

***The Capital Improvement Budget Process for the City of South Portland***

As used in this charter, "capital project" or "project" mean[s] (a) any physical public betterment or improvement and any preliminary studies and surveys relative thereto; (b) the acquisition of property of a permanent nature; (c) the purchase of equipment for any public betterment or improvement when first erected or acquired; (d) the purchase of equipment and vehicles, either the first acquisition or replacement thereof, for use by the various departments of the city.

The City Manager annually presents a seven-year Capital Improvement Plan to the City Council. As part of the Capital Improvement Plan, the City Manager identifies capital projects and proposed new capital projects, the respective appropriations and sources of revenues to fund the projects and the respective amounts, if any, proposed to be raised therefore by the issuance of bonds during the budget year. The City Manager shall also include in the message, or attach thereto, a capital program of proposed capital projects for the 6 fiscal years next succeeding the first year, together with his comments thereon and any estimates of costs.

The City may incur indebtedness by issuing its negotiable bonds, and notes in anticipation of bonds, pursuant to this charter, to finance any capital project which it may lawfully construct or acquire. The city may issue term notes to provide funds for preliminary studies and surveys, including engineering designs and plans, in respect of any proposed capital project, whether or not construction of such capital project shall be fully authorized at the time, and such notes, and any term notes issued as extensions or renewals thereof, shall be issued pursuant to resolution adopted by the affirmative vote of 5 members of the council. Any term notes issued pursuant to the preceding sentence may be paid from the proceeds of negotiable bonds, or notes in anticipation of bonds, issued pursuant to this charter or from other funds of, or available to, the city.

The City Council may authorize the issuance of bonds by a "bond ordinance" passed by the affirmative vote of at least 4 of the members of its council. Each bond ordinance shall be subject to referendum unless the bonds are authorized solely for a capital purpose made necessary as the result of fire, flood or other disaster. Each bond ordinance shall take effect on the 21st day after its first valid publication after final passage, unless it be submitted to referendum, in which event it shall not take effect unless it be approved by the favorable vote of at least a majority of those voting thereon.

Bonds issued after the adoption of this charter shall be made payable in annual, serial and approximately equal installments as pertains to principal, and interest shall be made payable semiannually. Every issue of bonds shall be payable within a fixed term of years which shall in no case exceed 30 years.

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