



**CITY OF NEWPORT  
CAPITAL IMPROVEMENT PLAN &  
DEBT AFFORDABILITY**

February 7, 2019

# INFORMATION AND COMMUNICATION SYSTEMS

## Information and Communication Systems:

Annual PC Replacements	10,000
Technology upgrades	50,000
Copier Replacements	14,286
Virtual Desktop Server Updates	20,000
Firewall Replacement	50,000
Opal Billing & Collections Replace/ERP Re-evaluation	400,000
Fire Alarm & Radio System	270,000
Crisis Negotiator Portable Telephone	<u>23,000</u>
<b>Total Information and Communication Systems Request</b>	<b>837,286</b>

# HIGH TICKET INFORMATION AND COMMUNICATIONS SYSTEMS

Page 18: OPAL Billing and Collections System and ERP Replacement

Total cost of systems replacements estimated at \$4-5 million; \$500,000 currently approved and budgeted with \$400,000 proposed for 2020 and \$1 million each of the following 2 years

Page 19: Fire Alarm and Radio System Replacement in Fire Department

Total cost of replacement is \$681,000; system at end of service life and won't be supported by manufacturer after 2019

# FACILITY IMPROVEMENTS

## Facility Improvements:

Building Improvements - City Wide	675,000
School Building Improvements	630,000
School Department Space Needs	300,000
Library Improvements	40,000
Fire Station1 Building Improvements	70,000
Fire Station 2 Improvements	9,000
Police, Building HVAC Improvements	55,000
<b>Total Facility Improvements Request</b>	<b>1,779,000</b>

# BUILDING IMPROVEMENTS, CITY FACILITIES

Page 22: City Hall Tower Design and Stabilization \$675,000 in FY2020

Page 30: Easton's Beach Facility Improvements \$1,990,860 over 4 years beginning in FY2021

# BUILDING IMPROVEMENTS, SCHOOLS

Page 23: Newly mandated state law requires maintenance expenditures of a minimum of 3% of the operating budget (most applicable to Newport) to be *spent* in each fiscal year to be phased in over 5 years. FY2020 requires 1.5% or approximately \$861,000 increasing to a minimum of \$1,350,000 annually.

Some of this requirement can be met through current school operating expense for maintenance plus eligible personnel hours on School and City side. Approximate current eligible cost is \$250,000. The rest will have to be funded through the City's CIP for capital repairs and maintenance or given to the school as an annual increase in the maintenance of effort. All eligible expenditures need to be tracked and certified to RIDE/DOR. Note that the City assumed capital costs for the schools several years ago as part of the annual budget.

# BUILDING IMPROVEMENTS, SCHOOLS - CONTINUED

Page 24: Temporary Space Needs for Schools

An annual amount of \$300,000 is proposed for any temporary solutions to the pre-kindergarten needs and the overcrowding at Pell School.

# ROAD AND SEAWALL IMPROVEMENTS

## Road and Seawall Improvements:

Road Improvements	1,200,000
Bellevue Avenue Concrete	300,000
Seawall Repairs (Storer Park)	<u>500,000</u>
<b>Total Road and Seawall Improvements Request</b>	<b>2,000,000</b>



# PARKS, GROUNDS AND PLAYGROUNDS

## Parks, Grounds and Playgrounds:

Park Facility Upgrades (Murphy Field Park Master Plan)	20,000
Playground Improvements	60,000
Historic Park Restoration (Miantonomi Tower Structural Design & Constr	40,000
Cemetery Restoration	<u>25,000</u>
<b>Total Parks, Grounds and Playgrounds Request</b>	<b>145,000</b>

# OTHER GENERAL FUND PROJECTS

## Other General Fund Projects:

Variable Message Board	3,000
Police, Building Workspace Upgrades	<u>42,000</u>
<b>Total Other General Fund Requests</b>	<b>45,000</b>

# MARITIME FUND

## MARITIME FUND

Perrotti Park Dock	150,000
Elm Street Pier Rehabilitation	50,000
King Park Dinghy Dock Expansion	50,000
Harbor Maintenance Shed Repair	45,000
Equipment Replacement	86,000
<b>Total Maritime Projects</b>	<b>381,000</b>
Transfer to General Fund for Bellevue Concrete	100,000
<b>Total Maritime Funding Requests</b>	<b>481,000</b>

# PARKING FUND

## PARKING FUND

Gateway Center Program (Waterproof Gateway Garage)	200,000
Parking Prog. (Touro Lot seal coat)	30,000
Equipment Replacement	-
<b>Total Parking Projects</b>	<b>230,000</b>
Transfer to General Fund for Bellevue Concrete	200,000
<b>Total Parking Funding Requests</b>	<b>430,000</b>

# WATER POLLUTION CONTROL FUND

## WATER POLLUTION CONTROL

Catch Basin Separation	100,000
City Advisor for DBO Contract for WPC System	400,000
Storm Drainage Improvements	1,500,000
Prog Man-Implement CSO System Master Plan (SMP)	600,000
North End Sewer Reroute	200,000
Storm Water Utility Fee Implementation	175,000
Flood Mitigation Measures	500,000
Sanitary Sewer Sys Improve 4, Design & Construction	800,000
Sanitary Sewer Sys Improve 5, Design & Construction	200,000
Equipment Replacement	160,000
<b>Total Water Pollution Control Projects</b>	<b>4,635,000</b>

# WATER FUND

## WATER FUND

Meter Replacement Program	95,000
Dam Rehabilitation	500,000
Water Trench Restoration	100,000
BEACON Advanced Metering Analytics	125,000
Fire Hydrant Replacement	75,000
Misc. Fence Repairs	125,000
800 MHz Radios	50,000
Reservoir Road 3MG Tank	700,000
Hydraulic Model Update	100,000
GIS Update	100,000
Property Line Survey	100,000
Equipment Replacement-Water	175,000
<b>Total Water Fund Projects</b>	<b>2,245,000</b>



**AFFORDABILITY**  
**CURRENT AND FUTURE CAPITAL NEEDS**  
**FOCUS ON DEBT AND TAX RATES**

# DEBT PARAMETERS

RI General Laws cap total outstanding general obligation (GO) debt to 3% of net assessed value. Cap is \$205,445,000. No provision in law to exceed cap.

Annual Debt Service cannot exceed 9% of total general fund expenditures per City Council policy. 9% equals \$8,437,000. Council policy can be changed by vote.

Maximum tax levy increase is 4% or approximately \$2.9 million without council and state approved override. (Debt is an allowable exception under state law if there is an approved override)



# OUTSTANDING DEBT AT JUNE 30, 2018

<b>General Fund Outstanding Bonds</b>	<b>\$36,211,000</b>
General Fund Leases	353,018
General Fund Net Pension Liability	136,431,195
General Fund Net OPEB Liability	<u>71,855,080</u>
	\$244,850,293
Water and WPC Funds Outstanding Bonds	\$134,598,226
Water and WPC Funds Net Pension Liability	7,049,101
Water and WPC Funds Net OPEB Liability	<u>3,509,345</u>
	\$145,156,672

# GARAGE NEEDS

The utilities building, public services garage, equipment and gas pumps on Connell Highway may need to be relocated as part of the Pell Bridge realignment. The initial cost estimate was \$25 million. However a recent estimate based on a study has indicated the cost is likely to be \$28.4 million for public services (general fund) and \$11.3 million for utilities (water and WPC funds). That does not include the cost of any potential land purchase.

This project needs to be further discussed and analyzed before any recommendations or for more accurate cost estimates

**This analysis includes debt of \$25 million for this project.**

# SCHOOL NEEDS

Potential costs related to the early childhood needs, possible expansion of Pell School and a new high school are not known. However numbers of anywhere up to \$180 million have been mentioned.

This analysis includes impacts from bonds for \$100 million, \$120 million and \$150 million.

Bonds of greater than \$150 million would not be possible under the State cap laws, unless bonding is not provided for the garage and utilities building moves.

# GARAGE AND \$100M SCHOOLS

	Total		Add	Add	Less	Total	
	Outstanding	Total	\$25 Million	\$100 Million	School	Annual	Difference
June 30,	GO	Annual	PW&U Move	Schools	Housing Aid	Debt	in Annual
	Bonds	Debt Service	20 Years	30 Years	45%	Service	Debt Service
2019	36,211,000	3,654,496				3,654,496	
2020	32,375,000	3,626,908				3,626,908	
2021	153,412,000	3,554,852	1,945,538	6,633,229	(2,984,953)	9,148,666	5,593,814
2022		3,597,369	1,945,113	6,633,075	(2,984,884)	9,190,673	5,593,304
2023		2,540,610	1,942,488	6,633,925	(2,985,266)	8,131,757	5,591,147
2024		2,490,980	1,942,663	6,635,100	(2,985,795)	8,082,948	5,591,968
2025		2,450,399	1,945,363	6,631,325	(2,984,096)	8,042,991	5,592,592
2026		1,318,080	1,940,313	6,632,600	(2,984,670)	6,906,323	5,588,243
2027		1,052,716	1,942,788	6,633,375	(2,985,019)	6,643,860	5,591,144
2028		1,020,572	1,942,238	6,633,375	(2,985,019)	6,611,166	5,590,594
2029		980,392	1,943,663	6,632,325	(2,984,546)	6,571,834	5,591,442
2030		940,212	1,941,788	6,629,950	(2,983,478)	6,528,473	5,588,261
2031		900,032	1,941,613	6,630,975	(2,983,939)	6,488,681	5,588,649
2032		867,888	1,942,863	6,634,850	(2,985,683)	6,459,919	5,592,031
2033		835,744	1,945,263	6,631,025	(2,983,961)	6,428,071	5,592,327
2034			1,942,488	6,634,500	(2,985,525)	5,591,463	5,591,463

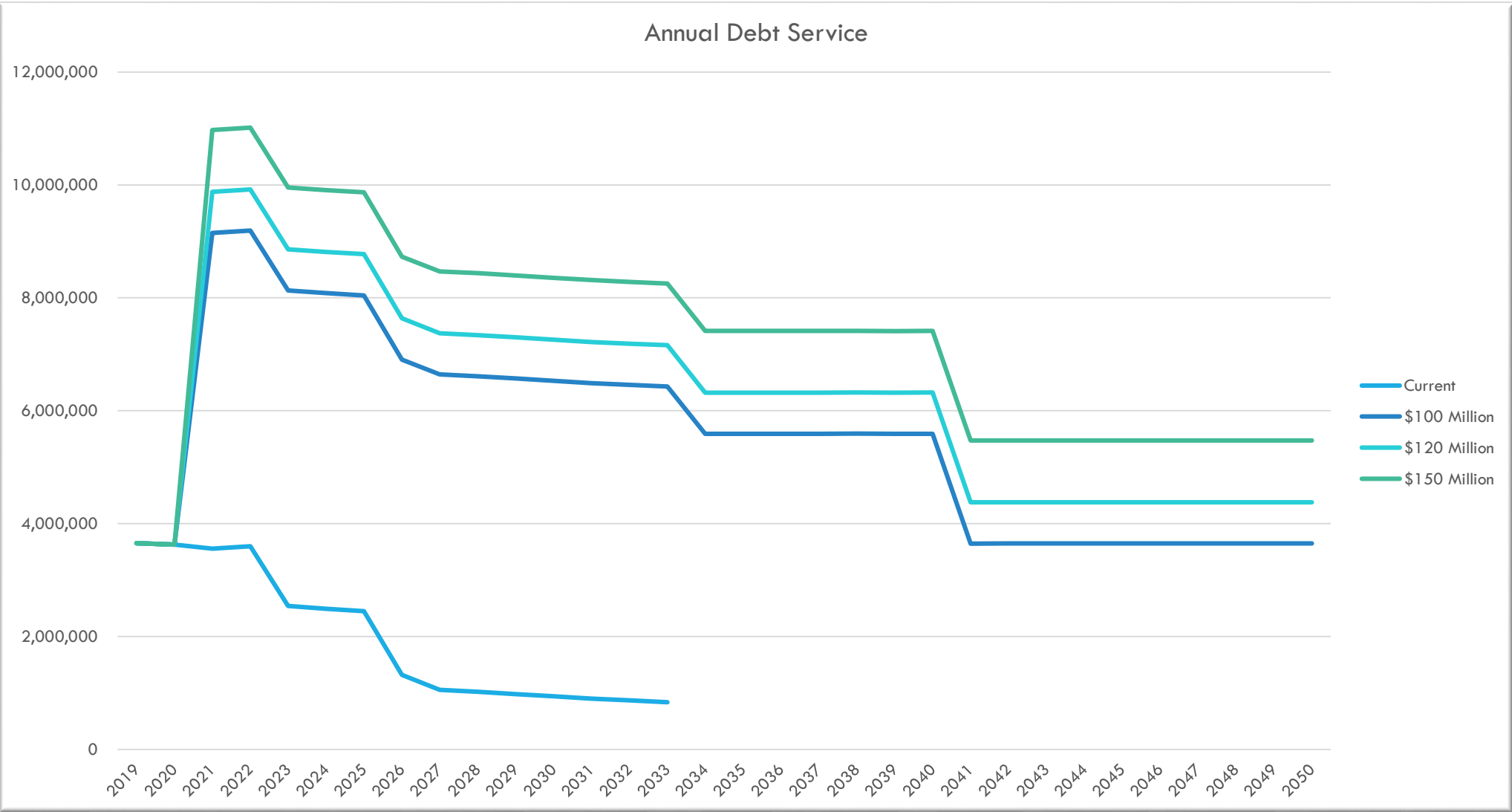
# GARAGE AND \$120M SCHOOLS

	Total	Total	Add	Add	Less	Total	
	Outstanding	Annual	\$25 Million	\$120 Million	School	Annual	Difference
	GO	Debt	PW&U Move	Schools	Housing Aid	Debt	in Annual
June 30,	Bonds	Service	20 Years	30 Years	45%	Service	Debt Service
2019	36,211,000	3,654,496				3,654,496	
2020	32,375,000	3,626,908				3,626,908	
2021	173,412,000	3,554,852	1,945,538	7,958,856	(3,581,485)	9,877,761	6,322,909
2022		3,597,369	1,945,113	7,958,725	(3,581,426)	9,919,781	6,322,412
2023		2,540,610	1,942,488	7,957,800	(3,581,010)	8,859,888	6,319,278
2024		2,490,980	1,942,663	7,961,375	(3,582,619)	8,812,399	6,321,419
2025		2,450,399	1,945,363	7,958,900	(3,581,505)	8,773,157	6,322,758
2026		1,318,080	1,940,313	7,960,375	(3,582,169)	7,636,599	6,318,519
2027		1,052,716	1,942,788	7,960,250	(3,582,113)	7,373,642	6,320,926
2028		1,020,572	1,942,238	7,958,250	(3,581,213)	7,339,848	6,319,276
2029		980,392	1,943,663	7,959,100	(3,581,595)	7,301,560	6,321,168
2030		940,212	1,941,788	7,957,250	(3,580,763)	7,258,488	6,318,276
2031		900,032	1,941,613	7,957,425	(3,580,841)	7,218,229	6,318,197
2032		867,888	1,942,863	7,959,075	(3,581,584)	7,188,242	6,320,354
2033		835,744	1,945,263	7,961,650	(3,582,743)	7,159,915	6,324,171
2034			1,942,488	7,959,600	(3,581,820)	6,320,268	6,320,268

# GARAGE AND \$150M SCHOOLS

	Total	Total	Add	Add	Less	Total	
	Outstanding	Annual	\$25 Million	\$150 Million	School	Annual	Difference
	GO	Debt	PW&U Move	Schools	Housing Aid	Debt	in Annual
June 30,	Bonds	Service	20 Years	30 Years	45%	Service	Debt Service
2019	36,211,000	3,654,496				3,654,496	
2020	32,375,000	3,626,908				3,626,908	
2021	203,412,000	3,554,852	1,945,538	9,947,369	(4,476,316)	10,971,443	7,416,591
2022		3,597,369	1,945,113	9,949,775	(4,477,399)	11,014,858	7,417,489
2023		2,540,610	1,942,488	9,948,550	(4,476,848)	9,954,801	7,414,191
2024		2,490,980	1,942,663	9,950,450	(4,477,703)	9,906,391	7,415,411
2025		2,450,399	1,945,363	9,949,925	(4,477,466)	9,868,221	7,417,822
2026		1,318,080	1,940,313	9,946,700	(4,476,015)	8,729,078	7,410,998
2027		1,052,716	1,942,788	9,950,500	(4,477,725)	8,468,279	7,415,563
2028		1,020,572	1,942,238	9,950,500	(4,477,725)	8,435,585	7,415,013
2029		980,392	1,943,663	9,951,425	(4,478,141)	8,397,339	7,416,947
2030		940,212	1,941,788	9,947,725	(4,476,476)	8,353,249	7,413,037
2031		900,032	1,941,613	9,949,125	(4,477,106)	8,313,664	7,413,632
2032		867,888	1,942,863	9,949,800	(4,477,410)	8,283,141	7,415,253
2033		835,744	1,945,263	9,949,200	(4,477,140)	8,253,067	7,417,323
2034			1,942,488	9,946,775	(4,476,049)	7,413,214	7,413,214

Annual Debt Service



# SUMMARY OF DEBT AND TAX IMPLICATIONS

All three debt options for the schools would keep total outstanding GO bonds below the cap of \$205,445,517, although just barely at \$150M.

All three options would require a change to the City's annual debt service policy of \$8,437,000.

The tax rate would have to increase above the tax levy cap in all cases. This would require a vote of approval by six of the seven Council members, and approval by the state Division of Municipal Finance.



# SUMMARY TABLE

<b>Bond Size</b>	<b>State Bond Cap of \$205,445,000</b>	<b>City Debt Policy of 9% \$8,438,000</b>	<b>Tax Levy Increase</b>
\$100 Million	\$153,412,000	\$9,190,000	6.81%
\$120 Million	\$173,412,000	\$9,920,000	7.81%
\$150 Million	\$203,412,000	\$11,015,000	9.21%