

# City of New Bedford Capital Improvement Program

Presentation to City Council

April 14, 2021

# Capital Improvement Program

Encouraged by the  
Massachusetts  
Department of Revenue,  
credit agencies and the  
Government Accounting  
Standards Board.

Provides a mechanism  
to more effectively  
incorporate capital  
decisions into ongoing  
fiscal planning.

Enhances rating  
agencies' credit ratings.

Facilitates coordination  
between capital needs  
and the operating  
budget.

# Capital Needs Assessment

- Projects identified through the biennial Capital Needs Assessment.
- First assessment conducted in FY 2014.
- Project needs submitted by City agencies and the School Department.
- Two-year planning period.
- FY 2021 CNA update process identified more than \$285.6 million in deferred maintenance and facility needs.
- Current year requirements updated annually as needed.

# Capital Improvement Program

## *FY 2021 - 2025*

- ❑ Capital Improvement Program identifies local funding for needs on a 5-year cycle.
- ❑ The initial version of the CIP covered the five years from FY 2014 through FY 2018, and the plan has been updated annually as project needs dictate.
- ❑ The FY 2021-2025 edition constitutes the second year in a biennial planning cycle.
  - ❑ Departments provided full updates to prior requests, along with new project submissions when necessary.

# Capital Improvement Program

## *FY 2021 – 2025 Summary*

General Fund Projects	Allocation
Capital asset preservation projects for public safety buildings, and public use and government facilities	\$18,245,000
Capital vehicle replacement program	\$11,258,035
Major renovations and/or replacements	\$31,392,000
Major school department projects	\$59,817,000
Total	\$120,712,035

Funding Sources	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2021-2025 Total
General Obligation Debt	\$14,215,000	\$16,072,000	\$12,527,000	\$37,775,000	\$28,865,000	\$109,454,000
Lease Purchase	2,578,035	2,630,000	1,115,000	2,215,000	2,720,000	11,258,035
Total	\$16,793,035	\$18,702,000	\$13,642,000	\$39,990,000	\$31,585,000	\$120,712,035

# Capital Improvement Program

## *FY 2021 – 2025 Summary*

### *Major Renovations and Replacements*

Major Project	Fiscal Year	Cost
Hillman Street Complex Renovations	FY 2021 & 2023	\$1,250,000
Zeiterion Theater Repairs	FY 2025	\$400,000
Agnes Braz Accessibility Improvements	FY 2024	\$1,350,000
Zoo Renovations	FY 2022 - 2025	\$3,192,000
Fleet Maintenance Improvements	FY 2021 - 2022	\$4,300,000
Sassaquin Pond Remediation	FY 2021 – 2024	\$1,500,000
Buttonwood Pond and Dam Restoration	FY 2021 – 2022	\$6,800,000
Server & Communications Equipment	FY 2025	\$500,000
North Fire Station	FY 2022 – 2023	\$7,700,000
Public Safety Communications System	FY 2021 - 2022	\$4,400,000

### *School Renovations and Replacements*

Major Project	Fiscal Year	Cost
School Deferred Maintenance	FY 2021, 2022 & 2024	\$1,265,000
MSBA Accelerated Repair Projects	FY 2021 - 2024	\$6,052,000
MSBA Core Projects	FY 2022 – 2025	\$52,500,000

# Capital Improvement Program *Project Update (2014 – Present)*

The City of New Bedford has invested \$33,849,000 into 64 projects since 2014.

Those projects include:

- The Hillman Street Complex
- City Hall Deferred Maintenance
  - Building Access
  - Life Safety and Foundation Repair
  - Façade Improvements
  - Elevator
- Ongoing investments in police and fire stations
- Ongoing investments in schools and libraries
- The Buttonwood Park Zoo
- The Zeiterion Theater
- IT infrastructure and server investments
- A \$6 million investment in the City's roads and infrastructure

# Capital Improvement Program

## *FY 2021 – 2025 Major Project Review*

- **Hillman Street Complex Renovations (FY 2021 & 2023, \$1,250,000):**
  - Continues renovations begun in FY 2014 to the Hillman Street Complex.
  - Activities would include renovation of Building 9, which serves as annex office space, repointing of the exterior walls, and replacement of deteriorated brickwork.
- **Zeiterion Theater Repairs (FY 2025, \$400,000):**
  - This project serves as a placeholder for the replacement of doors and HVAC control units at the Zeiterion Theatre.
- **Agnes Braz Accessibility Improvements (FY 2024, \$1,350,000):**
  - Would provide general renovation, including exterior repair, HVAC replacement and accessibility improvements, to the Agnes Braz building located on Coggeshall Street.
- **Zoo Renovations (FY 2022-2025, \$3,192,000):**
  - Continues renovations at the Buttonwood Park Zoo, with a focus on renovations to existing exhibits and educational facilities.



# Capital Improvement Program

## *FY 2021 – 2025 Major Project Review (cont.)*

- **Fleet Maintenance Improvements (FY 2021 - 2022, \$3,394,000):**
  - Would provide for construction of an integrated fleet management solution for City vehicles.
  - Initial funding in FY 2019 consisted of a Free Cash allocation to provide for design of renovations and expansion to the existing facility at City Yard.
  - The FY 2021 allocation would also provide for exterior renovations to the Fire Garage and the Truck Shed, while funding in FY 2022 would continue improvements to the City's fleet maintenance infrastructure.
- **Sassaquin Pond Remediation (FY 2021 - 2024 \$1,500,000):**
  - This project serves as a placeholder for improvements to water quality in Sassaquin Pond.
  - The City is currently developing a Work Plan for implementing capital improvements, preventive operations and maintenance activities, and programmatic improvements which will prioritize the most pressing and cost-effective water quality improvement projects in the Sassaquin Pond watershed.
- **Buttonwood Pond and Dam Restoration (FY 2021-2022, \$6,800,000):**
  - This project would restore the pond at Buttonwood Park. The state's Office of Dam Safety has designated this dam as a significant hazard and has urged the City to make structural repairs.
  - The project scope would include reconstruction of the dam, dredging of the pond, and cleanup of the area resulting in enhanced recreational use, permit compliance, and public safety.

# Capital Improvement Program

## *FY 2021 – 2025 Major Project Review (cont.)*

- **Server & Communications Equipment (FY 2025, \$500,000)**
  - This project serves as a placeholder for the planned replacement of the City's network server modules, which maintain the City's business applications and data storage, and will be due for replacement within the next several years.
- **North Fire Station (FY 2022 – 2023, \$7,700,000)**
  - The FY 2021 budget includes funding for a feasibility study to determine the appropriate placement and configuration of a replacement fire station to be located in the North End. This project is a placeholder for design and construction of the facility once the site has been selected.
- **Public Safety Communications System (FY 2021-2022, \$4,400,000):**
  - This project continues activities begun in FY 2019 to replace the City's public safety communications system, which is utilized by the three public safety agencies (Police, Fire and EMS) to dispatch and manage emergency response.
  - The current system, which dates to the mid-1990s, is obsolete and in need of replacement. The project also addresses regulatory changes which are requiring public safety agencies nationwide to migrate to a new set of frequencies.

# Capital Improvement Program

## *FY 2021 – 2025 School Renovations & Replacements*



### **Schools Deferred Maintenance (FY 2021, 2022 & 2024 \$1,265,000):**

This project would provide for renovations to School Department facilities that would not be eligible for reimbursement from the State.

Funding in the FY 2021 capital bond will be utilized to continue renovations at New Bedford High School and to replace the rooftop HVAC units at Casimir Pulaski Elementary School.



### **MSBA Accelerated Repair Projects (FY 2021 - 2024, \$6,052,000):**

This project provides the local share for renovations to the Campbell school in FY 2021-2022, and for the Hathaway schools in FY 2023-2024.



### **MSBA Core Projects (FY 2022 – 2025, \$52,500,000):**

Provides local share for a planning studies and construction of replacements for the Congdon and Davalles elementary schools in FY 2022 and 2024 and a full renovation of New Bedford High School in FY 2023 and 2025.

Project Category/Name	Amount
Hillman Complex Continuation	\$500,000
Lawler Library	\$363,000
Park Improvements	\$400,000
Howland Green Library	\$420,000
New Bedford Art Museum	\$310,000
Monkey Island Improvements	\$252,000
NBHS Renovations	\$250,000
Pulaski Roof Top Units	\$590,000
<u>Roads and Infrastructure</u>	<u>\$2,500,000</u>
Capital Improvement Bond Total:	\$5,585,000

## ***FY 2021 CAPITAL IMPROVEMENT BOND***

## FY 2021 Capital Improvement Bond

### *Project Category: Roads and Infrastructure*

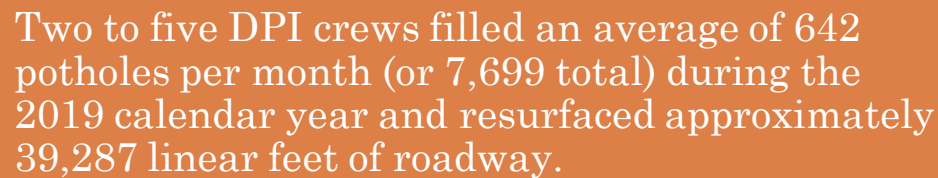
- The FY 2021-2025 Capital Improvement Program includes dedicated funding for the repair of roads and related infrastructure.
- This portion of the bond would be directed toward capital-eligible roadwork and sidewalk repair, as determined by the Department of Public Infrastructure's pavement management program.



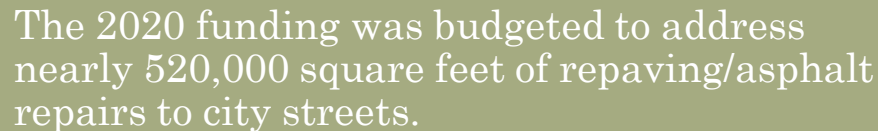
# FY 2021 Capital Improvement Bond

## *Project Category: Roads and Infrastructure*

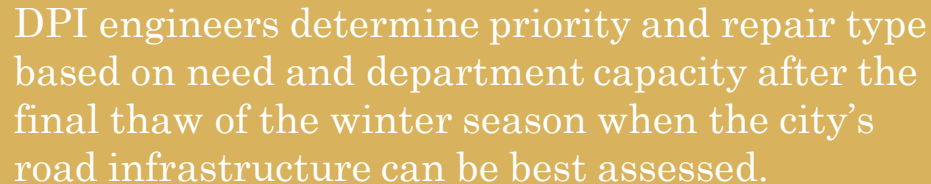
Two to five DPI crews filled an average of 642 potholes per month (or 7,699 total) during the 2019 calendar year and resurfaced approximately 39,287 linear feet of roadway.



The 2020 funding was budgeted to address nearly 520,000 square feet of repaving/asphalt repairs to city streets.

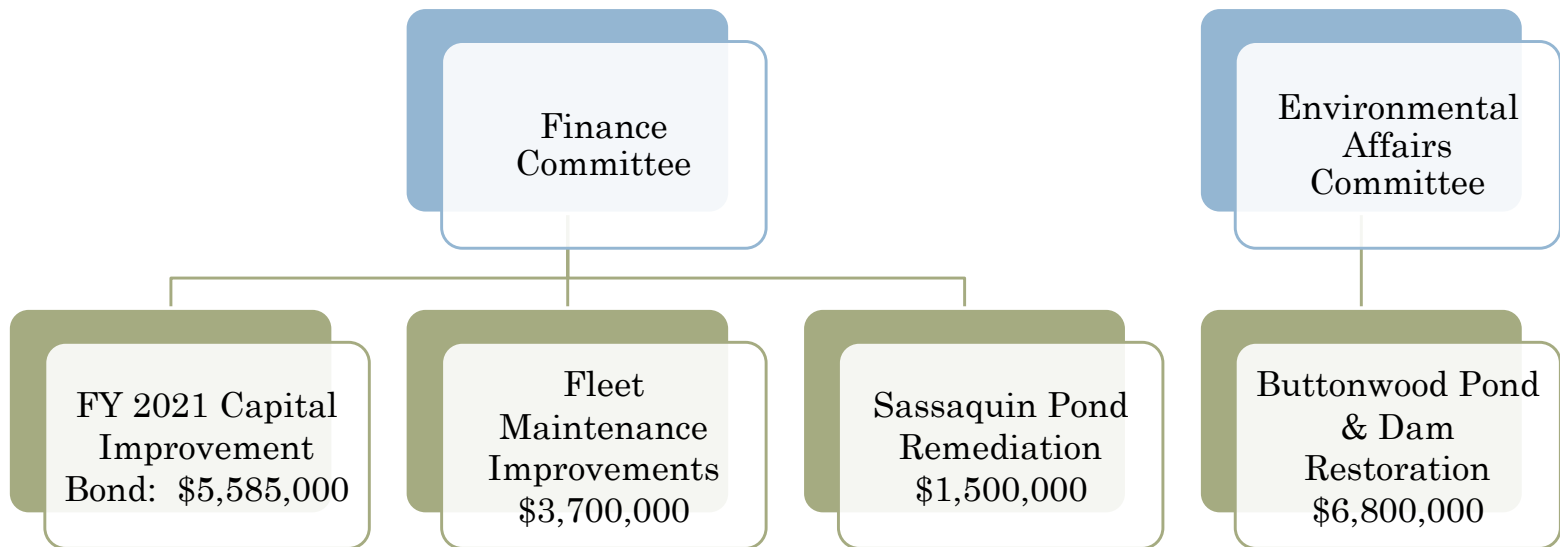


DPI engineers determine priority and repair type based on need and department capacity after the final thaw of the winter season when the city's road infrastructure can be best assessed.



\* Road construction was impacted by the COVID-19 pandemic. FY 2019 numbers are representative of an average road construction season.

# Loan Orders Pending Before the City Council



DESCRIPTION	FISCAL YEAR	COST
EMS Vehicles	FY 2021 – 2025	\$2,476,016
Fire Apparatus	FY 2021- 2025	\$3,495,000
Mobile Command Center	FY 2022	\$750,000
Fleet Replenishment	FY 2021 – 2025	\$3,887,050

## **FY 2021 – 2025 CIP SUMMARY** ***CAPITAL VEHICLE REPLACEMENT***



# Capital Improvement Program

## *FY 2021 – 2025 Capital Asset Preservation Program*

- City's physical assets have deteriorated due to years of insufficient ongoing maintenance.
- The City's capital program has had a material impact on the overall deficiency.
- The Federal Internal Revenue Service and the MA Department of Revenue established depreciation standards of 2.5% per year on fixed assets.
  - Value of the City's physical inventory (FY 2020): \$275.6 million
  - City's CIP Capital Asset Preservation proposal:
    - \$18.2 million over five years as well as \$10.5 million for more extensive renovations.
    - \$7.3 million to fund the local share of renovation projects for City schools.
    - Combined, allocations average approximately 2.6% annually.
- Qualifying projects will be limited to existing facilities in need of capital-eligible renovation and/or repair.

## FY 2021 – 2025 Debt Overview

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New Issues:	\$74,789,722
<u>Less Retirement:</u>	<u>(\$29,420,889)</u>
Net Additional Debt:	\$45,368,833

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### Major Drivers

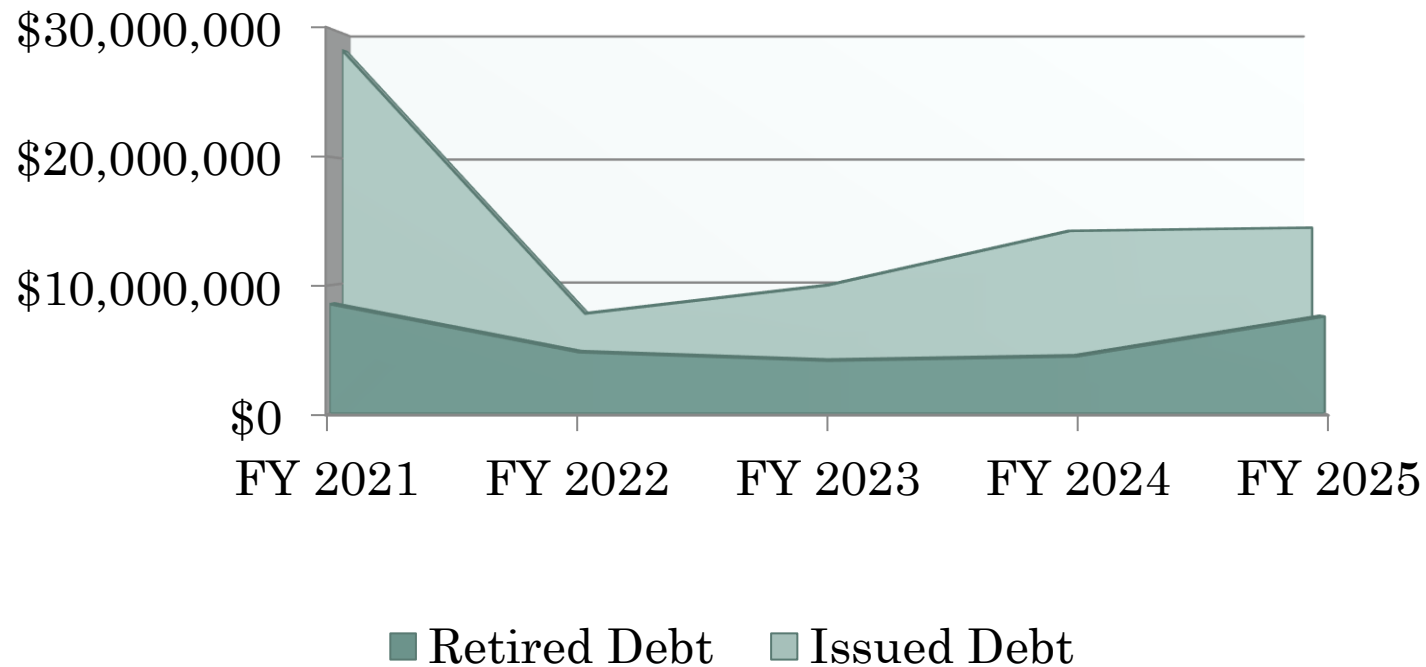
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North Fire Station:	\$7,700,000
Public Safety Communications:	\$4,400,000
Buttonwood Pond Restoration:	\$6,800,000
Congdon/Devalles Replacement:	\$28,000,000
MSBA Accelerated Repair Projects:	\$6,052,000
Fleet Maintenance Improvements:	\$4,300,000
<u>Roads &amp; Infrastructure:</u>	<u>\$12,500,000</u>
Major Drivers Total:	<u>\$69,752,000</u>

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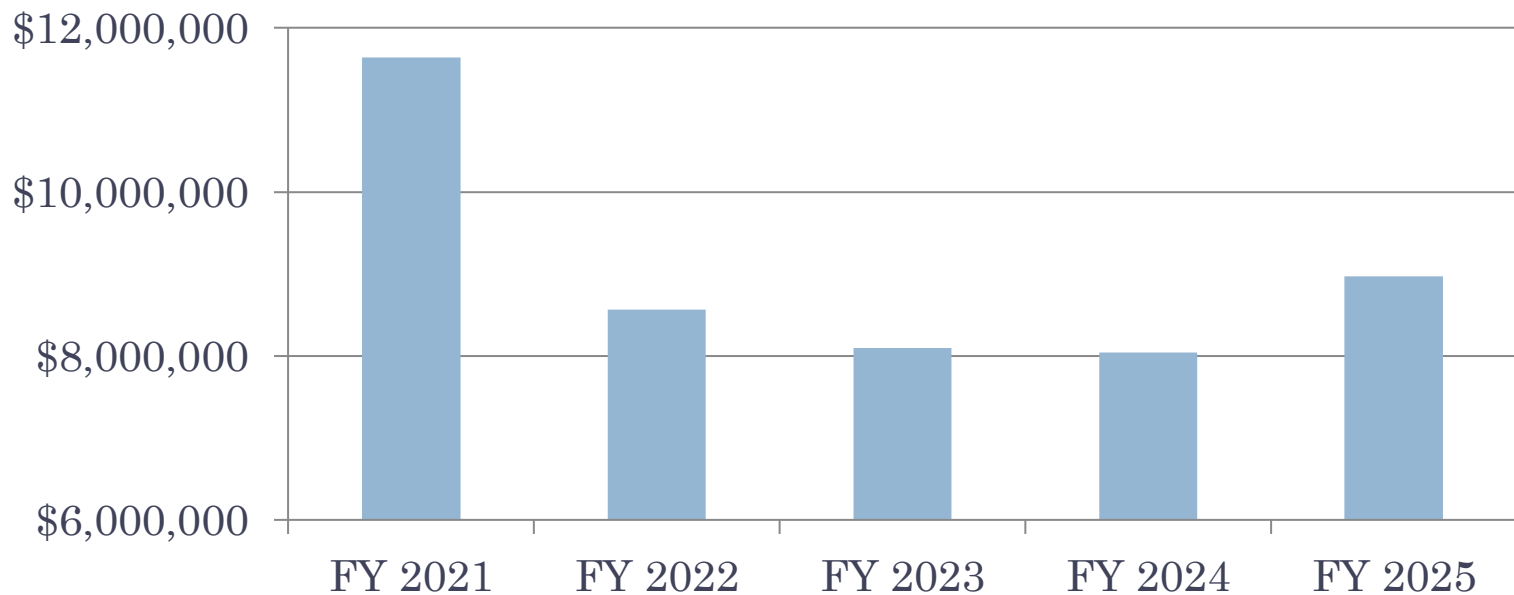
# CAPITAL IMPROVEMENT PROGRAM

## *Impact on Debt Retirement*



# CAPITAL IMPROVEMENT PROGRAM

## *Impact on Annual Debt Service*



- Revised proposal assumes authorization of deferred items in FY 2021.
- Debt service on the Roosevelt Middle School project will be retired in FY 2021, resulting in the loss of \$2.4 million in annual reimbursements from MSBA.

# Key Affordability Indicators

## *FY 2021 – 2025*

*The City Council adopted financial policies for management of fund balances and debt issuance on November 14, 2013. The FY 2021-2025 CIP complies with the benchmark affordability indicators established by the City's fiscal policies.*

Description	Benchmark	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Debt: Est. Property Value	<3%	1.3%	1.3%	1.3%	1.4%	1.4%
Debt: Per Capita Income	<6%	3.7%	3.7%	3.9%	4.2%	4.3%
Debt Payments: GF Expenditures	<10%	3.2%	2.3%	2.1%	2.0%	2.2%

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