



CITY OF SACO, MAINE

Administration
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BUDGET MEMORANDUM

TO: Mayor Michaud and Saco City Council
FROM: Kevin L. Sutherland, City Administrator
DATE: April 20, 2017
RE: **Items in Capital Improvements that could be recommended for Bond**

After further review of the Capital Improvements (Section 3, Page 7), staff have determined too many of the projects listed for Fiscal Year 2018 are either not eligible for bond, are tied to potential grant funding and if bonded would no longer qualify, or if bonded would have to wait an additional year before the project moved forward.

If Council wants to consider a bond question for November 2018, we'd recommend a few possible courses of action:

1. Reduce the fiscal needs outlined in FY19 (actual borrowing would take place starting in Fiscal Year 2019). The total need recognized two years from now is \$4,715,600. That is \$3.7 million above our current capital improvement payment and will be a large increase to the tax rate if it not bonded.

Here is a list of projects that could be bonded next year:

a. Public Works Vehicle Storage Canopy	\$400,000
b. Public Works – Site Work	\$250,000
c. Public Works – Office Building	\$400,000
d. Public Works – Fleet Maintenance Improvements	\$540,000
e. City Hall HVAC	\$100,000
f. Police Department Roof	\$120,000
g. Ocean Park Rd Area	\$250,000
h. Lincoln Street	\$950,000
i. Rt. 1 Sidewalk extension	\$620,000
j. Rt. 112 Traffic Improvement	<u>\$200,000</u>
TOTAL	\$3,830,000

2. Instead of repairing the Public Works building in its current location, purchase land to become its next site and begin the design and engineering process:

a. Purchase Land for Public Works	\$950,000
b. All projects listed above excluding PW repairs	<u>\$2,240,000</u>
TOTAL	\$3,190,000

3. In order to enhance the commercial marketability of Saco, finance a sewer extension along Route 1 from the Flag Pond Road to the Scarborough line.
 - a. Route 1 Sewer Extension pre-engineering estimate \$2,000,000