

CITY COUNCIL WORK SESSION

CAPITAL IMPROVEMENT PLAN

January 27, 2014 – 6:30 p.m.

Eileen Dondero Foley Council Chambers

City Council Present: Mayor Lister, Assistant Mayor Splaine, Councilors Shaheen, Kennedy, Lown, Dwyer, Morgan, Spear and Thorsen.

Officials Present: John P. Bohenko, City Manager; David Allen, Deputy City Manager; Rick Taintor, Planning Director; Peter Rice, Public Works Director; David Moore, Community Development Director; Peter Torrey, Accountant for the Trustees of the Trust Fund; Alan Brady, IT Coordinator; Steve Achilles, Fire Chief; Stephen DuBois, Police Chief; Steve Bartlett, School Business Administrator; Brian Goetz, Deputy Public Works Director; Terry L. Desmarais, City Engineer, Water/Sewer Division; Andrew Purgiel, Deputy Finance Director; and Dianne M. Kirby, Deputy City Clerk.

I. Call to Order

At 6:35 p.m., Mayor Lister called the work session to order. He asked that all questions be held until after the presentation.

II. Introduction

City Manager Bohenko advised the City Council that the staff has put together a PowerPoint presentation on the proposed Capital Improvement Plan (CIP) for FY2015 - 2020. He stated that this is a six-year Plan that is being presented in accordance with state and local requirements. He stated Sections 7.6, 7.7 and 7.8 of the City Charter outlines the requirements and procedures for drafting and updating the CIP on an annual basis. He said the process of developing this plan started this past fall when a memo went out to all department heads asking them to update and identify any new projects and equipment they felt should be included in this years CIP. He said when all the proposals were submitted by the department heads; they were reviewed by a sub-committee of members from the Planning Board (Chair John Ricci, members William Gladhill and Colby Gamester), himself and City staff (Rick Taintor, Planning Director; and Andrew Purgiel, Deputy Finance Director). He said the plan you have was reviewed in detail by this committee and various department heads. He said for FY15 departments submitted requests to appropriate from the General Fund in the amount of \$2.8 million dollars. He stated last year the City Council approved funding of about \$1.4 million dollars for these improvements during the FY14 budget process.

City Manager Bohenko stated in general the Planning Board has recommended a target of about \$1.2 - \$1.5 million dollars in General Fund money for capital investments on an annual basis. He said in the past 6 years, the actual average appropriation for the general fund capital outlay has been about \$1.1 million dollars, which was in response to fiscal constraints which was well below the goal they set out to have. However, the constant dollar target has lost value over the years relative to the Municipal general fund budgets and so this year the Planning Board Sub-Committee and he have recommended the City Council adopt a guideline or policy of tying capital expenditures from the General Fund to a percent of the City's overall budget. Specifically they suggested that the City allocate up to two percent of the prior years

General Fund budget to Capital projects. He said the FY14 General Fund budget was about \$93,000,000.00 therefore, the capital expenditure target for 2015 will be about \$1.8 million dollars. He said after reviewing the departmental budget requests of about \$2.9 million dollars, the sub-committee reduced those requests by about \$1.2 million dollars and has recommended an appropriation of \$1.7 million dollars or approximately 1.8 percent of the fiscal 2014 budget. He stated this level of funding is recommended to ensure the City can meet its obligations, to maintain its infrastructure and quality of life for its residents. He said it should be noted that the projects that are bonded require a separate vote of the City Council (2/3 vote) and in addition to those projects identified in the out years FY16-20 these are for planning purposes with actual funding not required in the FY15 budget.

City Manager Bohenko stated total improvements for FY15 is estimated to cost \$55 million dollars funded by a variety of sources including general fund, bonding, enterprise funds, State and Federal grants, parking revenue and other sources. He concluded by stating that a public hearing is scheduled for February 3, 2014 and final adoption of the CIP is scheduled for the February 18, 2014 City Council meeting. He stated the City Charter does require that before he can proceed with bringing forward a proposed FY15 budget the Capital Plan must be adopted and by Charter the budget has to be approved 45 days prior to the end of the fiscal year.

City Manager Bohenko turned the meeting over to his staff for their presentation.

III. Presentation: Overview of Projects FY2015 – FY2020

Staff members gave brief overviews of projects in the following categories which are outlined in the Capital Improvement Plan document:

- I. Vehicles and Equipment Replacement
- II. Buildings and Infrastructure
- III. Information Systems
- IV. Transportation Management

IV. Questions and Discussion

Councilor Kennedy said with the Fire Department study, Police Department study, Federal Building study and Recreation study they are looking at \$525,000.00 in funding.

Assistant Mayor Splaine asked about the plans for Peverly Hill Road and the Worth Lot. He said if they are not going to consider the Worth Lot as a build up garage, something needs to be done as it is a big eye sore. He asked how they can improve that. Public Works Director Rice stated the Peverly Hills Road project is currently under a study for design improvements. He said they have met with DOT to start a scoping process, which is the first step in a locally managed State funded project for sidewalks. He said Peverly Hill Road needs a lot more than just sidewalks. He said it needs a full reconstruction with drainage improvements, bicycle lanes as well as sidewalks. He said they need to look at the width of the right of way and address some easements along the way for both widening the road, bike lanes and drainage. He said this will be an on going project for a couple of years. He said the Worth Parking lot

should consist of paving and planting. He stated they will review to improve the aesthetics for both the Worth and Parrott Avenue lots. He stated both lots need a complete rebuild.

City Manager Bohenko stated that until the last City Council meeting they did not have a definitive vote to exclude the Worth and Parrott lots as possible parking garage sites. He stated one of those lots will be worked on this year.

Councilor Lown (page 120) said he sees that \$120,000.00 is to be taken out of the General Fund in FY15 for the design work and bond the construction in FY16. City Manager Bohenko stated the Council could decide to bond the design and the work as one project. Councilor Lown stated the picture on page 112 shows an ugly concrete median strip. He asked if part of the plan was to landscape that area. Public Works Director Rice stated it was.

Councilor Lown asked how it worked with the Hampton Branch Rail Trail. He asked if the State would buy the land and the money they are appropriating is to construct the bike and walking trails. Planning Director Taintor stated the State has money appropriated for both purchasing the land and construction. He said the State's intention is to acquire the rail line as soon as possible, but definitely in FY14 and start construction in FY15. He further stated the funds that the State has available are not sufficient to cover the entire 10 miles. He said the State is going to partner with the five communities along that stretch of line to work on designs for each area. He said it is anticipated that the design in each of the five communities will be different. He said there will be individual teams within each community. He said the funds that have been identified are general planning level estimates for what the cost of each segment would be. Councilor Lown stated this is a great thing for the Seacoast.

Councilor Dwyer (page 50) stated assuming that the study indicates the current facility for the Police can be made adequate, why wouldn't we do it all at once and treat it as a bond. City Manager Bohenko stated they wanted to fund this project over time as needed and do each item individually on a construction management aspect, but the Council could certainly bond it. He said we try to keep our bonding at a 10% level of the net debt. He said this project could be bonded as long as there is a useful life expectancy of 10 years after the project. He said he just does not want to get in a comfort zone of using bonding for everything.

Councilor Dwyer (page 64-65) said this has been looked at a number of times because we don't know when we might get the McIntyre building. She said because of that it occurred to her that this one time expense seems appropriate as a fund balance expense.

City Manager Bohenko said they have just received word that the GSA will be available for the February 18, 2014 City Council meeting. He said they will have a work session with them as well as the Regional Administrator Robert Denarski. He said the City's Congressional Delegation Representatives will also attend. He said they will be discussing the letter sent by the Regional Administrator and his position on the McIntyre Building. He said City staff has taken the position that the property should come back to the City. He said the GSA has taken a different position on why that property would not be transferred to the City.

Councilor Kennedy (page 48) Fire Station 3 and study. She said she is having a hard time with the studies. She asked if they can utilize the PDA for this information or the State that gets all our Room & Meals tax money, to support us in this since it is out at Pease. City Manager Bohenko stated the PDA would take the position that it is included in the Municipal

Service Fee and therefore, there would not be any money available from them and they have stated it is the City's responsibility. Councilor Kennedy stated basically what City Manager Bohенко is saying is that they probably would not get any State, Federal or PDA funding for this Fire Station. City Manager Bohenko said that is probably an accurate statement.

Councilor Kennedy asked how much money they get from the PDA. City Manager Bohenko stated there are two sections of the PDA. He said the Airport District, which is covered under the FAA, allows them to have the Municipal Services Fee minus the education portion of the budget. He said outside the Airport District the full amount is collected. Councilor Kennedy asked if that was the \$4,000,000.00 figure. City Manager Bohenko said there is a listing for the Municipal Services Fee and outside the Airport District included in the revenue of taxation. Councilor Kennedy said she just wanted to know if the Municipal Service Fees covered what they are paying. City Manager Bohenko stated they do.

Councilor Kennedy stated she believes the Police Department should be located inside the City – downtown where all the action seems to be. She said she looks at the study fee of \$50,000.00 and the fact that the training room is \$120,000.00 for the upgrades – she believes they should just take the money allotted for the study and utilize it to do the upgrades to the current facility. City Manager Bohenko stated that is a policy decision, but at some point a study will have to look at a site for a new Police Station and they are still going to need funds to investigate that site. Councilor Kennedy said she doesn't think a new facility is needed but just upgrades to the facility they have. City Manager Bohenko stated that would be a policy decision.

Councilor Kennedy (page 120) asked if there were any money from the Sara Long project that can be utilized to rework the entrance and exit to that bridge. Public Works Director Rice stated there are mitigation monies that are allocated. He said they are going to be reworking that exit, which is actually a State Road. He said the State is going to give them money for sidewalks as well as signs and street improvements. He further stated the project is currently in design. He said their design team is working with the State's design team to integrate the two approaches. He stated the DOT realizes they have a component of the project up to a certain point. He said they are trying to maximize the money they get from the State. City Manager Bohenko stated it is to the City's advantage to have a design in place so they can say this is the design they want and this is what they believe the State's percentage of the cost should be.

Councilor Thorsen (page 105) stated he feels the Hampton Branch Rail Trail is a great idea. He stated the General Fund requirements for FY15 is \$150,000.00. He said this is one of those examples where you have to ask the question – how likely is it that this is actually going to occur that year. He stated even if you leave this in the plan, because of the grant situation involved, that number ends up in the budget in some form. He said if it is unlikely that a project is going to happen and they have this money as a place holder, they have just bumped the budget up for something that is not likely to happen. He said they should have a pretty good idea if they are going to spend that \$72,000.00 and where does it end up at the end of the year. City Manager Bohenko stated that money was taken out of last years CIP. Councilor Thorsen stated it can remain in the plan, but it gets taken out of the budget. City Manager Bohenko stated that is correct.

Councilor Dwyer (page 45) asked if we are switching the way we have treated the Municipal Fire Alarm System. She said she assumes in the past the Fire Department monitored the alarm system and now they are switching to an outside vendor. Chief Achilles said there are about 300 plus buildings with master box alarms and it is getting expensive to keep these working and the new AFP Standards require these systems not only monitor the actual alarm, but trouble in the system as well. He said the system presently doesn't do that so they would have to upgrade the system. He said they have discussed if it is cost effective to maintain a municipal alarm system or use a private remote system based on telephone lines. He stated with the master box alarms the call goes into the master box then to dispatch. He stated with a private remote system the call is sent to the station by telephone. He said it is a cost effective measure. He said all municipal building would be moved to this alarm system.

Councilor Shaheen (page 58) asked if the Historic Markers could work in collaboration with the Wayfinding System in terms of aesthetics or appearances. Community Development Director Moore stated the Historic Markers project predates the Wayfinding System by 4 or 5 years. He said they have standardized the colors, fonts, style of mounting methods of all signage. He said the time has past to have this seamlessly integrated, and they do perform a different function. He said there has been great coordination on that.

Councilor Shaheen (page 107) said she understands reconstruction is based upon need and is coordinated with other street improvements and the bicycle/pedestrian master plan. She further said there was a lot of discussion during the campaign concerning sidewalks in particular neighborhoods. She asked if there is a connection to the overall Bicycle/Pedestrian Master Plan and the prioritizing of the sidewalks for reconstruction. Public Works Director Rice said that is part of the process. He said obviously if we are going into an area and tearing up the streets and damaging sidewalks, they take advantage of leveraging funds and address them at the same time. He said a lot of their sewer separation projects are based on that. He said the Bicycle/Pedestrian Master Plan is looking at a number of things – connectivity, corridors, volume of pedestrian traffic and safety. He said there maybe areas that don't have the volume of pedestrian traffic, but are extremely unsafe. He said the idea of the Bicycle/Pedestrian Master Plan is to assist them in prioritizing.

Councilor Shaheen (page 74) the Panaway Manor Sound Barrier. She noted that they are looking at \$100,000.00 general fund dollars, which is to be matched by another agency. She said it doesn't appear that the sound barrier has been put into the 10 year transportation plan for the State. She asked if the City has any leverage or anything they can offer to that neighborhood and community. Public Works Director Rice said they have been trying to tie the project to a Federal/State project so they can get the 80/20 split. He said this would allow them to create a sound barrier project, but it would be more expensive. He said they have been working with DOT and the Interstate Group at DOT to try to push it forward. He said they have a lot of Capital needs which they do not have enough funds for the feed back they have gotten is unless there is a drive in projects they are not really going to be able to tie something to it. He said if the Council decides that is the direction they wish to pursue, they would pursue it. He said at this point they are looking for a venue through the DOT to make something happen.

Staff members gave brief overviews of projects in the following categories which are outlined in the Capital Improvement Plan document:

V. Enterprise Funds

- a. Water Division
- b. Sewer Division

City Manager Bohenko (page 139) stated at the February 18, 2014 City Council meeting he will be asking the Council to move the Hobbs Hill Landing water tank replacement up for bonding due to the age of the tank and an opportunity that they might have with a corporation client that wants to relocate there and bring in 140 jobs to the Tradeport. He said it would make since if they go forward in advance of them doing the work in that area for the building. Councilor Dwyer asked if the bonding would be from water and sewer revenues. City Manager Bohenko stated that is correct.

City Manager Bohenko requested feedback as to if the Council would like to have this presentation repeated for the February 3, 2014 public hearing or have him do a brief summary with the presentation available if questions should arise. Councilor Dwyer stated she would rather not have the presentation and allow more time for questions from the public. Councilor Kennedy agreed.

Councilor Shaheen asked if it was possible to structure the public hearing into sections of the CIP and have all questions on specific sections asked together. City Manager Bohenko stated that could be done.

V. Adjournment

At 8:13 p.m., Mayor Lister closed the meeting.

Respectfully submitted by:

Dianne M. Kirby

Dianne M. Kirby
Deputy City Clerk