083	37,962	36,684	36,324	36,000					
2009 B	141,477	138,750	136,023	132,873						
2010 R	75,636	74,466	73,199	71,849	70,462	68,987	67,446	65,904	64,363	62,821
2011 E	30,114	28,628	27,646	27,338	27,203	27,068				
Total Committed	\$ 322,590	\$ 312,581	\$ 305,448	\$ 302,008	\$ 133,665	\$ 96,055	\$ 67,446	\$ 65,904	\$ 64,363	\$ 62,821
PROPOSED										
2017 A		\$ 210,667	\$ 204,750	\$ 198,800	\$ 192,584	\$ 186,500	\$ 180,417	\$ 174,400	\$ 168,250	\$ 162,167
2017 B		120,003	116,223	112,201	108,112	104,056				
Total Proposed	\$ -	\$ 330,670	\$ 320,973	\$ 311,001	\$ 300,696	\$ 290,556	\$ 180,417	\$ 174,400	\$ 168,250	\$ 162,167
Total All	\$ 322,590	\$ 643,251	\$ 626,421	\$ 613,009	\$ 434,361	\$ 386,611	\$ 247,863	\$ 240,304	\$ 232,613	\$ 224,988

LISBON
 FORECASTED LEASE PURCHASES & BOND PAYMENTS
 For the years ending June 30,
 CAPITAL IMPROVEMENT PLAN FOR MUNICIPAL GOVERNMENT
 SUMMARY

	Forecast 6/30/2017	Forecast 6/30/2018	Forecast 6/30/2019	Forecast 6/30/2020	Forecast 6/30/2021	Forecast 6/30/2022	Forecast 6/30/2023	Forecast 6/30/2024	Forecast 6/30/2025	Forecast 6/30/2026
COMMITTED										
FD CAPITAL RESERVE	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEASE PURCHASES	180,501	155,034	94,659	94,659	83,364	54,825	54,825	54,825	54,825	54,825
BONDS ¹	322,590	643,251	626,421	613,009	434,361	386,611	247,863	240,304	232,613	224,988
IRP LOAN	21,225	21,225	21,225	21,225	21,225	21,225	21,225	21,225	21,225	21,225
TOTAL COMMITTED	639,316	819,510	742,305	728,893	538,950	462,661	323,913	316,354	308,663	301,038
PROPOSED										
FD CAPITAL RESERVE ²		\$ 125,000	\$ 135,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 160,000	\$ 160,000
LEASE PURCHASES	6,978	57,969	55,674	53,378	40,382	38,625	36,887	35,148	-	-
BONDS	-	330,670	320,973	311,001	300,696	290,556	180,417	174,400	168,250	162,167
TOTAL PROPOSED	6,978	513,639	511,647	509,379	491,078	479,181	367,304	359,548	328,250	322,167
TOTAL COMMITTED/PROPOSED	\$ 646,294	\$ 877,479	\$ 797,979	\$ 782,271	\$ 579,332	\$ 501,286	\$ 360,800	\$ 351,502	\$ 308,663	\$ 301,038

1. Bonds consist of \$1,500,000 of paving projects and \$500,000 for DOT Matching Funds.

2. Pending Funding

Lisbon Water Department

5 Yr Capital Improvement Plan

Code	Description	2016	2017	2018	2019	2020
WD-12016	Water Main Replacement # % (Highland Ave)	118,200				
WD-12017	New Standpipe and Main Improvement # %		1,750,000			
WD-22017	Meter Change Out Program*		50,000			
WD-32017	New Truck Purchase*		40,000			
WD-12018	Meter Change Out Program*			100,000		
WD-12019	Water Main Replacement * ^ \$				100,000	
WD-22019	Meter Change Out Program*				50,000	
WD-12020	Meter Change Out Program*					150,000
	WATER DEPARTMENT TOTALS	118,200	1,840,000	100,000	150,000	150,000

* Funded with anticipated revenue.

Funded with 20 yr. bond issuance.

^ Annual project to replace aged and deteriorated infrastructure to the point funds allow.

\$ Contingent on road repairs that will provide reduced cost for water projects.

% Project is based on PUC approval and an additional bond approval by the town.

« Funded with 30 yr. bond issuance

NOTE: The Water Department operates on a calendar year budget. These expenditures are planned from January 1st to December 31st of each year.