

## **Capital Improvement Plan FY 2017 - 2021**

### **Introduction**

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Presented in this section is the proposed FY2017-2021 CIP, the first year of which constitutes the requested FY2017 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**

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#### **2015 Capital Expenditure Planning Committee**

Harris Berger	Margy Peairs
Lisa Blazejewski	Joanne Savignac
Lydia Goldblatt	George Thompson
Ed Newton	

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 0-5 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 of each item and 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.

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## **Funding**

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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.

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.

### **FY17 Capital Budget**

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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 Capital Stabilization Account, 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 FY17-FY21. 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.

Below are the proposed projects and recommended funding sources rated high enough to be included in the FY17 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 from the Town's depreciation schedule which considers the transfer of vehicles into other departments.

DPW-General – *CAT-IT Loader (#36)* (\$175,000)

This request is to replace a 1987 CAT-IT Loader used by the Department of Public Works. This vehicle is showing signs of body rot and parts have become difficult to obtain and replacement parts and the cost of maintenance has increased. The amount of downtime for repairs has also increased. The estimated useful life of this vehicle is 7-10 years according to the state's GASB #34 guide.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$175,000.

DPW-Water – *F350 Utility Truck with Plow (#142)* (\$60,000)

This request is to replace a 2002 2500 Utility Truck used to maintain water services. Currently this truck has 65,632 miles on it and is not equipped for snow removal. The vehicle has body rot and has become unreliable with more down time required to perform maintenance. It has been difficult to pass mandatory state inspections. This vehicle has an estimated useful life of 5 years according to the state's GASB #34 guide.

Proposed Funding – This project is recommended to be funded through a transfer from Water Retained Earnings in the amount of \$60,000.

DPW-Sewer – *Sewer Grinder Installation at Pump Station* (\$50,000)

The Department of Public Works Sewer Division is seeking to install Grinders in various sewer pump stations over the next five years. This FY17 request would fund grinder installation at the West Main Street pump station. Modern wastewater grinding systems installed directly at the pump station can effectively precondition solids, including non-dispersible, into smaller pieces so the wastewater and debris can pass through the pumps without clogging.

Proposed Funding – This project is recommended to be funded through a transfer from Sewer Retained Earnings in the amount of \$50,000.

Fire Department – *Ambulance Replacement* (\$250,000)

This request is for the replacement of our 2008 Ford/Horton Ambulance. The vehicle will be approximately 10 years old when delivery of its replacement is expected. This type of

vehicle's estimated life is 10 years according to the State's Government Accounting Standards Board Guide #34. This purchase was delayed from FY 2016 due to the vehicle's integrity, however it is now showing its age and repairs are beginning to increase in cost and frequency.

Proposed Funding – This project is recommended to be funded through a transfer from Ambulance Receipts Reserved in the amount of \$200,000 and a transfer from free cash in the amount of \$50,000.

Fire Department – *4WD Vehicle* (\$50,000)

This request is to replace a 2005 Ford Explorer. This vehicle will be 12 years old at replacement time. Through shifting vehicles within the fleet and timely preventative maintenance, this vehicle has over doubled its expected service life of 5 years according to the State's Government Accounting Standards Board.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$50,000.

Police Department - *Cruisers* (\$139,348)

This request is to replace three cruisers. The cruisers slated to be replaced are those with high mileage, many idling hours and those costing the department the most to maintain. Ford estimates that each idling hour is equivalent to the vehicle having driven 33 miles. The department requests to replace cruisers equipped with Mobile Data Terminals and moving radar units each year in order to keep the fleet in good working condition. The state GASB #34 guide estimates a 5 year useful life on this type of vehicle.

Proposed Funding – This request is recommended to be funded through a transfer from free cash in the amount of \$139,348.

Recreation Department – *Tennis Courts on Lyman Street* (\$57,500)

This request would fund the building of two tennis courts on Lyman Street for a total of five usable tennis courts in Town. The Recreation Department already has approval from the conservation committee to use the space at Lyman St and DPW can save the town some money by doing some of the site work. The Recreation Department had 168 tennis participants between summer clinics, adult and youth lessons. Some of these summer programs were filled with a waiting list.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$57,500.

School Department – *Repoint Mill Pond Masonry Column and Reconstruct Mechanical Equipment Column/Fencing* (\$70,000)

This request would fund the repointing of masonry columns at Mill Pond School and reconstruction of mechanical equipment columns and fencing. At the Main Entrance there are six masonry columns that are showing efflorescence. Joints in masonry are opening up at connections to steel pergola. It was not seen, but this is probably also occurring where the pergola columns pass through the concrete caps allowing water to enter the masonry. Approximately 1000 SF of column wall needs repointing and 12 LF of joints needs mortar racked out and replaced with sealant and backer rod.

Mechanical Equipment area is fenced in and has 10 brick columns with Concrete caps around perimeter. Most of the columns have efflorescence visible towards the top. Five have major cracks. In lieu of repointing and reconstruction of the existing masonry the columns surrounding the Mechanical Equipment will be demolished and the fencing reconstructed. The columns were originally constructed for cosmetic purposes only.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$70,000.

*Capital Stabilization Fund – (\$150,000)*

This request is to fund the capital stabilization fund which currently has \$177,903. Of this amount, \$115,000 has been allocated for the replacement of Rescue 1 in FY18 and \$60,000 is reserved for the purpose of building a cemetery located on Nourse Street. This request would add \$90,000 to the capital stabilization fund for the purchase of the Rescue 1 and add \$60,000 for the purpose of building the proposed cemetery.

Proposed Funding – The fund is recommended to be increased through a transfer from Free Cash in the amount of \$150,000.

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### **Future Years**

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**Council on Aging:** The Council on Aging requested replacement of their smaller bus in FY18. The larger bus will be replaced using a gift fund. The COA has proposed that their buses be on a fleet replacement schedule where one bus is replaced every five years.

**Library:** The Library Board of Trustees has not proposed any projects for FY17-FY21. The Library continues to work toward renovation of their current space through grant funding opportunities.

**School Department:** The school department presented a report from the consultant who identified and prioritized maintenance issues and capital needs in the all school buildings. The Director of Buildings and Grounds is currently working through the list to make repairs using available resources. This list was used to determine the need for the FY17 request and will be used going forward in determining future capital needs.

APPENDIX A  
CAPITAL PLAN PROPOSED FUNDING

Dept	Item Description	Free Cash	Borrowing	R & A	Other
<b>FY17</b>					
DPW General	CAT-IT Loader	\$ 175,000.00			
DPW Sewer	Sewer Grinder Installation at Pump Station			\$ 50,000.00	
DPW Water	F350 Utility Truck with Plow (#141)			\$ 60,000.00	
Fire Department	2008 Ambulance	\$ 50,000.00		\$ 200,000.00	
Fire Department	2005 4WD Vehicle	\$ 50,000.00			
Police	Cruisers	\$ 139,348.00			
Recreation	Tennis Courts at Lyman Street	\$ 57,500.00			
School	Repaint Mill Pond Masonry Column and Reconstruct Mechanical Equipment Column/Fencing	\$ 70,000.00			
<b>Capital Stabilization Fund - Cemetery Development</b>		\$ 60,000.00			
<b>Capital Stabilization Fund - Fire Rescue 1</b>		\$ 90,000.00			
	<b>FY17 TOTAL</b>	<b>\$ 691,848.00</b>		<b>\$ 310,000.00</b>	
<b>FY18</b>					
Council On Aging	12 Passenger Van	\$ 66,221.00			
DPW General	F350 Ford Dump (#220)	\$ 60,000.00			
DPW Sewer	Sewer Grinder Installation at Pump Station			\$ 50,000.00	
Fire Department	Portable Radio Replacement	\$ 75,000.00			
Fire Department	Recue 1 Replacement		\$ 350,000.00	\$ 200,000.00	
Police	Cruisers	\$ 94,000.00			
<b>Capital Stabilization Fund - Cemetery Development</b>		\$ 75,000.00			
	<b>FY18 Total</b>	<b>\$ 370,221.00</b>	<b>\$ 350,000.00</b>	<b>\$ 250,000.00</b>	
<b>FY19</b>					
DPW General	10-Wheeler "Autocar" Sander (#287)		\$ 210,000.00		
DPW General	CAT-IT Loader	\$ 150,000.00			
DPW Sewer	Sewer Grinder Installation at Pump Station			\$ 50,000.00	
DPW Water	F350 Utility Truck with Plow (#142)			\$ 60,000.00	
Fire Department	Portable Radio Replacement	\$ 75,000.00			
Fire Department	2007 4WD Vehicle	\$ 55,000.00			
Police	Cruisers	\$ 94,000.00			
<b>Capital Stabilization Fund - Cemetery Development</b>		\$ 75,000.00			
	<b>FY19 Total</b>	<b>\$ 449,000.00</b>	<b>\$ 210,000.00</b>	<b>\$ 110,000.00</b>	
<b>FY20</b>					
DPW General	Mack 6-Wheel Dump (#286)	\$ 180,000.00			
DPW Sewer	Sewer Grinder Installation at Pump Station			\$ 50,000.00	
DPW Water	Service Van (#144)			\$ 50,000.00	
Fire Department	Replace Personal Protective Equipment	\$ 155,000.00			
Fire Department	2010 Ambulance Replacement	\$ 150,000.00		\$ 150,000.00	
Police	Cruisers	\$ 141,000.00			
<b>Capital Stabilization Fund - Cemetery Development</b>		\$ 75,000.00			
	<b>FY20 Total</b>	<b>\$ 701,000.00</b>		<b>\$ 250,000.00</b>	
<b>FY21</b>					
DPW General	F450 Ford Dump (#62)	\$ 72,000.00			
DPW General	Mack 6-Wheel Dump (#281)	\$ 180,000.00			
DPW General	Mechanical Sweeper (#229)	\$ 200,000.00			
DPW Sewer	Sewer Grinder Installation at Pump Station			\$ 50,000.00	
Fire Department	Defibrillators	\$ 150,000.00			
Police	Cruisers	\$ 94,000.00			
<b>Capital Stabilization Fund - Cemetery Development</b>		\$ 60,000.00			
	<b>FY21 Total</b>	<b>\$ 756,000.00</b>		<b>\$ 50,000.00</b>	

## APPENDIX B

### CAPITAL REQUEST RATING SUMMARY

Dept	Item Description	Estimated Cost	FY	Rater 1	Rater 2	Rater 3	Rater 4	Rater 5	Rater 6	Rater 7	Average
FY17											
Fire Department	2008 Ambulance	\$ 250,000.00	FY17	22	20	34	29	26	25	23	26
Police	Cruisers	\$ 139,348.00	FY17	22	21	33	28	26	20	23	25
Fire Department	2005 4WD Vehicle	\$ 50,000.00	FY17	22	19	34	29	24	17	21	24
School	Repoint Mill Pond Masonry Column and Reconstruct Mechanical Equipment Column/Fencing	\$ 70,000.00	FY17	25	23	33	14	23	23	19	23
DPW General	CAT-IT Loader	\$ 175,000.00	FY17	22	13	28	21	24	29	18	22
DPW Water	F350 Utility Truck with Plow (#141)	\$ 60,000.00	FY17	22	17	28	17	24	29	20	22
DPW Sewer	Sewer Grinder Installation at Pump Station	\$ 50,000.00	FY17	25	15	28	16	21	23	18	21
Recreation	Tennis Courts at Lyman Street	\$ 57,500.00	FY17	22	22	16	18	19	17	17	19
	Ambulance Receipts Reserved	\$ (200,000.00)									
	Capital Stabilization Fund - Cemetery Development	\$ 60,000.00									
	Capital Stabilization Fund - Fire Rescue 1	\$ 90,000.00									
	FY17 TOTAL	\$ 801,848.00									
FY18											
Fire Department	Portable Radio Replacement	\$ 75,000.00	FY18	25	25	34	29	26	28	25	27
Fire Department	Recue 1 Replacement	\$ 550,000.00	FY18	22	19	34	29	26	20	23	25
Police	Cruisers	\$ 94,000.00	FY18	22	16	33	28	26	20	23	24
DPW General	F350 Ford Dump (#220)	\$ 60,000.00	FY18	22	16	28	21	24	29	18	23
Council On Aging	12 Passenger Van	\$ 66,221.00	FY18	22	19	28	23	16	18	20	21
DPW Sewer	Sewer Grinder Installation at Pump Station	\$ 50,000.00	FY18	25	15	28	16	21	23	18	21
	Capital Stabilization Fund - Appropriate from Cap Stabilization Fund for Fire Rescue 1	\$ (200,000.00)									
	Capital Stabilization Fund - Cemetery Development	\$ 75,000.00									
	FY18 Total	\$ 770,221.00									
FY19											
Fire Department	Portable Radio Replacement	\$ 75,000.00	FY19	25	25	34	29	26	28	25	27
Fire Department	2007 4WD Vehicle	\$ 55,000.00	FY19	22	22	34	29	24	24	21	25
Police	Cruisers	\$ 94,000.00	FY19	22	15	33	28	26	20	23	24
DPW General	10-Wheeler "Autocar" Sander (#287)	\$ 210,000.00	FY19	22	14	28	23	24	29	20	23
DPW General	CAT-IT Loader	\$ 150,000.00	FY19	22	14	28	19	24	29	19	22
DPW Water	F350 Utility Truck with Plow (#142)	\$ 60,000.00	FY19	22	13	28	17	24	29	20	22
DPW Sewer	Sewer Grinder Installation at Pump Station	\$ 50,000.00	FY19	25	15	28	16	21	23	18	21
	Capital Stabilization Fund - Cemetery Development	\$ 75,000.00									
	FY19 Total	\$ 769,000.00									
FY20											
Fire Department	Replace Personal Protective Equipment	\$ 155,000.00	FY20	25	22	38	29	26	25	24	27
Fire Department	2010 Ambulance Replacement	\$ 300,000.00	FY20	22	19	38	29	26	25	23	26
Police	Cruisers	\$ 141,000.00	FY20	22	14	33	28	26	20	23	24
DPW General	Mack 6-Wheel Dump (#286)	\$ 180,000.00	FY19	22	12	28	19	24	29	19	22
DPW Sewer	Sewer Grinder Installation at Pump Station	\$ 50,000.00	FY20	25	15	28	16	21	23	18	21
DPW Water	Service Van (#144)	\$ 50,000.00	FY20	22	11	28	17	21	29	17	21
	Ambulance Receipts Reserved	\$ (150,000.00)									
	Capital Stabilization Fund - Cemetery Development	\$ 75,000.00									
	FY20 Total	\$ 801,000.00									



## APPENDIX B

### CAPITAL REQUEST RATING SUMMARY

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