



# **TOWN OF KITTERY**

**200 Rogers Road, Kittery, ME 03904**  
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## **Kittery Town Council Workshop** **Monday March 7, 2011** **6:00 PM**

### **Agenda**

1. Kittery Capital Improvement Plan Committee – Presentation of the CIP FY'12-16 Plan
  - a. CIP Presentation (**Pgs 1-22**)
  - b. Economic Development Committee recommendations (enclosed report) (**pgs 23-29**)
  - c. Discussion and Direction by Council
2. Town Manager presentation and review with Council of the FY'12 Town Warrant Articles and Referendum Questions for the June 14, 2011 Ballots (**pgs 30-34**)



## TOWN OF KITTERY, MAINE

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### Memorandum

To: Town Council

From: Jon Carter, Town Manager

Re: FY12-16 CIP Plan Recommendation

Date: 3/3/11

Cc: CIP Committee

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On behalf of the CIP Committee, the Town Manager presents with them the FY' 12-16 CIP draft Summary and recommendations for funding in the FY'12 Budget. The objective of the workshop is to obtain from Council following the presentation, direction and guidance on the FY'12 recommendation in order for the FY'12 Budget to be completed and presented to Council on March 14, 2011.

The CIP has been diligent in its work since early fall on developing a plan of work resulting in a sophisticated review and projection of CIP needs for the public facilities and infrastructure town wide. This year the Plan includes the TIF Capital Projects for each TIF District, which is not part of the tax appropriation part of the CIP, but will be discussed later in the workshop. However, with such a thorough review and receipt of CIP requests from department heads and the school department, the Plan presented an elevated need and cost, resulting in a larger CIP Plan and budget request.

The Town Manager has reviewed the requests for FY'12 and has developed a recommendation supported by the Committee for Council reaction and guidance for the budget which appears below. The other part of the recommendation involves the CIP work to examine the Town debt payment schedules on bonds over the next 22 years. The CIP Committee is extremely concerned with the climb in payment levels in FY'13 and would recommend the establishment of a Debt Relief Reserve Fund for FY'12 to assist in cushioning the tax impact in FY'13. Our recommendation is to fund it with \$500,000 which is approximately half of the increase for FY'13.

The Plan is reviewed on the following pages. It is broken into different sections and is quite large. Tonight will be a summary review with a concentration on FY'12 while indicating the FY'12-16 Plan totals by year.

The funding categories for appropriations and discussion at this workshop are as follows:

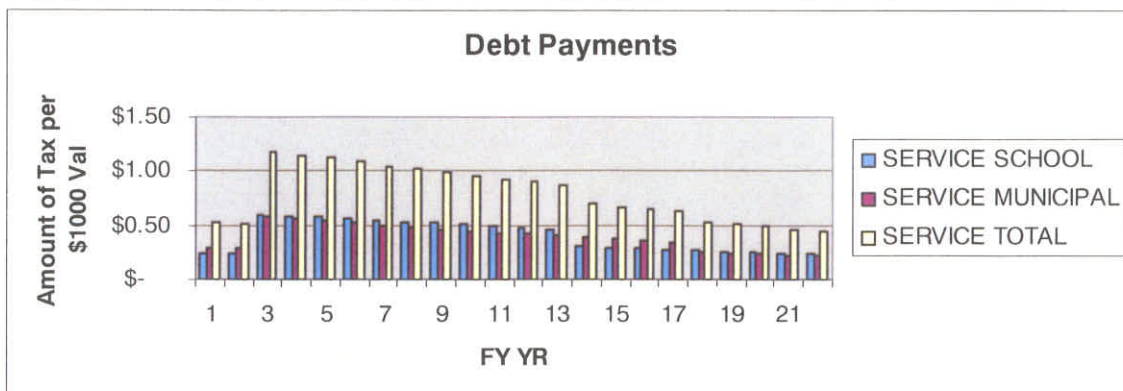
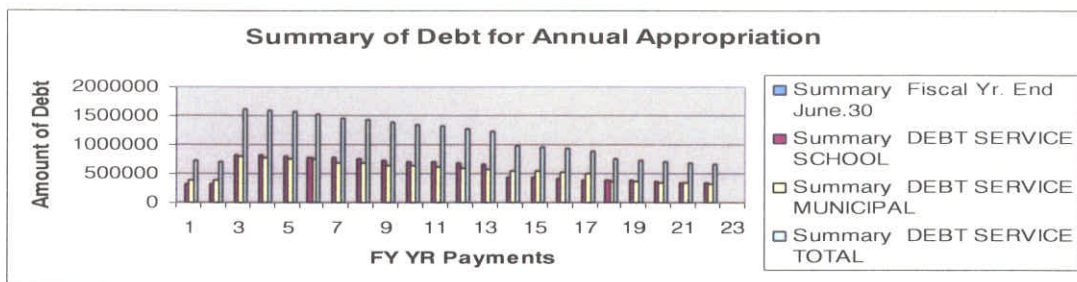
**1) Capital Improvement Holding Account** The accounting identifier line in the town chart of accounts grouping the CIP funds dedicated for replacement of assets with a cost above \$25,000 and a life cycle greater than five years. Recommendation Amount: **\$565,031**

**2) Department Designated Reserves** – for depreciated capital items pertaining to fleet and equipment. Recommended amount of **\$505,500**.

**3) Annual Capital Projects-** requests submitted by departments of the Town for projects or purchases meeting a certain threshold and evaluated by the CIP Committee for the funding plan. **Recommended amount = \$699,600 with \$199,600 funded by the FY'12 budget and \$500,000 be placed on the ballot in June to fund 3 projects.**

**4) Municipal Development Districts** – 3 approved TIF District Capital Projects to be funded from the TIF Reserve Fund.

**5) Establishing a Debt Relief Fund-** this fund would be a **one time** appropriation to reduce the impact of the FY'13 Debt Payment.\$500,000.





## RECOMMENDATION

CIP SUMMARY	FY11	FY12	FY'12
	Approved Funded	Dept Req	TM
Capital Holding Accounts	\$ 231,159.00	\$ 786,031.00	\$ 565,031.00
Reserves	\$ 291,316.00	\$ 628,500.00	\$ 505,500.00
Projects	\$ 83,000.00	\$ 1,080,518.00	\$ 699,600.00
New Debt Relief Fund -One time to soften the Impact of Debt Payment in FY13			\$ 500,000.00
<b>Total CIP accounts</b>	<b>\$ 605,475.00</b>	<b>\$ 2,495,049.00</b>	<b>\$ 2,270,131.00</b>
			CDBG/Bond Playground
			Self-Funded Traip HVAC Project
			Traip Roof Project From Roof Reserve Fund
<b>Total CIP accounts with Alternative Funded Projects</b>			<b>\$ 3,015,131.00</b>

**Recommend allowing voters to decide on \$500,000 in projects**

	Amount	Tax Impact
Shapleigh Track Replacement	\$ 200,000.00	\$ 0.15
Pepperill/Butterworth Drainage Project	\$ 100,000.00	\$ 0.07
Crockett Neck Rd/Culvert Repair	\$ 200,000.00	\$ 0.15
<b>TOTAL VOTER BALLOT PROJECTS</b>	<b>\$ 500,000.00</b>	<b>\$ 0.37</b>

**CIP accounts/projects funded in Operating Budget**

Capital Holding Accounts	\$	565,031.00	\$	0.41
Reserves	\$	505,500.00	\$	0.37
Projects (excludes those projects listed above for voter approval)	\$	199,600.00	\$	0.15
<b>TOTAL CIP PROPOSED FOR FY 12 OPERATING BUDGET</b>	<b>\$</b>	<b>1,270,131.00</b>	<b>\$</b>	<b>0.93</b>
LESS CIP FUNDED IN FY11 OPERATING BUDGET	\$	(605,475.00)	\$	(0.44)
<b>ADDITIONAL CIP NEEDED IN FY12 OPERATING BUDGET</b>	<b>\$</b>	<b>664,656.00</b>	<b>\$</b>	<b>0.49</b>

## SUMMARY TAX IMPACT

		N/A	EXISTING	Tax level
CIP flat funded from FY11	\$ 605,475.00	\$	0.44	
Additional Cost for FY12 in Budget	\$ 669,656.00	\$	0.49	New
FY'12 On Ballot	\$ 500,000.00	\$	0.37	New
New Debt Relief Fund	\$ 500,000.00	\$	0.36	New
<b>Total</b>	<b>\$ 2,275,131.00</b>	<b>\$</b>	<b>1.66</b>	<b>1.22 New</b>