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March 30, 2010

Mayor Domenic Sarno and Members of the City Council:

As the City's Chief Administrative and Financial Officer, I am pleased to present the City's five year Capital Improvement Plan for Fiscal Years 2011-2015.

As dictated by Chapter 468 of the Acts of 2008, the CAFO is required to submit a four year financial plan and a five year capital plan to the Mayor and City Council no later than March thirtieth of each fiscal year. This document will be updated annually and will continue to be an evolving look at the City of Springfield.

This plan provides a detailed view of the capital need within the City of Springfield. The total amount for the capital plan is \$373.6 million from Fiscal Year 2011-2015. One of the City's top priorities with this plan is to address projects that have been deferred due to lack of funding. These projects include City and School facilities projects, vehicle replacements, and infrastructure improvement. The Capital Improvement Plan also offers capital policy decisions to be implemented in the future.

The City's projected Fiscal Year 2011 capital budget is \$16.7 million. These projects include roof replacements at schools, improvements to roads in the City, structural studies for each school in the City, and equipment for single-stream recycling. All of the projects contained therein are subject to appropriation.

This document should be viewed as a planning tool for the City's leadership. Due to the current economy, as well as the limited operating dollars, projects that are chosen to be funded must be done so based on the priority of the City and the Mayor's five strategic goals. Funding sources consist of bond proceeds, pay-as-you-go capital, grant awards, and funds from the operating budget. The Capital Improvement Plan institutionalizes the process by which projects are priorities in an effort to ensure that the City's needs are met.

By documenting all capital projects, the City will not only be prepared for future project costs but also be able to address changing needs as necessary.

Sincerely,



Lee C. Erdmann
Chief Administrative and Financial Officer



Fiscal Years 2011-2015 Capital Improvement Plan
City of Springfield, Massachusetts

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Introduction

The Fiscal Year 2011-2015 Capital Improvement Plan (CIP) includes \$373.6 million worth of projects and equipment for various departments in the City of Springfield. While more than half of these projects relating to building improvement projects, the City is committed to projects that impact safety and security as well as projects that offer residents the chance for greater quality of life.

In order to understand specific projects within the plan it is important to understand the context of the City's capital plan. Prior to the Springfield Finance Control Board, the City did not have a system in place to capture all capital project requests and needs from each department or a process for evaluating requested projects for approval. There was also no rating or prioritization system in place to evaluate all requests and decide based on a set of criteria which projects should be included. As a result the City may not have been aware of the true capital need or deferred maintenance of the City's assets.

In Fiscal Year 2009 the City produced its first comprehensive Capital Improvement Plan. This was done by receiving all capital projects needed by departments and using a panel of City leadership in order to decide which projects should be completed immediately. The major benefit of the capital process is being able to evaluate all department requests and analyzing projects based on the benefit to the City rather than funding projects on an ad-hoc basis. It also represented the first time the need could be shown by department. This system, as discussed later in the plan, has paid enormous dividends for the City as a whole. The projects funded included large equipment and vehicle purchases, park projects, road and sidewalk projects, and ensured locations within the City are compliant with the Americans with Disabilities Act.

Since the scope of the City's capital plan is limited to fiscal affordability, the City continues to have a significant capital need. Over the years many projects on buildings and roads were deferred due to budgetary issues. While financial shortcomings will always be an issue within City government, the CIP allows the City to better plan for when projects need to be completed or when replacement equipment needs to be purchased.

An important issue the City will face in the next five years is how to fund many of the projects requested. Due to a continually poor economic climate, not only in the City of Springfield, but across the United States, the City will be unable to fund these projects out of the operating funds. However the following policy decisions may help the City fund some of the CIP:

- Increased use of grants –There continues to be an interest in seeking grants for projects such as park rehabilitation, fire engine replacements, repair of dams, the rehabilitation of roads, and energy efficiency projects (such as the ESCO project). Gaining access to grant funds will require the City to either develop grant writers from within the organization or contracting with a grant writing firm. In Fiscal Year 2010 the City hired a permanent Grants Director.

- Strategic use of pay-as-you-go capital funds – The pay-as-you-go capital account was established in the financial ordinances in order to fund smaller capital projects through the annual operating budget. The City must fund those projects that move the City’s strategic goals forward (the strategic goals of the City can be found in the Multi-Year Financial Plan).
- Review use of bond funds – While the City should seek to borrow funds for projects annually, the City must develop a debt affordability analysis. This will be important as the City will be close to hitting the debt limit in the next two to three years. In Fiscal Year 2009 the debt limit for the City of Springfield was \$423 million and the total outstanding debt as of Fiscal Year 2009 was \$324 million. An analysis will be completed in order to show debt affordability by the City.
- Complete more master plans for potential building projects – By funding property condition assessments for school buildings, the City can be strategic in the way which projects need to be funded. Because of this, funds would not be put toward a school for a normal renovation or repair when the entire building should be renovated or even replaced.
- Enter in to a lease program for vehicles and computer equipment – Develop a program that cost effectively allows the City to update vehicle and computer equipment on a scheduled basis.
- Use reserves for certain one-time capital projects.
- Increase the amount of pay-as-you-go capital – Determine how much can be afforded through the operating budget for pay go projects in order to fund small projects and routine maintenance on City assets
- Increase the frequency of asset inventory – By regularly taking inventory of City assets, the need for certain pieces of small equipment for replacement can be determined. It also ensures that departments are properly storing and maintaining the important tools that are integral for their operations.
- Use of unexpended capital funds – Starting in Fiscal Year 2009, the Finance Department began compiling a list of projects funded by bond proceeds since 1980 in an effort to find if there were proceeds that were unexpended. Due to this exercise, the City was able to certify the existence of unexpended funds and the Finance Control Board voted to use those funds for other projects while following bond proceed laws. The City should not only continue to monitor bonded projects, but should also be vigilant in capturing the funds from projects that used non-borrowed funds. Currently there are a number of projects that have finished with a remainder in the project budget. The Finance Department will officially move to “close” those accounts and use the funds for other capital projects based on the Capital Improvement Plan.

Projects that are included in the CIP are not guaranteed for funding as the Plan is a reflection of the need within the City.

Capital Plan Overview

The City of Springfield's \$373.6 million five-year Capital Improvement Plan is an investment program for the City's future. This plan was created with the underlying themes of upgrading and modernizing the City's aging infrastructure and facilities, expanding the City's economic base, and helping improve the City's diverse and important neighborhoods. The Capital Plan is the City's investment roadmap for the next five years and should be strategically implemented to provide Springfield's residents with an improved quality of life along with a more efficient and effective government.

The CIP documents details major spending for equipment and construction projects over the next five years, providing policymakers the opportunity to finance projects, coordinate City needs, and plan for future risks and needs. A capital project, according to the financial ordinances of the City of Springfield, is "...a fixed facility, object or asset costing more than \$25,000 with an estimated useful life of ten years or more. Projects and assets that do not meet both of these requirements shall be considered operating expenses and shall be included in the operating budget."

Each year the City will develop and present a capital *plan*. Projects in the capital plan are based on a quantitative analysis of project need and merit. The capital *budget* represents the funding for the first year of that plan each year. Projects in the annual budget represent the City's most immediate investment priorities and are the projects with the highest return on investment for the taxpayers of Springfield.

The Finance Department oversees the financial aspects of each capital project, maintains a record of the expenses for each project and reports the information in periodic financial reports. The City's Capital Asset Construction Department is responsible for the management oversight of most maintenance, construction, major renovation, and repair projects. The City's Facilities Management Department also plays an integral role in capital projects by providing routine maintenance, repair and renovations to the City's facilities.

Capital Improvement Process

Departments submit capital requests to the Finance Department electronically along with necessary supporting documentation (See Appendix A for a summary of requested projects). Requests are captured in a database maintained by the Finance Department and are reviewed by the Capital Improvement Committee. This process is required by City ordinance and is consistent with best practices regarding capital investment.

All capital requests are submitted in electronic format and include the following information:

- Project Category
- Project Type
- Priority placed by Requesting Department
- Project Urgency
- Project Benefits
- Fiscal Impact

- Estimated Project Cost
- Proposed Funding Sources
- Project Description
- Legal Obligations
- Public Service Impact
- Description of the Project's Prior Phases Completed

Capital projects are categorized into one of six categories:

- **Building** – This includes acquisition, replacement, renovation, and addition to, construction or long-term lease of a building or a major component thereof.
- **Infrastructure** – This category includes roadwork, sidewalks, traffic signals, drainage systems and other improvements of a lasting nature that are not building structures.
- **Equipment (Vehicular)** – This includes equipment capable of self-propulsion from one location to another.
- **Equipment (Other)** – This includes all other equipment that meets the definition of a capital project item but is not capable of self-propulsion.
- **Land/Parks/Fields** - This category includes the acquisition, replacement, renovation, addition to, construction or long-term lease of parks and playing fields. If the acquisition of land is associated with the acquisition of a building or an infrastructure project, the project would be categorized in those respective categories.
- **Technology** – This category includes all purchases that meet the definition of a capital item in the area of technology such as computers, digital copiers, printers, telephone systems and software programs.

Each project is further classified into one of four different types of projects:

- **New** – The purchase, acquisition or construction of new capital, as distinct from the purchase of new capital items to replace existing capital.
- **Reconstruction/Replacement** – The substantial reconstruction or replacement of a capital asset, such as a street, building or a piece of capital equipment. This may entail the demolition of an existing asset or the abandonment of an asset and the construction or acquisition of a new asset to replace it.
- **Major Repair/Renovation** – Large-scale renovations and repairs to capital assets, such as building system replacements, equipment overhauls and other items intended to extend the useful life of an existing capital asset.
- **Repair** – Smaller scale capital repairs that extend the useful life of a capital asset.

Capital Improvement Committee

The Capital Improvement Committee is responsible for identifying and prioritizing the City's needs and coordinating them with the operating budget. The Committee is comprised of the City's Finance Director, the Director of Public Works, the Director of Parks, Buildings and Recreation, the Director of the City's Capital Asset Construction Department and the Director of Economic Development and Planning for the City and a representative of the City Council. Any member who has an interest in any item before the committee must recuse him or herself from deliberations on that item.

The Capital Improvement Committee reviews each submission and conducts project hearings with departments. After appropriate review and consideration, the committee establishes project priorities given quantitative measures of need and justification as established by the rating department and reviewed by the committee.

Each project is ranked on six criteria:

- **Overall fiscal impact** - Will the project bring in additional revenue or will it cost additional money to operate? Are their funding sources other than the general fund for this project?
- **Legal obligations** – Does the project improve compliance with federal law, state law, or local ordinance?
- **Impact on service to the public** - Will residents receive better service if the project is conducted? Will it address a public health, safety, accreditation or maintenance need?
- **Urgency of maintenance needs** - Is the asset currently broken and in need of immediate replacement?
- **Prior phases** - If the project is a multiyear project, have prior phases been previously conducted?
- **Department priority** – What priority does the department place on the projects based on the departmental mission, goals and objectives.

Each criterion above receives a different weight as seen in Appendix B. Each project is assigned to one of four priority levels based on the overall weighted score.

The capital budget is intended to be a fluid document that will be subject to change each year as priorities change and additional information becomes available. All final requests approved by the Capital Improvement Committee will be submitted for final review and approval to the Mayor and the City Council.

Review: Fiscal Year 2010 Capital Budget

The Fiscal Year 2010 capital budget used a mix of bond funds, pay-as-you-go capital funds, MSBA awards, and proceeds from unexpended bonds. Due to this, the City was able to eliminate approximately \$54 million of capital liability the City faced due to years of deferred maintenance. The budget was established by funding the City's top priorities according to the FY2010-FY2014 CIP as completed by the Mayor, Chief Administration

and Finance Officer, and the Capital Improvement Committee. The capital budget included many different types of projects including building, infrastructure, demolition, and trash. The following are projects funded in FY10:

FY2010 Capital Budget			
Department	Project	Amount	Source
DCAC	CITY COUNCIL CHAMBERS	200,000.00	Other
DCAC	POLICE RENOVATION - ELECTRICAL REPAIR	278,000.00	Other
DPW	BOSTON ROAD CORRIDOR	700,000.00	Grant
DPW	PURCHASE OF RECYCLING BARRELS	800,000.00	PayGo
DPW	PURCHASE OF RECYCLING TRUCK	255,000.00	PayGo
DPW	TAIL GATE EXTENDER FOR RECYCLING TRUCK	11,175.00	PayGo
Economic Development	GSA - FEDERAL BUILDING	349,042.00	PayGo
Facilities	BEAL - ROOF REPLACEMENT	678,334.00	MSBA
Facilities	POTTENGER - ROOF REPLACEMENT	773,534.00	MSBA
Facilities	ECOS STUDY	75,000.00	PayGo
Facilities	FOREST PARK MIDDLE SCHOOL - RENOVATION	32,700,000.00	Bond
Facilities	GERENA - PUMP HOUSE/FLOOD	50,000.00	PayGo
Facilities	DRYDEN - ROOF REPLACEMENT	705,779.00	MSBA
Facilities	PURCHASE OF OUR LADY OF HOPE	4,218,075.00	Other
Facilities	PURCHASE OF OUR LADY OF SACRED HEART	3,531,925.00	Other
Facilities	RELOCATION OF THE SCHOOL DEPARTMENT OFFICES	3,500,000.00	Other
Facilities	RENOVATION OF PAROCHIAL SCHOOLS	4,350,000.00	Bond
Facilities	SCHOOLS - INTERCOM	200,000.00	PayGo
Facilities	SENIOR CENTER STUDY	75,000.00	PayGo
Fire	EMERGENCY GENERATORS AT FIRE STATION FACILITIES	45,000.00	PayGo
Fire	PORTABLE RADIO UPGRADE/DIGITAL	200,000.00	Grant
Housing	DEMOLITION OF ABANDONED RESIDENTIAL/COMMERCIAL BUILDINGS	600,000.00	PayGo
Housing	DEMOLITION OF THE ASYLUM PROPERTY	300,000.00	Other
Total		54,595,864.00	

As can be seen by the Fiscal Year 2010 budget, particular attention has been given to school projects. This will continue to be a focus by the City and Schools for the next fiscal years. The main priorities are to replace the roofs due to many of these being past their useful lives. It is also a priority to replace windows and doors not only for safety, but also energy efficiency. The MSBA has funded three years of Statement of Interest

Projects for the City beginning in Fiscal Year 2010. The main focus of these projects are roofs, doors, and windows for various schools throughout the City.

In Fiscal Year 2010 the City took advantage of the Qualified School Construction Bonds program which is part of President Obama’s economic recovery program. QSCB’s allows local educational agencies or school systems to issue taxable bonds and use 100 percent of the proceeds for specified purposes which include renovations or construction of a school building. Through this method the investor receives 100 percent of the tax credit associated with this issuance. The City of Springfield issued over \$15 million in order fund the Forest Park Middle School renovation project as well as the renovation of two parochial schools for City use. These bonds have allowed the City to realize significant savings in borrowing the funds for these school projects.

Another issue addressed in the Fiscal Year 2010 budget is the demolition of abandoned residential/commercial properties. This will allow the City to increase the safety in many neighborhoods in Springfield. This project addresses one of the top priorities of the Mayor which is public safety and the revitalization of neighborhoods.

In 2010 the City renovated the City Council Chambers because of the increase in City Councilors from nine to thirteen. This project includes increasing the desk space for the councilors, re-arranging the area for the public, and upgrading the sound system for better quality.

Proposed FY2011 Capital Budget

The Fiscal Year 2011 Capital Budget strives to address the City’s largest capital needs which are facilities and vehicles for public safety and public works. In most instances many capital assets are beginning to reach the end of their useful lives. Due to this, the Mayor and the Chief Administration and Finance Officer have chosen the projects listed below as crucial to the City. It should be noted that those projects listed as “Proposed” have not been funded and inclusion in the CIP does not guarantee funding. A full description of these proposed projects can be seen in Appendix B.

Proposed FY11 Capital Budget

Department	Project	Amount	Source
Facilities	PROPERTY CONDITION ASSESSMENT - SCHOOLS	780,000.00	Proposed
DPW	PURCHASE OF RECYCLING BARRELS PHASE 2	1,320,000.00	Proposed
DPW	PURCHASE OF 4 SEMI-AUTOMATED TRUCKS FOR SINGLE STREAM RECYLCING	1,060,000.00	Proposed
DCAC	REPAIRS TO WINDOWS IN CITY HALL	600,000.00	Proposed
Facilities	OIL TANK REMOVAL	150,000.00	Proposed
Facilities	FUEL PUMPS AT TAPLEY ST.	225,000.00	Proposed
Fire	ZETRON STATION ALERT SYSTEM	50,000.00	Proposed
DPW	FLOOD CONTROL SYSTEM	150,000.00	Proposed

Libraries	PINE POINT BRANCH -REPLACE HVAC SYSTEM	150,000.00	Proposed
ITD	SCANNING ARCHIVAL DOCUMENTS FOR ELECTRONIC STORAGE	250,000.00	Proposed
Parks	CITY-WIDE LAKE MANAGEMENT PROGRAM	120,000.00	Proposed
ITD	INCREASE STORAGE CAPACITIES	30,000.00	Proposed
Facilities	ESCO PHASE 2	1,989,267.00	Grant
Facilities	WASHINGTON - DOOR REPLACEMENT	250,000.00	MSBA
Facilities	KILEY - ROOF REPLACEMENT	1,349,667.00	MSBA
Facilities	WARNER - WINDOW AND DOOR REPLACEMENT	1,080,000.00	MSBA
Facilities	CENTRAL- ROOF REPLACEMENT	1,349,667.00	MSBA
Facilities	DUGGAN - ROOF REPLACEMENT	1,349,667.00	MSBA
Facilities	LIBERTY - ROOF REPLACEMENT	1,349,667.00	MSBA
Facilities	JOHNSON - SCHOOL ROOF	1,349,667.00	MSBA
Facilities	KENNEDY - SCHOOL ROOF	1,349,667.00	MSBA
Facilities	WHITE - WINDOW DESIGN AND REPLACEMENT	168,434.00	MSBA
Facilities	GLICKMAN - WINDOWS DESIGN AND REPLACEMENT	168,434.00	MSBA
Facilities	TALMADGE - WINDOW DESIGN AND REPLACEMENT	168,434.00	MSBA
Total		16,707,571.00	

As can be seen, property condition assessments of schools are a large portion of the Fiscal Year 2011 capital budget. With completed assessments of each school, the City will understand how to proceed with future capital projects for each of the City's 52 school buildings. These studies will review each school building from the roof down to the basement and inform the City as to what needs to be replaced. The assessments will also look at the electrical capabilities for each school in order to address the large technological need for the entire school system. The City will require these assessments to also review enrollment trends for the schools and project future space need.

Energy efficiency continues to be a major goal of the City. The first step the City took to become more energy efficient was the first phase of ESCO. In Fiscal Year 2010 the City received grants for the Department of Energy and the Environmental Protection Agency to begin funding the second phase of the ESCO project which is scheduled to begin in Fiscal Year 2011. The City received approximately \$2 million to afford the retro fit of six boilers, four energy systems, and one solar panel. The grants would also fund four oil burner technicians.

The other issue the City addresses in the Fiscal Year 2011 capital budget is household recycling. Specifically, the City will expand its single stream recycling program that is already in process by purchasing more recycling barrels and trucks. In Fiscal Year 2010 the City implemented the single stream recycling program in a portion of the City in order to increase recycling and decrease trash by residents. The corresponding effect is

the total cost of trash would decrease and the revenue from recycling would increase. With the purchase of 24,000 barrels the City can give all households the chance to recycle by placing all qualifying items in one barrel. The City will also purchase four new recycling trucks to handle the increase in single stream recycling.

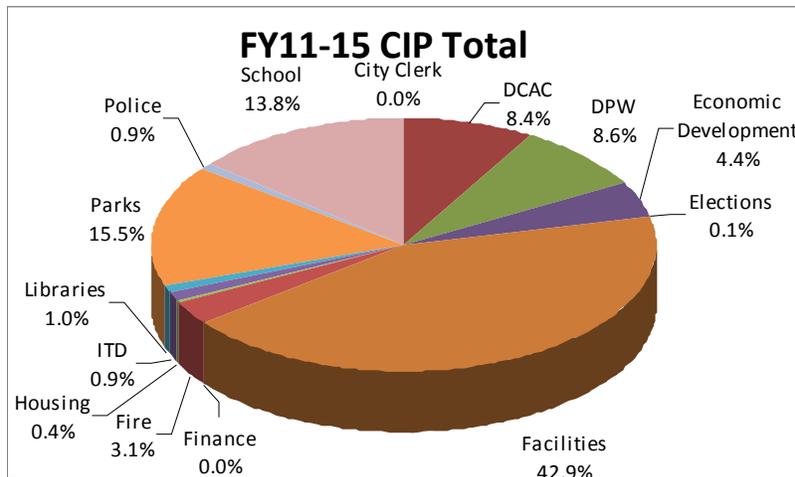
In Fiscal Year 2011 the City will begin the second year of Statement of Interest projects that are funded by the MSBA. As previously stated these projects will address the roofing issues in some of the schools in Springfield. Currently, the Facilities department is tracking the useful lives for each of the City’s buildings. These projects will help eliminate a large capital liability for the City and Schools.

Another item that can be very important to the City’s future is the scanning of archival documents. Not only would this allow the City to preserve documents but it would also allow the City to address space issues within City Hall and other administrative offices. By eliminating the need for large document storage areas, there can be many possibilities for using the physical space. An additional benefit to this project is City officials would be able to search for documents on their desktop computer as opposed to looking in a storage area. This could be a great benefit to departments such as the Law Department, City Clerks, Treasurer/Collector, and the City Council. The overall benefit to this project would be increased productivity by City staff.

FY2011-2015 Capital Improvement Plan

The City currently has a \$373.6 million capital liability from Fiscal Years 2011-2015. This amount reflects 385 requested projects and equipment. This can be seen as a direct result of years of deferred maintenance to facilities, infrastructure, and equipment. The Facilities Management Department projects comprise 43% of the total \$373.6 million capital improvement plan as can be seen in Exhibit A. These projects consist mainly of school Statement of Interest projects. Because of this, the property condition assessment of each school would be invaluable for the City to move forward with construction, renovations, and remodeling of schools.

Exhibit A



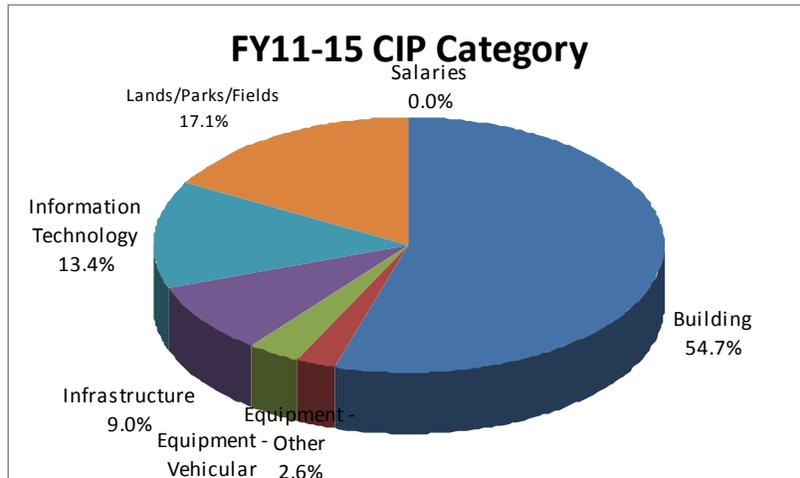
Another department to take note of is the School Department. In Fiscal Year 2010, the School Department initially placed projects in the City's capital improvement plan. One of the largest needs the School Department expressed, other than facilities, is technology improvement. This includes smart boards, computers, projectors, and other various hardware and software capital items. Before the City begins the process of upgrading the technological abilities of the School Department there will have to be a complete study of the school buildings and the electric and technological capabilities. The goal is to have every classroom ready to support all technological needs of the classroom.

The Parks Department has the second largest funding need of capital projects and equipment. These projects include the rehabilitation of parks, municipal golf course improvements, dam studies and work, as well as other projects. One of the most important projects within the Parks Department is the study of various dams throughout the City. This would not only ensure the City is compliant with federal guidelines but would also help with one of the Mayor's goals of public safety. Another aspect of public safety is to keep parks clean and safe for the residents of the City.

As mentioned previously, a large project for the Department of Public Works (DPW) is the single stream recycling program. Another major aspect of the DPW is the rehabilitation and repair of roads and sidewalks. One such project that was funded in Fiscal Year 2010 is the Boston Road project. This is a rehabilitation of a major thoroughfare in the City of Springfield. The second phase of this project is included in the capital improvement plan. Another project in the plan is the replacement of the fuel island physically located at the DPW. The fuel island is used for many of the City vehicles, particularly the DPW trucks and cars. This would not only improve the safety but also would replace the underground fuel tanks to be more compliant with EPA standards.

In the Fiscal Years 2011-2015 Capital Improvement Plan approximately 55% of the total \$373.6 million is for building projects as can be seen in Exhibit B. The way to address these capital issues is to not only fund studies for each building, but also to find alternative ways to fund expensive renovations. This could mean seeking more grants from the state and federal governments as well as possible use of bond funds.

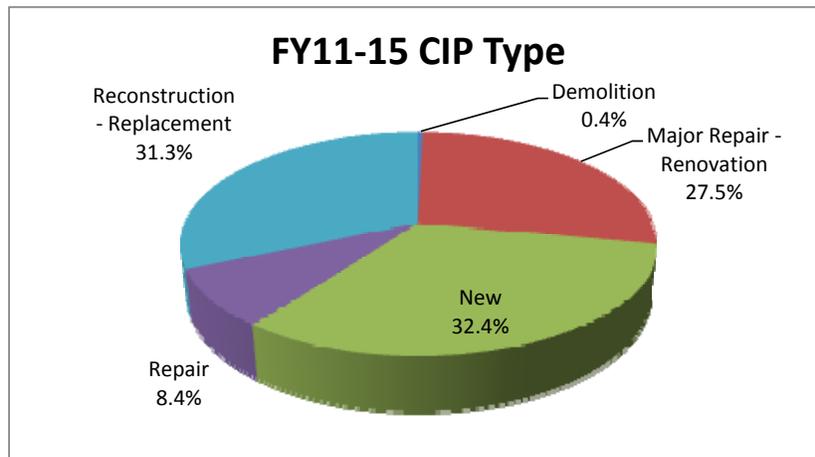
Exhibit B



It is also interesting to note the information technology needs for the City and Schools. While the School Department needs have previously been discussed, the City's Information Technology Department's goal is to give City departments the tools to continue to service the public at a high level. Included in the capital plan is a schedule to replace computer hardware, specifically, the replacement of personal computers. While this is certainly a need for the City, alternative ways of funding such as Tax Exempt Lease Purchases should be investigated in order ensure the City is fully equipped.

Exhibit C shows the CIP broken out by type. Many of the "New" projects consist of purchasing of new equipment, vehicles, and land as well as the building of new facilities. The "Major Repair – Renovation" category contains many park projects and city building renovations. These projects tend to have higher costs and have a wider scope than other projects within the capital plan. It is this type of capital project that the City needs to have a clear schedule of when to begin. As explained earlier in the Plan, the City will need to decide on a series of policy decisions in order to address the current capital liability.

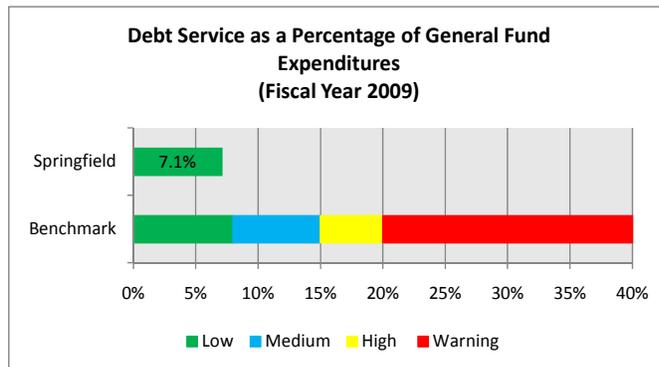
Exhibit C



Debt Service as a Percentage of General Fund Expenditures

This benchmark measures the City’s ability to finance debt within its current budget, similar to the measurement of household income dedicated to mortgage payments. This is the most immediate measure of ability to pay; however, it only examines the ability to pay for debt within a community’s existing budget. Cities and towns that have excess levy capacity – communities that do not tax to the maximum of their Proposition 2 ½ limitation – would have greater ability to pay for debt than this measure suggests because they have additional taxing capacity which they have not accessed. This caveat does not apply to the City of Springfield today, because it lacks a meaningful amount of excess levy capacity.

Exhibit D



The City’s measure of debt service as a percentage of General Fund expenditures is strong, with 7.1% of the Fiscal Year 2009 budget dedicated to debt service. Many cities and towns with similar traits to Springfield have higher ratios of debt service to general fund expenditures. Springfield should continue to keep this ratio at a similar level in the future to ensure large debt service payments are not unfairly placed on the City’s budget in the future. The City of Springfield financial policies state “General Fund debt service as a percentage of general fund revenues, net of debt exclusions shall not exceed 8%”. This means that the City is within its strict debt limit.

The City’s relatively low ratio of debt service to general fund expenditures provides more budgetary flexibility to address financial problems that may arise. Debt payments are not discretionary. Courts have ruled that these payments must be made even before salary payments for employees. Communities with high levels of debt service relative to operating expenditures have a larger portion of their budget dedicated to payments that must be made regardless of the community’s financial situation. The City restructured its debt service payments in order to have declining payments in future years. Having a lower ratio means less money is dedicated to debt service, which means more flexibility exists within the operating budget.

Debt Retirement: Percent Retired within Ten Years

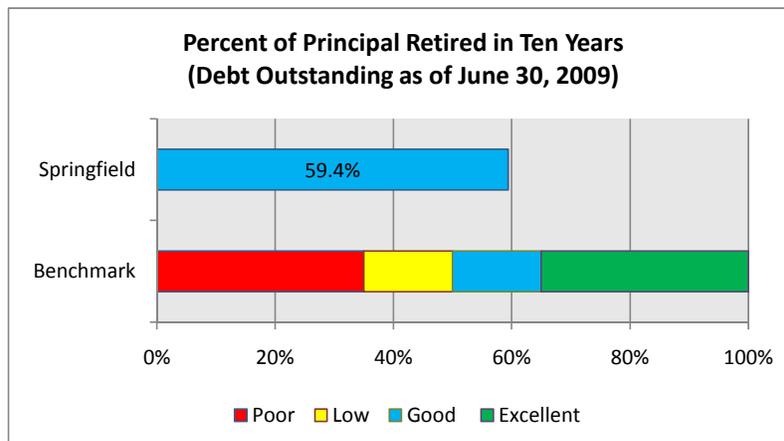
The speed with which a community retires its debt indicates a number of important things. Included in these are:

- Willingness to repay debt: rapid repayment of principal indicates that a community is committed to repaying its debt. This “willingness to pay” is measured in a number of ways and is particularly important to those who lend money to others, as it provides them some proof of the borrower’s intention to repay the money if borrowed.
- Ability to repay debt: rapid repayment of principal indicates that a city or town has the financial resources necessary to repay debt quickly. This demonstrates a level of financial stability; communities that are experiencing financial difficulty are unlikely to repay their debt in an accelerated manner.
- Prevention of future problems: rapid debt retirement ensures that a community is not “back loading” its debt, locking itself into debt repayments that are affordable now but that will grow as time passes. Back loading is a sign of poor financial management – either overspending is intentional or managers are unable to make the difficult immediate-term decisions to balance the budget using a more appropriate debt financing structure.

The percentage of debt retired within ten years is particularly important in determining the timing of debt repayment – the “back loading” issue described above. Back loading occurs when the cost of debt is pushed off into the future, reducing current year payments while increasing future ones. Back loading increases the cost of debt in the long term and can be a destabilizing financial factor when debt service requirements increase in future years.

Failure to invest in maintenance and capital investment can be considered a form of debt back loading because capital needs must be addressed at some point; delay in maintenance or investment only delays the financing of these improvements, increases the likelihood that capital will fail *en masse*, forcing unaffordable costs onto future taxpayers. Delaying capital investment also tends to make projects more expensive because costs tend to increase over time.

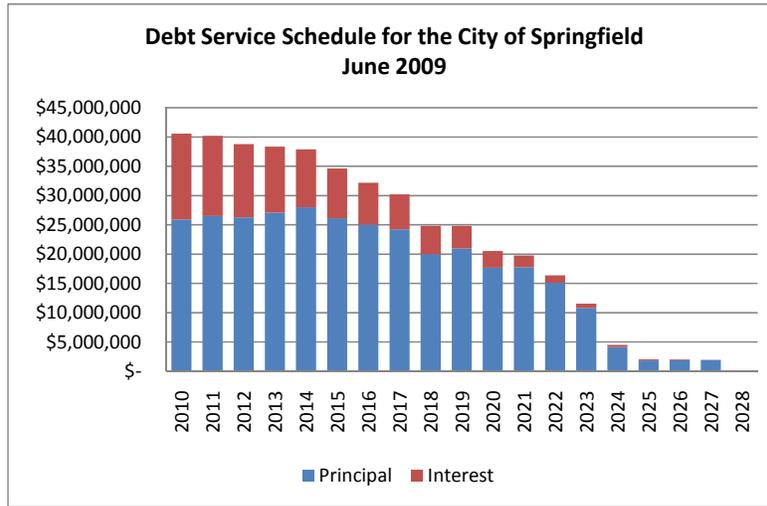
Exhibit E



The City currently has an aggressive debt retirement schedule. On average, 59% of the money borrowed by the City is repaid within ten years. This places the City well within the “good” ranking established by the rating agencies. Because of this schedule, the City would be able to borrow more money to fix its current aging facilities and infrastructure as well as other capital projects.

The City’s overall ranking indicates a strong willingness to repay debt. Examining this ratio in conjunction with the City’s overall debt schedule below indicates that the City has not back loaded debt; the City’s overall debt structure is prudent and well within the industry benchmarks.

Exhibit F



Ratings History

In June of 2008, the City of Springfield received a bond upgrade to Baa2 from Baa3 from Moody’s Investors Service. This rating was reaffirmed in 2009 with a stable outlook. This is a significant achievement for the City as all municipalities in the nation were put on negative look. Due to an increase in credit rating the City will be able to borrow funds in the future at a smaller percentage of interest. The ratings increase also signals that the City is turning the financial corner which is being recognized by the ratings agencies. In Fiscal Year 2010 Moody’s Investor Service is utilizing a global rating system conversion. This recalibration will enhance the comparability of ratings across the Moody's-rated universe. This City of Springfield should realize an increase due to this conversion.

In April of 2009 Standard and Poor’s raised the City’s rating from BBB to BBB+. This is a rather large accomplishment considering prior to 2006 the City was considered junk bond status.

The stable outlook provided by Moody’s Investors Service and the upgrade from Standard and Poor’s is a major accomplishment in such difficult economic times. The

City will continue to strengthen its financial position and look to increase its bond rating through future issuances.

Conclusion

The City of Springfield is in a stronger position to address the capital needs of the City. The City has two funding sources, through traditional bonding and funding pay-as-you-go capital in the annual operating budget. In addition, the City is retiring 60% of its debt principal within the next ten years, creating a greater capacity to bond for projects.

The City has a structured process to identify, analyze and monitor capital projects that address its Capital Improvement Plan. Departments annually identify capital needs, which are analyzed by the Capital Unit within the Finance Department. The Department of Capital Asset Construction manages capital projects to ensure these projects are finished on time and under budget. These efforts have institutionalized a process that ensures better capital planning and financing in the future.

Appendix A

Fiscal Years 2011-2015 Capital Improvement Plan

City of Springfield Capital Improvement Plan Fiscal Years 2011-2015

Department	Category	Type	Project	Priority	FY2010	Source	FY2011	Source	FY2012	Source	FY2013	FY2014	FY2015	Total FY11-15
City Clerk	Co	N	INCREASE OFFICE VAULT SPACE FOR VITAL RECORDS		-		65,275.00		-		-	-	-	65,275.00
			Total		-		65,275.00		-		-	-	-	65,275.00
DCAC	LPF	Maj	AQUATIC GARDENS AND FERN GROVE RESTORATION		-		-		500,000.00		200,000.00	-	-	700,000.00
DCAC	LPF	N	ARTIFICIAL TURF FOOTBALL FIELD	D	-		2,400,000.00		-		-	-	-	2,400,000.00
DCAC	Bu	RR	CAMPANILE RESTORATION	A	-		850,000.00		8,000,000.00		5,000,000.00	2,000,000.00	-	15,850,000.00
DCAC	Bu	Maj	CITY COUNCIL CHAMBERS	A	200,000.00	Other	-	Other	-	Other	-	-	-	-
DCAC	LPF	Maj	CITY DAMS	A	-		600,000.00		600,000.00		1,100,000.00	450,000.00	250,000.00	3,000,000.00
DCAC	Bu	Rpr	CITY HALL WINDOW RESTORATION		-		-		600,000.00		-	-	-	600,000.00
DCAC	LPF	Maj	EMERSON WIGHT PARK		-		300,000.00		-		-	-	-	300,000.00
DCAC	Bu	N	FOREST PARK MAINTENANCE BUILDING		-		750,000.00		-		-	-	-	750,000.00
DCAC	LPF	Maj	FOREST PARK ZOO DRAINAGE REPAIR	A	-		350,000.00		-		-	-	-	350,000.00
DCAC	LPF	Maj	FREEDMAN SCHOOL PARK DESIGN AND CONSTRUCTION		-		100,000.00		650,000.00		-	-	-	750,000.00
DCAC	Inf	Maj	GREENLEAF ROAD RECONSTRUCTION FOREST PARK		-		400,000.00		-		-	-	-	400,000.00
DCAC	Inf	Maj	KENNEDY POOL BUILDING ENVELOPE REPAIRS	A	-		800,000.00		-		-	-	-	800,000.00
DCAC	LPF	Maj	PECOUSIC BROOK RESTORATION	D	-		-		250,000.00		-	-	-	250,000.00
DCAC	Bu	Maj	POLICE RENOVATION - ELECTRICAL REPAIR	A	278,000.00	Other	-	Other	-	Other	-	-	-	-
DCAC	Bu	Maj	POLICE RENOVATION - LOCKER ROOMS	A	-	Other	-	Other	-	Other	-	-	-	-
DCAC	Bu	Maj	POLICE STATION ELECTRICAL UPGRADES PHASE II		-		1,000,000.00		-		-	-	-	1,000,000.00
DCAC	Bu	Maj	POLICE STATION ELECTRICAL UPGRADES PHASE III		-		-		400,000.00		-	-	-	400,000.00
DCAC	Inf	N	PROUTY GROVE ROAD PARKING LOT FOREST PARK		-		350,000.00		-		-	-	-	350,000.00
DCAC	Bu	N	PUTNAM VOCATIONAL TECHNICAL HIGH SCHOOL	A	-		-		-		-	-	-	-
DCAC	Bu	N	PUTNAM VOCATIONAL TECHNICAL HIGH SCHOOL	A	-		500,000.00		1,100,000.00		-	-	-	1,600,000.00
DCAC	Inf	Rpr	REMOVE STAINING ON MUNICIPAL COMPLEX		-		20,000.00		-		-	-	-	20,000.00
DCAC	Inf	Rpr	REPAIRS TO LEADED WINDOWS IN CITY HALL		-		60,000.00		-		-	-	-	60,000.00
DCAC	Inf	Rpr	RESTORE SCONCES ON CITY HALL AND THE CAMPANILE		-		-		40,000.00		-	-	-	40,000.00
DCAC	LPF	Maj	SWAN POND DAM	A	-		250,000.00		-		-	-	-	250,000.00
DCAC	LPF	Maj	WALSH PLAYGROUND		-		-		850,000.00		-	-	-	850,000.00
			Total		478,000.00		8,730,000.00		12,990,000.00		6,300,000.00	2,450,000.00	250,000.00	30,720,000.00
DPW	Inf	RR	BOSTON ROAD CORRIDOR	A	700,000.00	PGC	-	PGC	-	PGC	-	-	-	-
DPW	Inf	RR	BOSTON ROAD CORRIDOR PHASE 2		-		400,000.00		-		-	-	-	400,000.00
DPW	Inf	Rpr	CITY OWNED BRIDGE MAINTENANCE AND REPAIRS		-		200,000.00		200,000.00		200,000.00	200,000.00	200,000.00	1,000,000.00
DPW	Inf	N	FLOOD CONTROL PLAN	A	-	PGC	-	PGC	-	PGC	-	-	-	-
DPW	Inf	N	FLOOD CONTROL SYSTEM - ANNUAL INSPECTIONS		-		150,000.00		160,000.00		170,000.00	180,000.00	190,000.00	850,000.00
DPW	Ev	N	PURCHASE OF 4 SEMI-AUTOMATED TRUCKS FOR SINGLE STR		-		1,060,000.00		-		-	-	-	1,060,000.00
DPW	Ev	N	PURCHASE OF RECYCLING BARRELS	A	800,000.00	PGC	-	PGC	-	PGC	-	-	-	-
DPW	Ev	N	PURCHASE OF RECYCLING BARRELS PHASE 2		-		1,320,000.00		-		-	-	-	1,320,000.00
DPW	Ev	N	PURCHASE OF RECYCLING TRUCK	A	255,000.00	PGC	-	PGC	-	PGC	-	-	-	-
DPW	Ev	N	PURCHASE OF VEHICLES	A	-	PGC	-	PGC	-	PGC	-	-	-	-
DPW	Ev	N	REPLACEMENT EQUIPMENT - PUBLIC WORKS	D	-		80,000.00		-		-	-	-	80,000.00
DPW	Ev	RR	REPLACEMENT EQUIPMENT - VARIOUS DEPARTMENTS		-		-		990,000.00		555,000.00	1,065,000.00	998,000.00	3,608,000.00
DPW	Inf	RR	ROAD RESURFACING AND SIDEWALK CONSTRUCTION		-		3,000,000.00		3,000,000.00		3,000,000.00	3,000,000.00	3,000,000.00	15,000,000.00
DPW	Inf	RR	ROAD RESURFACING AND SIDEWALK CONSTRUCTION	A	-	State	-	State	-	State	-	-	-	-
DPW	Ev	RR	SOLID WASTE - REPLACEMENT EQUIPMENT	B	-		1,020,000.00		255,000.00		1,500,000.00	-	-	2,775,000.00
DPW	Inf	Maj	STORMWATER IMPROVEMENTS	B	-		50,000.00		50,000.00		50,000.00	50,000.00	50,000.00	250,000.00
DPW	Ev	N	TAIL GATE EXTENDER FOR RECYCLING TRUCK	A	11,175.00	PGC	-	PGC	-	PGC	-	-	-	-
DPW	Bu	N	VEHICLE AND EQUIPMENT STORAGE		-		2,500,000.00		-		-	-	-	2,500,000.00
DPW	Bu	N	VEHICLE AND EQUIPMENT STORAGE		-		2,500,000.00		-		-	-	-	2,500,000.00
			Total		1,766,175.00		12,280,000.00		4,655,000.00		3,975,000.00	5,995,000.00	4,438,000.00	31,343,000.00
Economic Development	Bu	N	ACQUISITION OF THE ASYLUM BUILDING	A	-	Other	-	Other	-	Other	-	-	-	-
Economic Development	LPF	Maj	CHAPMAN VALVE INDUSTRIAL PROJECT	B	-	Bnd	1,500,000.00	Bnd	1,500,000.00	Bnd	1,500,000.00	-	-	4,500,000.00
Economic Development	Bu	Maj	COURT SQUARE REDEVELOPMENT	A	-		-		5,000,000.00		-	-	-	5,000,000.00
Economic Development	Bu	Maj	GSA - FEDERAL BUILDING	A	349,042.00	PGC	-	PGC	-	PGC	-	-	-	-
Economic Development	Bu	Maj	OLD FIRST CHURCH	A	-		-		-		-	-	-	-
Economic Development	LPF	Maj	PYCHON PARK RESTORATION	A	-		-		1,500,000.00		-	-	-	1,500,000.00
Economic Development	Inf	RR	SOUTH END STREET IMPROVEMENTS	B	-		-		3,189,000.00		-	-	-	3,189,000.00
Economic Development	Inf	RR	SOUTH END URBAN RENEWAL	A	-	Bnd	-	Bnd	-	Bnd	-	-	-	-
Economic Development	Bu	N	WORTHINGTON STREET HOMELESS RESOURCE CENTER	D	-		2,000,000.00		-		-	-	-	2,000,000.00
			Total		349,042.00		3,500,000.00		11,189,000.00		1,500,000.00	-	-	16,189,000.00
Elections	Co	RR	NEW VOTING MACHINES	D	-		384,000.00		-		-	-	-	384,000.00
			Total		-		384,000.00		-		-	-	-	384,000.00
Facilities	Bu	RR	BALLIET - BATHROOM AND PARTITION REPLACEMENT	B	-		600,000.00		-		-	-	-	600,000.00
Facilities	Bu	Maj	BALLIET - CAFETERIA IMPROVEMENT/DESIGN STUDY	B	-		900,000.00		3,000,000.00		3,000,000.00	-	-	6,900,000.00
Facilities	Bu	RR	BALLIET - ELECTRICAL FPE PANEL REPLACEMENT	B	-		-		70,000.00		-	-	-	70,000.00
Facilities	Bu	RR	BALLIET - PLAYGROUND REPLACEMENT	D	-		-		-		60,000.00	-	-	60,000.00
Facilities	Bu	Maj	BALLIET - RENOVATION FOR PROGRAMMING SPACE		-		2,000,000.00		-		-	-	-	2,000,000.00
Facilities	Bu	RR	BALLIET - ROOF REPLACEMENT	D	-		300,000.00		-		-	-	-	300,000.00
Facilities	Bu	RR	BALLIET - WINDOW REPLACEMENT	A	-		300,000.00		-		-	-	-	300,000.00
Facilities	Bu	Maj	BEAL - BATHROOM RENOVATION	C	-		120,000.00		-		-	-	-	120,000.00
Facilities	Bu	RR	BEAL - CLASSROOM CABINETS	D	-		-		25,000.00		-	-	-	25,000.00
Facilities	Inf	N	BEAL - DESIGN AND INSTALL BUS DROP ACCESS ROAD	D	-		-		100,000.00		-	-	-	100,000.00
Facilities	Bu	RR	BEAL - ELECTRICAL PANELS	B	-		-		200,000.00		-	-	-	200,000.00
Facilities	Bu	RR	BEAL - PLAYGROUND REPLACEMENT	D	-		60,000.00		-		-	-	-	60,000.00
Facilities	Inf	Rpr	BEAL - REPAVE PARKING LOT	D	-		-		100,000.00		-	-	-	100,000.00
Facilities	Bu	RR	BEAL - REPLACE PORTABLE CR'S	A	-		250,000.00		-		-	-	-	250,000.00
Facilities	Bu	RR	BEAL - ROOF REPLACEMENT	A	678,334.00	State	-	State	-	State	-	-	-	-
Facilities	Bu	RR	BEAL - WINDOW AND DOOR REPLACEMENT	A	-		1,109,750.00		-		-	-	-	1,109,750.00
Facilities	Co	RR	BOLAND - HVAC SYSTEM	D	-		-		-		60,000.00	-	-	60,000.00
Facilities	Inf	N	BOWLES - ADD ADDITIONAL PARKING	D	-		-		85,000.00		-	-	-	85,000.00
Facilities	Co	RR	BOWLES - ELECTRICAL FPE PANEL REPLACEMENT	B	-		-		-		70,000.00	-	-	70,000.00

City of Springfield Capital Improvement Plan Fiscal Years 2011-2015

Department	Category	Type	Project	Priority	FY2010	Source	FY2011	Source	FY2012	Source	FY2013	FY2014	FY2015	Total FY11-15	
Libraries	Bu	RR	PINE POINT BRANCH -REPLACE HVAC SYSTEM	B	-	-	150,000.00	-	-	-	-	-	-	150,000.00	
Libraries	Inf	RR	RENOVATE BASEMENT AREA AT INDIAN ORCHARD	D	-	-	-	-	-	-	-	75,000.00	-	75,000.00	
Libraries	Inf	RR	REPAVE PARKING LOT AT MASON SQUARE	-	-	-	62,000.00	-	-	-	-	-	-	62,000.00	
Libraries	Inf	RR	REPAVE PARKING LOT AT PINE POINT BRANCH	D	-	-	-	-	-	-	35,000.00	-	-	35,000.00	
Libraries	Bu	RR	REPLACE OUTDOOR LIGHT AT CENTRAL LIBRARY	-	-	-	25,000.00	-	-	-	-	-	-	25,000.00	
Libraries	Inf	RR	REPLACE POOR LIGHTING IN CENTRAL LIBRARY ROTUNDA A	-	-	-	50,000.00	-	-	-	-	-	-	50,000.00	
Libraries	Eo	N	RFID - ALL BRANCHES	C	-	-	-	-	271,803.00	-	529,197.00	-	-	801,000.00	
Libraries	Bu	RR	ROOF REPLACEMENT AT EAST SPRINGFIELD BRANCH	D	-	-	-	-	71,000.00	-	-	-	-	71,000.00	
Libraries	Bu	RR	ROOF REPLACEMENT AT THE CENTRAL LIBRARY	-	-	-	90,000.00	-	-	-	-	-	-	90,000.00	
Libraries	Inf	N	STATE STREET PARKING LOT ADJACENT TO CENTRAL LIBR	C	-	-	-	-	-	-	75,000.00	-	-	75,000.00	
Libraries	Bu	Maj	WINDOW REPLACEMENT AT CENTRAL LIBRARY	D	-	-	-	-	-	-	200,000.00	-	-	200,000.00	
Libraries	Bu	Maj	WINDOW REPLACEMENTS AT BRANCHES	D	-	-	-	-	-	-	-	250,000.00	-	250,000.00	
			Total		-	-	817,000.00	-	553,803.00	-	1,967,197.00	325,000.00	-	3,663,000.00	
Parks	Inf	N	AMPHITHEATRE PARKING LOT	A	-	PGC	-	PGC	-	PGC	-	-	-	-	
Parks	LPF	Maj	AQUATIC GARDENS/PECOUSIC BROOK NOI	A	-	PGC	-	PGC	-	PGC	-	-	-	-	
Parks	Bu	N	BARNEY MAUSOLEUM	D	-	-	-	-	-	-	-	1,500,000.00	-	1,500,000.00	
Parks	LPF	N	BLUNT PARK BIKEWAY/WALKWAY	C	-	-	-	-	-	-	1,500,000.00	-	-	1,500,000.00	
Parks	Bu	N	BLUNT PARK NEW MAINTENANCE BUILDING	D	-	-	-	-	-	-	800,000.00	-	-	800,000.00	
Parks	LPF	Maj	BOWLES FOUNTAIN RESTORATION	D	-	-	-	-	-	-	400,000.00	-	-	400,000.00	
Parks	LPF	N	CAMEROTA PROPERTY	-	-	-	-	-	-	-	750,000.00	-	-	750,000.00	
Parks	LPF	RR	CAMP SECO RENOVATIONS	C	-	-	-	-	900,000.00	-	1,600,000.00	-	-	2,500,000.00	
Parks	LPF	Maj	CITY WIDE BASKETBALL COURT IMPROVEMENTS	D	-	-	-	-	150,000.00	-	150,000.00	-	-	300,000.00	
Parks	LPF	Maj	CITY WIDE TENNIS COURT IMPROVEMENTS	C	-	-	-	-	150,000.00	-	100,000.00	-	-	250,000.00	
Parks	LPF	Rpr	CITY-WIDE LAKE MANAGEMENT PROGRAM	B	-	-	120,000.00	-	120,000.00	-	120,000.00	120,000.00	120,000.00	600,000.00	
Parks	LPF	N	CONSTRUCTION OF A NEW DRIVING RANGE	D	-	-	-	-	-	-	-	3,000,000.00	-	3,000,000.00	
Parks	LPF	RR	COTTAGE HILL PARK	-	-	-	-	-	-	-	450,000.00	-	-	450,000.00	
Parks	LPF	N	CRAFTSMEN CORNER AND ICIE JONES REALTY	C	-	-	-	-	-	-	750,000.00	-	-	750,000.00	
Parks	LPF	RR	DAVINCI PARK IMPROVEMENTS	D	-	-	-	-	-	-	-	150,000.00	-	150,000.00	
Parks	LPF	RR	FIVE MILE POND PARK COVE DREDGING	D	-	-	-	-	-	-	1,500,000.00	-	-	1,500,000.00	
Parks	LPF	N	FOREST PARK BIKE PATH	D	-	-	-	-	-	-	500,000.00	-	-	500,000.00	
Parks	LPF	Maj	FOREST PARK PAVING INCLUDING GREENLEAF ROAD	A	-	-	300,000.00	-	-	-	-	-	-	300,000.00	
Parks	LPF	RR	FOREST PARK PLAYGROUND EQUIPMENT	C	-	-	125,000.00	-	-	-	-	-	-	125,000.00	
Parks	Eo	RR	FOREST PARK SIGN REPLACEMENT PROJECT	D	-	-	50,000.00	-	50,000.00	-	-	-	-	100,000.00	
Parks	LPF	RR	HANDICAP ACCESSIBLE PARK PROGRAM	D	-	-	100,000.00	-	100,000.00	-	100,000.00	100,000.00	100,000.00	500,000.00	
Parks	Bu	N	HORTICULTURAL CENTER/BOTANICAL GARDEN	D	-	-	-	-	2,000,000.00	-	3,000,000.00	-	-	5,000,000.00	
Parks	LPF	Maj	HUBBARD PARK IMPROVEMENTS	C	-	-	-	-	-	-	850,000.00	-	-	850,000.00	
Parks	LPF	N	IRRIGATION OF STATE STREET	-	-	-	-	-	-	-	-	-	-	-	
Parks	LPF	Maj	JAIME ULLOA PARK IMPROVEMENTS	D	-	-	-	-	-	-	300,000.00	-	-	300,000.00	
Parks	LPF	Maj	JOHNNY APPLESEED IMPROVEMENTS	B	-	-	-	-	400,000.00	-	-	-	-	400,000.00	
Parks	LPF	Maj	MCKNIGHT GLEN IMPROVEMENTS	D	-	-	-	-	-	-	180,000.00	-	-	180,000.00	
Parks	LPF	RR	MEADOW BROOK RAVINE RESTORATION	D	-	-	-	-	-	-	-	150,000.00	-	150,000.00	
Parks	LPF	Maj	MERRICK PARK PEDESTRIAN WALKWAYS	D	-	-	-	-	275,000.00	-	-	-	-	275,000.00	
Parks	LPF	RR	MILL POND	C	-	-	-	-	-	-	2,000,000.00	-	-	2,000,000.00	
Parks	LPF	N	OPEN SPACE - CHICOPEE/SPRINGFIELD LINE	C	-	-	-	-	-	-	-	600,000.00	-	600,000.00	
Parks	Bu	Maj	PORTER LAKE SKATE HOUSE	C	-	-	1,500,000.00	-	-	-	-	-	-	1,500,000.00	
Parks	LPF	RR	REPLACEMENT OF CITY-WIDE PLAYGROUND EQUIPMENT	C	-	-	170,000.00	-	170,000.00	-	170,000.00	170,000.00	170,000.00	850,000.00	
Parks	LPF	N	RIVERFRONT PARK MASTER PLAN	D	-	-	-	-	-	-	3,000,000.00	-	-	3,000,000.00	
Parks	Bu	N	RUTH ELIZABETH NEW COMMUNITY BUILDING	D	-	-	-	-	-	-	-	800,000.00	-	800,000.00	
Parks	LPF	N	SOLUTIA PARK	D	-	-	-	-	-	-	-	1,200,000.00	-	1,200,000.00	
Parks	LPF	Maj	STEARNS SQUARE RENOVATION	D	-	-	-	-	-	-	-	50,000.00	-	50,000.00	
Parks	LPF	Maj	TRAIL RENOVATIONS	D	-	-	100,000.00	-	100,000.00	-	100,000.00	100,000.00	100,000.00	500,000.00	
Parks	LPF	RR	TREE REPLACEMENT PROGRAM	D	-	-	600,000.00	-	600,000.00	-	600,000.00	600,000.00	600,000.00	3,000,000.00	
Parks	LPF	Maj	TRIANGLE/TERRACE RESTORATIONS	D	-	-	100,000.00	-	100,000.00	-	100,000.00	100,000.00	100,000.00	500,000.00	
Parks	LPF	Maj	UPGRADE SCHOOL ATHLETIC FIELDS	C	-	-	620,000.00	-	620,000.00	-	620,000.00	620,000.00	620,000.00	3,100,000.00	
Parks	Inf	N	VAN HORN DAM STUDY	A	-	Bnd	-	Bnd	-	Bnd	-	-	-	-	
Parks	LPF	RR	VAN HORN PARK	D	-	-	-	-	-	-	-	3,000,000.00	-	3,000,000.00	
Parks	Inf	Maj	VAN HORN PARK LOWER DAM	A	-	-	1,100,000.00	-	-	-	-	-	-	1,100,000.00	
Parks	LPF	Maj	VETERAN'S GOLF COURSE IMPROVEMENTS	C	-	-	-	-	3,600,000.00	-	-	-	-	3,600,000.00	
Parks	Bu	Maj	WALKER GRANDSTAND RENOVATION	D	-	-	-	-	1,000,000.00	-	-	-	-	1,000,000.00	
Parks	LPF	Maj	WALSH STREET PLAYGROUND RENOVATIONS	C	-	-	-	-	1,300,000.00	-	-	-	-	1,300,000.00	
Parks	LPF	RR	WATERSHOPS POND	B	-	-	-	-	1,500,000.00	-	-	800,000.00	-	2,300,000.00	
Parks	LPF	N	ZIMMERMAN PROPERTY	D	-	-	-	-	-	-	-	-	-	-	
Parks	LPF	RR	ZOO IMPROVEMENTS	C	-	-	-	-	600,000.00	-	3,400,000.00	350,000.00	-	4,350,000.00	
			Total		-	-	4,885,000.00	-	13,735,000.00	-	23,040,000.00	13,410,000.00	1,810,000.00	56,880,000.00	
Police	IT	Rpr	RADIO UPGRADES	D	-	-	130,000.00	-	-	-	-	-	-	130,000.00	
Police	Bu	Maj	RENOVATION OF POLICE DEPARTMENT FACILITY	C	-	-	3,000,000.00	-	-	-	-	-	-	3,000,000.00	
			Total		-	-	3,130,000.00	-	-	-	-	-	-	3,130,000.00	
School	IT	N	SCHOOL TECHNOLOGY	-	-	-	7,880,378.00	-	6,748,194.00	-	5,962,878.00	-	-	20,591,450.00	
School	IT	N	SCHOOLS IT PROJECTS AND EQUIPMENT	A	-	-	9,028,290.00	-	10,393,156.00	-	6,559,108.00	-	-	25,980,554.00	
School	Eo	N	SECURITY CAMERAS AND EQUIPMENT	D	-	-	3,925,000.00	-	-	-	-	-	-	3,925,000.00	
			Total		-	-	20,833,668.00	-	17,141,350.00	-	12,521,986.00	-	-	50,497,004.00	
			Grand Total				54,595,864.00		147,392,557.00		109,344,620.00	86,179,498.00	23,575,315.00	7,153,940.00	373,645,930.00

Appendix B

Proposed Fiscal Year 2011 Capital Budget Projects

City Hall Window Restoration



Fiscal Year: 2011

Costs: \$600,000

Department: Department of Capital Asset Construction

Source: Proposed City Capital Funds

Priority: A

Project Description: The project's scope would address the current paint failure on the sashes and frames of the windows of City Hall. This project's scope would include repairing or replacing any frames or sashes that are damaged. The frames and sashes would then be primed and painted and any glass that was broken or heavily scratched would be replaced.

Operating Budget Impact: This project would cost \$600,000 in FY 2011 to be funded in the operating budget. If this project is not initiated the cost of the repairs will increase exponentially due to the nature of the wood sashes and frames.

The windows are in very poor shape throughout all departments in City Hall. In many instances the frames have split or rotted away to allow for water to infiltrate the building and the limestone cladding. If this continues to happen the limestone cladding will begin to break away from the building and cause a safety concern for those below.

City-Wide Lake Management Program



Fiscal Year: 2011

Costs: \$120,000

Department: Parks Department

Source: Proposed City Capital Funds

Priority: B

Project Description: This project is necessary to continue to manage the City's many natural water resources with herbicides, lake level draw-downs, and maintenance of existing detention basins. The benefit of this project is to protect the natural water resources for the enjoyment of all citizens today and in the future as well as the preservation of wildlife habitats.

Operating Budget Impact: By including in capital line item such as pay-as-you-go capital the City could avoid costly repairs to the lakes throughout the City. Currently the City has spent a large amount of funds on its lakes and ponds. From management of these natural resources to complete restoration of many lakes and ponds, this program has been very active and the goal is to continue managing the bodies of water for the benefit of the citizens.

Fuel Pumps at Tapley Street



Fiscal Year: 2011

Costs: \$225,000 (proposed)

Department: Facilities Department

Source: City Capital Funds

Priority: A

Project Description: The fuel station at Tapley Street is utilized by most of the City's vehicles. The gas tanks underneath the fuel station will be replaced as well as the actual pumps and fuel island. These pumps are currently located at the Department of Public Works headquarters.

This project will not only increase the efficiency of the fuel pumps but also increase the safety of the underground tanks to prevent gas leaks and contamination.

Operating Budget Impact: This project is a preventative measure so that the City will not have to pay contamination clean up costs in the future. It also increases the efficiency of the fuel pumps using more up to date technology.

Pine Point Branch Library – Replace HVAC System



Fiscal Year: 2011

Costs: \$150,000

Department: Library Department

Source: City Capital Funds

Priority: B

Project Description: This project is to replace the inadequate HVAC system located at the Pine Point Branch Library. The current system is the most expensive heating/cooling system in the library system. Replacement will reduce costs and increase comfort for public and staff. The current system does not provide adequate cooling and humidity control.

Operating Budget Impact: As previously explained, the current HVAC system is the most expensive heating/cooling system of all the library branches. While the gas and electricity cost savings have yet to be determined, the maintenance cost savings approximate \$10,000 annually.

Property Condition Assessments



Fiscal Year: 2011

Costs: \$780,000 (proposed)

Department: Facilities Department

Source: City Capital Funds

Priority: A

Project Description: Property Condition Assessments (PCA's) are prepared with a focus on both the immediate and long term needs of a property, including estimated costs for repair, replacement, or significant renovations. Interviews are conducted with various maintenance personnel regarding the condition of the building and reviews are performed on construction plans, records of capital expenditures and historical repairs, budgets for improvements, and other relevant documents.

Other physical features that are analyzed are site features, pavement and sidewalks in the vicinity of the building, exterior building walls, exposed structural components, roof coverings, utility connections, HVAC systems, plumbing systems, electrical systems, fire protection, and conveyance.

This project will consist of PCA's for all schools worth about \$30,000 a piece.

Operating Budget Impact: The most immediate operating budget impact is potential cost savings on facility projects in the future. The PCA's will take an inventory of potential problems the facilities may have and then the operating budget or capital budget will be used to fix the problems. Small present day problems can be taken care of in the hopes that these problems do not become bigger and therefore larger expense, in the future years.

Purchase of 4 Semi-Automated Trucks for Single Stream Recycling



Fiscal Year: 2011

Costs: \$225,000 (proposed)

Department: Department of Public Works

Source: Proposed City Capital Funds

Priority: A

Project Description: The city would purchase four semi-automated trucks for the single stream recycling program. This purchase would be necessary to allow the single stream recycling program continue throughout the City. In FY2010, the City purchased two semi-automated trucks for the program.

Operating Budget Impact: The trucks the City currently uses are prone to breakdowns due to the age of the vehicles. By beginning a routine purchasing of new vehicles the City can make certain repair and maintenance costs decrease. These four trucks would replace four 2000 semi-automated trucks. Another major factor is the City will be able to continue recycling pick-up if a truck is out of service.

Purchase of Recycling Barrels



Fiscal Year: 2011

Costs: \$1,320,000

Department: Department of Public Works

Source: Proposed City Capital Funds

Priority: A

Project Description: The City of Springfield will be switching to single stream recycling in FY2010. Essentially this means that residents will be able to throw all recycling in to one barrel without having to separate plastic from paper. This has been proven in other communities to increase recycling by the citizens.

Through funding of this request, 24,000 recycling barrels will be purchased which will be added to the barrels the City already has.

Operating Budget Impact: The main budgetary impact of this project would be to reduce the waste tonnage the City currently has and lowering the tipping fee. As the cost of waste has increase in the past years, this is a proactive way to decrease the costs the City currently incurs.

Road Resurfacing and Sidewalk Construction



Fiscal Year: 2011

Costs: \$2,200,000 (City) (proposed); \$2,300,000 (Chapter 90)

Department: Department of Public Works

Source: City Capital Funds; State Chapter 90 funds

Priority: A

Project Description: This project includes arterial, residential, school, and resident sidewalk replacement. The goal is to upgrade and improve the conditions of City streets and sidewalks to ensure vehicular and pedestrian safety.

The City has committed funds for a five year arterial and residential roadway resurfacing program to be supplemented with Chapter 90 funds. Also, in order to reduce school transportation costs, the City committed funds for a four year sidewalk replacement and construction is also supplemented with the Chapter 90 funds.

This is a very high priority project not only for the Department of Public Works, but the City as well. This is one of the Department of Public Works core responsibilities to maintain the City's network of roadways and sidewalks.

Operating Budget Impact: Operating budget impacts include savings in patching material, less man hours given to fixing arterial roads, residential roads, and sidewalks on a routine basis, and increased safety for the general public.

In an effort to reduce school transportation costs, the replacement and construction of sidewalks will give more students the opportunity to walk to work. In the past several years, school transportation has proven to be a large expense in the School Department budget.

Scanning Archival Documents for Electronic Storage



Fiscal Year: 2011

Costs: FY11: \$250,000; FY12 \$250,000

Department: Information Technology Department

Source: Proposed City Capital Funds

Priority: B

Project Description: Project to provide for scanning of paper records in departments across the City (City Clerk, Board of Assessors, Internal Audit, Comptroller, Law, etc.). Records and documents can be scanned and archived for easy access by the City and public. This project will keep documents protected from the environment in electronic format. The cost includes hardware, software and scanning and indexing services.

Operating Budget Impact: This project has two operational budget impacts. The first impact is this project would eliminate the need for vault space for most documents. Currently, City Hall space has become an issue partly due to the space filing cabinets and other paper storage areas. This project could eliminate the need for the City to expand offices which would be funded directly from the operating budget.

The second impact of the project would be the ease of access to City documents. This would eliminate the need for City employees to search for documents in old files and concentrate of regular office duties. Archiving of records would also ensure that the City is compliant with current records retention law.

Flood Control System



Fiscal Year: 2011

Costs: \$150,000

Department: Department of Public Works

Source: Proposed City Capital and Operating Funds

Priority: A

Project Description: These inspections are required by FEMA and the Army Corps of Engineers to maintain the City's certification of the flood control system. If the flood control system is decertified it will have a detrimental impact to residents and business located within the flood zone of the Connecticut River.

There are three phases to the flood control plan. The first phase involves the maintenance deficiency correction plan. The second phase is a comprehensive inspection report required by the Army Corps of Engineers. The third phase is the mandated FEMA flood control levee certification requirement. All prior phases have been funded by the City.

Operating Budget Impact: This project is required by FEMA and the Army Corps of Engineers as a response to the operational deficiencies of the New Orleans levee system during Hurricane Katrina. By funding this in the capital budget the City will not be required to fund this project in the operational budget. This is an advantage to the City during these difficult budgeting times. This project is also important because it will keep the citizens and businesses located near the Connecticut River safe.

Zetron Fire Station Alert System



Fiscal Year: 2011

Costs: \$50,000 (proposed)

Department: Fire Department

Source: Proposed City Capital Funds

Priority: A

Project Description: This upgrade will allow communication and control of the alert system via a VHF radio frequency that would need to be licensed for this operation. The following will be furnished and installed: 10 control station radios, 10 power supplies, 10 antennas, 10 runs of cable with connectors, 1 base radio, and miscellaneous mounting supplies.

The Zetron System would connect the Dispatch Center to the various fire stations. It would replace the wired system that is used to transmit alarms to the stations. In my opinion it is the way to go even in a combined center. The Fire Department can offset the cost in both salary and overtime savings making it cost effective in either a combined or separate system.

Operating Budget Impact: If implemented immediately this radio controlled system could have immediate cost savings for the City and the Fire Department for staffing costs of the Fire Alarm/Dispatch operation.

Appendix C

Capital Ratings Criteria

**CITY OF SPRINGFIELD
PROJECT REQUEST RATING SHEET
DESCRIPTION OF RATING CRITERIA AND SCALES**

CRITERIA A- OVERALL FISCAL IMPACT

Weight: 4

Rationale: Limited resources exist for competing projects. This requires that each project's full impact on the City's budget be considered in rating and evaluating projects. Projects that are self-funded or have a large proportion of external funding will receive higher ratings than those that do not, as these projects have less impact on the funding portion of our capital budget.

Considerations: Ratings for this factor will consider these major points:

- A. Capital cost of the project relative to all other project requests.
- B. Impact of the project on City operating costs and personnel levels.
- C. Whether the project requires City appropriation or is funded from agency, grant funds, matching funds or generated revenue.
- D. Impact on the City's tax revenue or fee revenue.
- E. Will external funding be lost should the project be delayed?

Illustrative Ratings:

- 5- Project requires less than 10% City funding.
- 4- Project requires less than 50% City funding.
- 3- Project requires more than 50% City funding, decreases operating costs and increases City revenues.
- 2- Project requires more than 50% City funding, increases operating costs and increases City revenues.
- 1- Project requires more than 50% City funding, decreases operating costs and decreases City revenues.
- 0- Project requires more than 50% City funding, increases operating costs and decreases City revenues.

Note: Projects which do not impact either revenues or operating costs will receive the score of a project that is more favorable in the category (for revenue, the score will be the "increasing revenue" score and for costs, the "decreasing costs" score). This score will then be reduced by 0.5 to reflect the lack of actual increase in revenue or decrease in costs.

CRITERIA B- LEGAL OBLIGATIONS AND COMPLIANCE

Weight: 4

Rationale: Some projects are essentially mandatory due to court orders, federal mandates, or state laws that require their completion. These projects should receive higher consideration than those which are considered discretionary. Criteria B evaluates both the severity of the mandate and the degree of adherence to state and federal laws.

Considerations: Ratings for this factor will consider these major points:

- A. Whether the City is under direct court order to complete this project.
- B. Whether the project is needed to meet requirements of federal or state legislation.

Illustrative Ratings:

- 5- City or Department is currently under court order to take action.
- 4- Project is necessary to meet existing state and federal requirements.
- 3- Legislation is under discussion that would require the project in future.
- 2- There is no legal or court order or other requirement to conduct the project.
- 1- Project requires change in state or law to proceed.
- 0- Project requires change in federal or law to proceed.

CRITERIA C-IMPACT ON SERVICE TO THE PUBLIC

Weight: 3

Rationale: Consideration will be given to capital projects that address health, safety, accreditation or maintenance issues as well as those that improve the services provided by a department. Service is broadly defined, as are the City's objectives in meeting the health, safety or accreditation needs of our residents and/or improved operations of an existing department.

Considerations: Ratings for this factor will consider these major points:

- A. Whether the service is already being provided by existing agencies.
- B. Whether the project has immediate impact on service, health, safety, accreditation or maintenance needs.
- C. Whether the project focuses on a service that is currently a "high priority" public need.

Illustrative Ratings:

- 5- The service itself addresses an immediate public health, safety, accreditation, or maintenance need.
- 4- Service is improved and addresses a public health, safety, accreditation, or maintenance need.
- 3- Service is greatly improved.

- 2- Service is improved.
- 1- Service is minimally improved and addresses a public health, safety, accreditation, or maintenance need.
- 0- Service is minimally improved.

CRITERIA D- URGENCY OF MAINTENANCE NEEDS

Weight: 3

Rationale: The City’s most immediate goal in both capital and operating finance is to maintain current service levels for our citizens, businesses and visitors. Capital projects that are essential to maintain services, protect investments, or restore service that have been interrupted due to failure of capital assets will receive the highest rating in this criterion.

Considerations: Ratings for this factor will consider these major points:

- A. Whether a service is currently interrupted.
- B. Whether the project as requested will result in full restoration of an interrupted service.
- C. Whether the project is the most cost-effective method of providing or maintaining a service.
- D. Where a service is not currently interrupted, the likelihood that it will be in the next five years if the project is not funded.
- E. Whether costs of the project will increase (beyond inflation) if the project is delayed.
- F. Whether the agency has prepared a comprehensive maintenance/rehabilitation/ replacement schedule and the project is due under that schedule.

Illustrative Ratings:

- 5- Service is currently interrupted and the project will restore service in the most cost-effective manner possible.
- 4- Service is likely to be disrupted in a five-year horizon if the project is not funded.
- 3- The project is necessary to maintain an orderly schedule for maintenance and replacement.
- 2- The cost of the project will increase in future (beyond inflation) if it is delayed at this time.
- 1- There is a minor risk that costs will rise or service will be interrupted if the project is not funded.
- 0- There is no financial or service risk in delaying or not funding the project (e.g., the

project is new and has no impact on current service).

CRITERIA E - PRIOR PHASES

Weight: 2

Rationale: Some projects are developed in phases due to their complexity or size. In such cases, the need has already been established by a prior commitment of funding. Therefore, continuation of the project will be given higher consideration.

Considerations: Ratings for this factor will consider these major points:

- A. Whether the project has received prior funds.
- B. Whether the project requires additional funding to be operational.

Illustrative Ratings:

- 5- All but the final phase has been fully funded.
- 4- Multiple phases have been fully funded.
- 3- Multiple phases have been partially funded.
- 2- The first phase has been fully funded.
- 1- The first phase has been partially funded.
- 0- No prior phases have been funded or partially funded.

CRITERIA F – DEPARTMENTAL PRIORITY

Weight: 2

Rationale: Departments are expected to provide an indication of which projects are most important to their mission.

Considerations: Ratings for this factor will consider these major points:

- A. Departmental ranking of each individual project.
- B. The total number of project requests that are submitted by a department.

Illustrative Ratings:

- 5- The project is within the top 20% of departmentally ranked project requests (81% to 100%).
- 4- The project is within the next 20% of projects (61% to 80%).
- 3- The project is within the next 20% of projects (41% to 60%).
- 2- The project is within the next 20% of projects (21% to 40%).
- 1- The project is within the bottom 20% of ranked projects (0% to 20%).