

Capital Improvement Plan FY 2014 - 2018

Introduction

Presented in this section is the proposed FY2014-2018 CIP, the first year of which constitutes the requested FY2014 Capital Budget. The Westborough Town Charter requires the Town Manager to submit a Capital Improvement Program (CIP) to the Board of Selectmen, Advisory Finance Committee and the Capital Expenditures Planning Committee based on material prepared by the Capital Expenditure Planning Committee. Each year, Town Meeting reviews the Proposed Capital Budget as a Capital Improvement Plan warrant article that incorporates those items rated high enough to be incorporated in the Capital Budget for the coming fiscal year. Town Meeting may adopt the Capital Budget by voting to appropriate funds for each recommended capital project. The planned acquisition of capital associated with the annual appropriation constitutes an important component of the Town's capital plan.

The CIP is an important tool the Town of Westborough utilizes to help manage existing infrastructure and guide capital spending. It creates an orderly process for evaluating the Town's assets and their expected useful lives, projecting replacement costs and assigning priorities among such projects when resources cannot fund all requests. Further, the CIP process ensures that the Town plans for annual operating and capital costs in anticipation of long range needs and goals.

Process

2012 Capital Expenditure Planning Committee

George Barrette	Bill Linnane
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The Town of Westborough defines capital projects/items as an expenditure of \$25,000 or more with a useful life greater than three years that falls under one of the following categories:

- Acquisition of land
- Construction, expansion or renovation of a facility. Facilities include buildings, streets, bridges, sidewalks, parking lots, utilities, playing fields, cemeteries, playgrounds, etc.
- Acquisition of large capital items including vehicles, technology, communications equipment, etc.
- Facility maintenance projects including roof repair, HVAC, electrical, masonry, painting carpeting, street resurfacing, sidewalk reconstruction, playground equipment/major repairs.
- Planning, feasibility, engineering or design studies related to a capital project.

Town departments and the School Department seeking to replace or obtain a capital item or to complete a capital project must submit a "Project Proposal". Project Proposals submitted include

the Year Proposed for Construction or Purchase, Total Project Cost, Description of Project/Purchase, Departmental Priority, Justification/Need/Vision, Cost Summary, Needs Criteria, Type of Project, Possible Alternatives and Impact, if Disapproved. The proposals were provided to the Capital Expenditures Planning Committee who met with each department and rated each project on a scale of 0-10 on each of the eight factors of the Needs Criteria listed below:

Public Safety and Health – Consideration of the impact of a request and its impact on existing conditions of public safety and health.

Infrastructure Needs - Consideration of the impact of a request in relation to infrastructure problems and needs of the community.

Efficiency of Services – Consideration given to requests that increase the efficiency of services provided by the Town to the public.

Legal Requirements – Consideration of requests based on mandates of local, state or federal regulations or laws.

Public Support – Consideration of requests in relation to public support of a specific project or program, specifically, you should consider how the public will view the purchase of specific capital items.

Personnel Impact – Consideration of requests that are necessary based upon increased personnel or increased use by personnel.

Service Impact – Consideration of requests that are necessary due to increased, altered or new services the Town is offering.

Administrative Needs – Consideration of requests that are necessary due to the administrative needs of various departments.

The Town Manager then takes this information and balances the committee ratings with the cost each item and the departmental priorities. The resulting five year plan seeks to create a balanced replacement schedule that properly maintains infrastructure and fleet according to Westborough's fiscal management policies.

Funding

The Town needs to ensure that its capital needs are addressed on a regular basis to ensure that the Town does not find itself in a position of having to replace a lot of capital at one time causing unnecessary debt issuance and associated interest costs for capital replacement that could have been done in a planned manner without the issuance of debt. The annual Capital Budget should include an equipment replacement and facilities maintenance schedule equal to 1.0% - 1.5% of the General Fund Operating Budget. This percentage is derived from a calculation of all current capital assets original acquisition cost amortized over the useful life as determined by the

Massachusetts Division of Capital Asset Management depreciation schedule to determine the Annual Replacement Value. This figure is \$805,323. The Annual Replacement Value was then divided by the FY13 Budget (\$87,794,491) to develop a basis for the appropriate percent of the budget needed to replace capital assets on a regular schedule to replace equipment at the end of its useful life (1.1%).

Capital projects/items may be funded using one of the following funding sources:

- **Borrowing** – Projects/items of \$100,000 or more with a useful life of at least 10 years may be considered for borrowing. The sources of revenues to support borrowing are:
 - General Fund within Proposition 2½
 - Water and Sewer Retained Earnings
 - General Fund with Proposition 2½ Debt Exclusion Vote
- **Available Revenues** – Projects/items of \$5,000 or more with a useful life of at least 3 years may be considered for funding with available revenues. The sources of available revenues are:
 - Capital Improvement Article as recommended by the Capital Expenditures Planning Committee
 - Water and Sewer Retained Earnings
 - Free Cash Warrant Articles
- **Departmental Operating Budget** – Projects/items less than \$5,000 with a useful life of greater than one year may be considered for funding in departmental operating budgets and revolving funds.

The annual operating cost of a proposed capital project, as well as the debt service costs will be identified and/or estimated to the extent possible before any long-term capital project is recommended. It is important to project the estimated impact of a proposed capital project on the operating budget to ensure there are adequate resources to meet long-term operating expenses. For capital projects involving a debt issuance, the impact of the debt service on the tax rate, water or sewer rate will be identified and included with the Capital Expenditures Planning Committee recommendations.

FY14 Capital Budget

Attached to this report is Appendix A – Capital Plan Proposed Funding which provides a recommended funding mechanism for each of the capital requests for the five year planning period. The funding mechanisms are broken down into four categories: free cash transfer; borrowing; raise and appropriate; and other (which includes transfers from the Ambulance Receipts, Water Retained Earnings, Sewer Retained Earnings and any other accounts the Town may access to fund capital items).

Attached to this report is also Appendix B – Capital Requests Ratings Summary which provides a complete list of the projects requested for FY14-FY18. This summary shows the fiscal year in

which each request is currently planned for and lists items that were rated too low to be included in the five year CIP.

In addition, this year there is item, the Buildings and Grounds request to purchase a new HVAC system for the Town Hall, which was rated high by the Capital Expenditure Planning Committee but is not being recommended in FY14. This is because Town Meeting will be asked to fund a warrant article to renovation the Town Hall and this renovation will include the HVAC project.

Below are the proposed projects and recommended funding sources rated high enough to be included in the FY14 Capital Improvement Plan Article. Each vehicle request is accompanied by the scheduled replacement date according to the state's document entitled *A Practical Guide For Implementation Of Governmental Accounting Standards Board Statement #34 For Massachusetts Local Governments* which provides bureau recommended capital assets, depreciation and estimated useful lives for municipal fixed assets. This differs slightly from the Town's depreciation schedule which takes into consideration that vehicles are sometimes transferred to other departments.

DPW-General – *Garage Roof Study and Bid Specs* (\$15,000)

This request is to have the DPW garage roof studied and bid specifications prepared for replacements of the garage roof. The current roof has developed severe leakage and must be evaluated. Timeline for actual roof replacement will depend on evaluation outcome.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$15,000.

DPW-General - *F350 Utility (#13)* (\$57,000)

This request is to replace a 2001 Ford F-350 Utility which was scheduled to be replaced in 2006. Currently the vehicle has become unreliable with excessive body rot, replacement parts are difficult to obtain and it is more difficult to pass state inspections. The cost of maintenance has increased and the amount of down time for repairs has increased as well.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$57,000.

DPW-Water/Sewer – *Case Backhoe (#35)* (\$140,000)

This request is to replace a 1995 Case Backhoe which was scheduled to be replaced in 2005. This piece of equipment is used for emergency services and routine water inspections. It has become unreliable with excessive body rot and parts are difficult to obtain.

Proposed Funding – This project is recommended to be funded through a transfer from Water Retained Earnings in the amount of 105,000 and Sewer Retained Earnings in the amount of \$35,000.

DPW-Sewer – *Chevy Astro Van* (#348) (\$28,000)

This request is to replace a 1999 Chevy Astro Van which was scheduled to be replaced in 2004. This vehicle is used for emergency and routine services. It has become unreliable with excessive body rot and parts are difficult to obtain.

Proposed Funding – This project is recommended to be funded through a transfer from Sewer Retained Earnings in the amount of \$28,000.

Fire Department – *Pumper Repairs* (\$75,000)

This request is to make various repairs to four different fire department apparatus in order to maintain them at the highest level for the safety and wellbeing of firefighters and the community. Engine 2, a 1996 E-One pumper, needs corrosion repairs to its underneath and rear frame assembly and a complete brake job. Engine 4, a 1991 pumper, needs pump repairs, radiator repairs, water manifold replacement, and needs its fuel injectors replaced. Rescue 1, a 1998 rescue/pumper, needs a full brake job. Fire 1 needs full brake job including cans, corrosion repairs and tires.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$75,000.

Library – *Window Replacement* (\$160,000)

This request is to replace the windows in the 1908 section of the library which are likely original to the building. Many of the exterior frames are rotting, and those windows can no longer be opened due to safety concerns. The rotting window frames will eventually lead to leaks and will cause damage to the structure and the materials in the building. The library recently installed a new HVAC system and new windows would support this project by keeping heat and air conditioning inside thereby lowering heating and cooling costs.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$160,000.

Police Department - *Cruisers* (\$106,500)

This request is to replace two cruisers. These cruisers are scheduled to be replaced in 2011 and 2015. The department requests to replace cruisers equipped with Mobile Data Terminals each year in order to keep the fleet in good working condition. The department is also requesting funds to purchase the 2010 Dodge Challenger for \$17,000 to fulfill the agreement made when Dan's Jeep/Chrysler donated the car to the department.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$106,500.

School Department – *Fales Stairway* (\$55,000)

This request is to replace the original 1963 concrete stairway. The stairwell is sinking causing a trip hazard at the landing. The base of the rails is cracked and is deteriorating.

the landing is cracked in several places and the stairs are separating. Elementary students use this stairwell daily to access the playground.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$55,000.

School Department – *Mill Pond Gym Floor Replacement* (\$215,000)

The current floor is deteriorating rapidly as large fissures and blisters appear randomly throughout the floor resulting in a trip hazard and causing a maintenance issue. Regular repair is becoming unsightly. It appears that the contractor did not follow specifications and the floor is only adhered at the edges resulting in the floor cracking excessively when it contracts and blistering in areas of expansion. The floor had a two year warranty but did not begin cracking until year three. The proposal is to install a new floor using the same type of floor as exists in the Armstrong school. The useful life of this new floor will be 15-20 years.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$215,000.

Future Years

There are three requests that must be considered in future years. These include the purchase of two fire department vehicles, replacement of the administrative vehicle fleet and replacement of the DPW fleet.

Fire Department Vehicles: The Fire Department is requesting the replacement of a Recue/Pumper for \$500,000 in FY17 and the replacement of Engine 4 for \$550,000 in FY18. The Town may consider setting up a Capital Stabilization Fund that could be funded in prior years for the purchase of these vehicles.

Administrative Vehicle Replacement: For the second year in a row this request has been rated too low to include in the five year capital plan. This creates an imbalance in Town fleet replacement. When the fleet is not routinely replaced with better conditioned vehicles down time for maintenance and repair costs increase. This year, in addition to proposing replacement of these vehicles with fuel efficient vehicles, the Town Manager also proposed that an administrative vehicle pool be set up and piloted in order to reduce the number of vehicles needed for participating departments. With ratings too low to replace vehicles within the current fleet, there will also be no pool set up.

DPW Fleet: Also, for the second year in a row, DPW request have been rated lower than all police and fire department requests. It is important for the Town to maintain its fleet in all departments so that vehicles do not become disabled when needed to perform Town services. When the fleet is not routinely replaced with better conditioned vehicles down time for maintenance and repair costs increase. The rating system may also need to be considered and tweaked in order to avoid departmental imbalance.

Appendix A
Capital Plan Proposed Funding

Dept	Item Description	Free Cash	Borrowing	R & A	Other
FY14					
Fire Department	Pumper Repairs	\$ 75,000	-	-	-
Police	Cruisers	\$ 106,500	-	-	-
School	Mill Pond - Gym Floor Replacement	\$ 215,000	-	-	-
DPW General	DPW Garage Roof - Study and Bid Specs	\$ 15,000	-	-	-
DPW Sewer	Case Backhoe		-	-	\$ 140,000
DPW General	F350 Utility (#13)	\$ 57,000	-	-	-
Library	Window Replacement	\$ 160,000	-	-	-
DPW Sewer	Chevy Astro Van (#348)		-	-	\$ 28,000
School	Fales Stairway	\$ 55,000	-	-	-
	Total	683,500	-	-	168,000
FY15					
Buildings and Grounds	Town Hall HVAC		\$ 1,104,981	-	-
Police	Cruisers	\$ 135,000	-	-	-
Library	Repair, renovate and update restrooms	\$ 63,000	-	-	-
Fire Department	4WD Vehicle	\$ 40,000	-	-	-
Council On Aging	18 Passenger Mini Bus	\$ 66,738	-	-	-
Council On Aging	Feasibility Study	\$ 100,000	-	-	-
DPW Water	Utility Truck with Plow (#141)		-	-	\$ 57,000
DPW General	DPW Garage Generator	\$ 50,000	-	-	-
DPW General	F350 Utility (#13)	\$ 57,000	-	-	-
DPW General	Drainage Maintenance	\$ 420,000	-	-	-
DPW Sewer	Chevy Astro Van (#349)		-	-	\$ 28,000
	Total	931,738	1,104,981	-	85,000
FY16					
Council On Aging	9 Passenger Van	\$ 58,799	-	-	-
Fire Department	Ambulance	\$ 50,000	-	-	\$ 150,000
Police	Cruisers	\$ 90,000	-	-	-
DPW General	Catch Basin Cleaner (#228)	\$ 170,000	-	-	-
DPW General	F350 Ford Dump (#54)	\$ 70,000	-	-	-
DPW General	F350 Utility (#10)	\$ 60,000	-	-	-
Library	Carpeting Lower Level	\$ 33,700	-	-	-
DPW General	F350 Ford Dump (#27)	\$ 60,000	-	-	-
DPW General	F350 Ford Dump (#51)	\$ 60,000	-	-	-
DPW Water	Utility Truck with Plow (#142)	\$ -	-	-	\$ 60,000
DPW Water	Service Van	\$ -	-	-	\$ 30,000
	Total	652,499	-	-	240,000

Appendix A
Capital Plan Proposed Funding

Dept	Item Description	Free Cash	Borrowing	R & A	Other
FY17					
DPW General	F350 Ford Dump (#14)	60,000	-	-	-
Fire Department	Rescue Pumper	500,000	-	-	-
Police	Cruisers	90,000	-	-	-
DPW General	Sweeper(#30)	200,000	-	-	-
DPW General	Mack 6-Wheel Dump (#23)	200,000	-	-	-
DPW Sewer	F-350 Utility/Crane	-	-	-	80,000
DPW General	CAT-IT Loader	130,000	-	-	-
DPW Sewer	Chevy Astro Van (#345)	-	-	-	28,000
DPW General	F350 Ford Dump (#220)	60,000	-	-	-
	Total	1,240,000	-	-	108,000
FY18					
Fire Department	Engine 4 Replacement	550,000	-	-	-
Police	Cruisers	135,000	-	-	-
DPW General	Mack 10-Wheeler (#24)	160,000	-	-	-
DPW General	Mack 10-Wheeler (#22)	210,000	-	-	-
	Total	1,055,000	-	-	-

Appendix B
Capital Request Rating Summary

Dept	Item Description	Estimated Cost	FY	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5	Rating 6	Rating 7	Rating 8	Average	Cumulative
FY14													
Fire Department	Pumper Repairs	75,000.00	14	28	36	50	54	50	47	56	55	47	\$ 75,000.00
Police	Cruisers	106,500.00	14	23	33	54	50	49	51	49	60	46	\$ 181,500.00
School	Mill Pond - Gym Floor Replacement	215,000.00	14	24	8	52	68	36	43	54	52	42	\$ 396,500.00
DPW General	DPW Garage Roof - Study and Bid Specs	15,000.00	14	20	17	45	48	40	36	45	55	38	\$ 411,500.00
DPW Sewer	Case Backhoe	140,000.00	14	27	13	45	49	33	37	49	52	38	\$ 551,500.00
DPW General	F350 Utility (#13)	57,000.00	14	22	8	47	58	29	37	38	52	36	\$ 608,500.00
Library	Window Replacement	160,000.00	14	18	31	52	60	35	31	44	57	41	\$ 835,238.00
DPW Sewer	Chevy Astro Van (#348)	28,000.00	14	23	10	36	47	29	30	37	40	32	\$ 863,238.00
School	Fales Stairway	55,000.00	14	24		45	68	47	35	55	44	40	\$ 1,294,981.00
FY15													
Buildings and Grounds	Town Hall HVAC	1,104,981.00	14	15	8	55	60	43	45	35	58	40	\$ 1,104,981.00
Police	Cruisers	135,000.00	15	23	33	54	50	49	51	43	60	45	\$ 1,239,981.00
Library	Repair, renovate and update restrooms	63,000.00	16	19	30	47	53	30	43	42	53	40	\$ 1,357,981.00
Fire Department	4WD Vehicle	40,000.00	15	25	24	50	50	54	37	23	47	39	\$ 1,397,981.00
Council On Aging	18 Passenger Mini Bus	66,738.00	14	29	23	44	52	27	42	55	57	41	\$ 675,238.00
Council On Aging	Feasibility Study	100,000.00	14	23	16	45	41	34	39	47	54	37	\$ 1,497,981.00
DPW Water	Utility Truck with Plow (#141)	57,000.00	15	32	15	41	49	41	37	32	52	37	\$ 1,554,981.00
DPW General	DPW Garage Generator	50,000.00	17	33	21	43	45	45	37	17	52	37	\$ 1,604,981.00
DPW General	Drainage Maintenance	420,000.00	15-17	19	26	44	49	26	28	49	48	36	\$ 2,024,981.00
DPW Sewer	Chevy Astro Van (#349)	28,000.00	15	23	10	36	47	29	30	28	40	30	\$ 2,052,981.00
FY16													
Council On Aging	9 Passenger Van	58,799.00	15	29	25	44	52	27	42	55	57	41	\$ 58,799.00
Fire Department	Ambulance	200,000.00	16	28	35	51	50	50	52	45	58	46	\$ 258,799.00
Police	Cruisers	90,000.00	16	23	33	54	50	49	51	37	60	45	\$ 348,799.00
DPW General	Catch Basin Cleaner (#228)	170,000.00	15	26	11	46	45	29	33	49	48	36	\$ 518,799.00
DPW General	F350 Ford Dump (#54)	70,000.00	14	22	8	36	58	29	37	44	52	36	\$ 588,799.00
DPW General	F350 Utility (#10)	60,000.00	16	22	19	36	58	29	37	31	52	36	\$ 648,799.00
Library	Carpeting Lower Level	33,700.00	15	15	17	42	50	38	33	37	49	35	\$ 682,499.00
DPW General	F350 Ford Dump (#27)	60,000.00	15	22	9	36	58	29	37	37	52	35	\$ 742,499.00
DPW General	F350 Ford Dump (#51)	60,000.00	15	22	14	36	59	29	37	37	46	35	\$ 802,499.00
DPW Water	Utility Truck with Plow (#142)	60,000.00	17	33	12	41	49	41	37	15	52	35	\$ 862,499.00
DPW Water	Service Van	30,000.00	16	23	9	36	49	29	30	20	52	31	\$ 892,499.00

Appendix B
Capital Request Rating Summary

Dept	Item Description	Estimated Cost	FY	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5	Rating 6	Rating 7	Rating 8	Average	Cumulative
FY17													
DPW General	F350 Ford Dump (#14)	60,000.00	16	22	14	36	59	29	37	31	46	34	\$ 60,000.00
Fire Department	Rescue Pumper	500,000.00	17	28	40	44	54	50	47	44	58	46	\$ 560,000.00
Police	Cruisers	90,000.00	17	23	33	54	50	49	51	31	60	44	\$ 650,000.00
DPW General	Sweeper(#30)	200,000.00	16	26	14	44	56	29	21	31	51	34	\$ 850,000.00
DPW General	Mack 6-Wheel Dump (#23)	200,000.00	18	22	13	36	59	30	37	16	52	33	\$ 1,050,000.00
DPW Sewer	F-350 Utility/Crane	80,000.00	16	29	20	38	49	29	37	21	42	33	\$ 1,130,000.00
DPW General	CAT-IT Loader	130,000.00	17	28	9	36	59	30	37	19	46	33	\$ 1,260,000.00
DPW Sewer	Chevy Astro Van (#345)	28,000.00	14	23	10	36	47	30	30	35	52	33	\$ 1,288,000.00
DPW General	F350 Ford Dump (#220)	60,000.00	18	22	12	36	59	29	37	15	52	33	\$ 1,348,000.00
FY18													
Fire Department	Engine 4 Replacement	550,000.00	18	28	30	49	50	50	47	31	49	42	\$ 550,000.00
Police	Cruisers	135,000.00	18	23	33	54	50	49	51	25	56	43	\$ 685,000.00
DPW General	Mack 10-Wheeler (#24)	160,000.00	18	22	9	36	59	29	37	15	52	32	\$ 845,000.00
DPW General	Mack 10-Wheeler (#22)	210,000.00	17	22	7	36	59	30	37	19	46	32	\$ 1,055,000.00
Items Rated too low to include:													
Town Manager	Administrative Vehicle Replacement	\$20,000 every other year	-16-18	11	15	43	44	35	37	18	50	32	
DPW General	Ford Explorer (#12)	32,000.00	14	20	13	36	48	28	30	33	40	31	
DPW General	Nourse Street Cemetery	280,000.00	15-17	18	25	44	55	20	23	21	41	31	
DPW General	Chevrolet Tahoe (#6)	35,000.00	18	22	12	36	48	29	30	15	52	31	
DPW General	Walker Lawnmowers	\$24,000/FY14 - \$12,000/year after	14-17	22	9	36	36	28	20	36	52	30	
DPW General	Ford Taurus (#3)	25,000.00	14	20	10	36	42	28	30	29	40	29	
DPW General	Side Mower (#38)	100,000.00	15	22	11	43	30	23	20	37	44	29	
Recreation	Rec Center Depending on MBC Study		14	14	0	49	30	35	33	35	42	30	
Recreation	Additional Athletic Fields	1,000,000.00	16	15	8	41	41	10	21	32	45	27	
Recreation	Tennis Courts at Rogers Field	85,000.00	17	13	7	38	41	7	21	17	38	23	
Recreation	Street Hockey and Skateboard Area with Fencing	115,000.00	18	10	0	40	41	6	21	9	45	22	