# City of Portland, Maine
# Finance Committee Meeting
**Tuesday, March 17, 2015**
**6:00 p.m., Room 209**

## AGENDA

1. Review FY'16 Capital Improvement Plan, public hearing

To: Finance Committee

From: Ian Houseal, Assistant to the City Manager

Date: March 17, 2015

**RE: Capital Improvement Plan 2016**

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Please see the attached material requested at the February 24, 2015 meeting by the Finance Committee with regard to the 2016 Capital Improvement Plan:

1. Provide the results of the Ladder 1 non-destructive test. (attached)

2. Provide two financial impact scenarios for the Capisic Pond project. (attached)

# Interoffice Memorandum

To: Ian Houseal, Assistant to the City Manager
From: Kevin Austin, Fleet Manager Kevin Austin
Date: March 4, 2015
Re: Ladder 1 Non Destructive Test Results

The intent of this memorandum is to summarize the results of a "non-destructive test" completed during the week of February 23rd, 2015 by Underwriter Laboratories. A non-destructive test verifies that the equipment meets the requirements of Chapter 19 of the National Fire Protection Association; standard # 1911, "Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus." This test was conducted due to concerns around the structural integrity of the aerial on Ladder 1 which is now twenty two years old and showing signs of corrosion inside the upper and lower booms.

A non-destructive test involves a thorough inspection of all automotive apparatus systems including pumps, foam systems, and ladders. The test also includes ultrasonic measurements of metal thickness and evaluation of all welds and bolts.

Ladder 1 was found to not be in compliance with NFPA standard 1911 due to leaks in the water system and improperly seated hydraulic cylinder seals which are repairable. Once the water system leaks and cylinder seals are repaired Ladder 1 will be compliant with NFPA standard 1911.

Ultrasonic measurement of metal thickness in the upper and lower booms indicates that the metal has gained 50% in thickness. This increase in thickness can be attributed to an extra layer of paint as the aerial was repainted ten years ago as well as delamination of the corroded metal inside the booms. These test results were shared with the Ladder 1 aerial manufacturer, Snorkel. Snorkel recommended that we video the inside of the booms to get a better look at the corrosion. The Water Resources Division of Public Services videoed the upper boom on March 10th, 2015 with a black and white sewer camera. The camera was unable to fit inside the lower boom, but delaminated corrosion was present on the inside of the upper boom. The video results have been sent to the aerial manufacturer. Due to the presence of corrosion inside the booms, Fleet Services remains concerned about the structural integrity of the aerial.

To summarize, Ladder 1 will be in compliance with NFPA standard 1911 once the water leaks are repaired. Due to the visible presence of corrosion on the booms and the age of the unit, Fleet remains concerned about the structural integrity of the boom. We may reach a point in the next year or two where we must down Ladder 1 around these safety concerns.

CC: Michael Bobinsky, Director Public Services

Portland, Maine — Yes. Life's good here.

To: Finance Committee

From: Ian Houseal, Assistant to the City Manager

Date: March 17, 2015

**RE: Financial Impact of Capisic Pond Restoration Project**

At the March 24, 2015 Finance Committee meeting, the Finance Committee requested additional information regarding the financial impact of two funding scenarios for the Capisic Pond Restoration Project.

1. Splitting remaining project costs between the Sewer Fund and the General Fund; or
2. Fund the remaining project costs to the General Fund.

| Project Funding To-Date | General Fund | Sewer Fund | Total |
|---|---|---|---|
| **2014 CIP Appropriation** | 80,000 | | 80,000 |
| **2015 CIP Appropriation** | 563,000 | 562,000 | 1,125,000 |
| **Total** | **$643,000** | **$562,000** | **$1,205,000** |

**1. Split Funding Scenario**

| | General Fund | Sewer Fund | Total |
|---|---|---|---|
| **Prior Appropriations** | 643,000 | 562,000 | 1,205,000 |
| **Additional Appropriation** | 563,000 | 562,000 | 1,125,000 |
| **Total Debt** | $1,206,000 | $1,124,000 | $2,330,000 |
| | | | |
| **First Year Debt Service**[1] | $115,000 | $107,000 | |
| **First Year Rate Impact**[2] | **0.015 tax rate** | **0.040 sewer rate** | |

**2. General Fund Only Funding Scenario**

| | General Fund | Sewer Fund | Total |
|---|---|---|---|
| **Prior Appropriations** | 643,000 | 562,000 | 1,205,000 |
| **Additional Appropriation** | 1,125,000 | | 1,125,000 |
| **Total Debt** | $1,768,000 | $562,000 | $2,330,000 |
| | | | |
| **First Year Debt Service** | $168,000 | $54,000 | |
| **First Year Rate Impact** | **0.022 tax rate** | **0.020 sewer rate** | |

[1] Assumes 20 year term and 4.5% interest rate

[2] Assumes the FY2015 local property tax valuation of 7,662,000,000 and FY2015 sewer rate of $8.81/HCF