

# **Capital Improvement Plan**

## ***FY 2013 - 2017***

### **Introduction**

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Presented in this section is the proposed FY2013-2017 CIP, the first year of which constitutes the requested FY2013 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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#### **2011 Capital Expenditure Planning Committee**

|                 |                 |
|-----------------|-----------------|
| Skip Ashton     | James Meikle    |
| Diane Collins   | Joanne Savignac |
| Lydia Goldblatt | Bruce Tretter   |
| Bill Linnane    |                 |

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 seeking to replace or obtain a capital item or to complete a capital project must submit a "Project Proposal". This year the School Department also participated in the process in an effort to include this department's estimated capital costs in the five year CIP. The Capital Expenditure Planning Committee will continue to work closely with the school to ensure that the CIP captures the full cost of the entire Town's capital needs.

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.

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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. This figure is \$805,323. The Annual Replacement Value was then divided by the FY12 Budget (\$86,481,624) 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.

### **FY13 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 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 FY13-FY17. 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 are two items that were rated high by the Capital Expenditure Planning Committee which are not being recommended in FY13 because they are dependent on the outcome of the warrant article proposing the renovation of the Forbes Municipal Building, Town Hall, building of a new Fire Station and a new Recreation Center.

Below are the proposed projects and recommended funding sources rated high enough to be included in the FY13 Capital Improvement Plan Article.

#### **Fire Department – *Hurst Tool replacement* (\$69,500)**

This request is to replace the department's Hurst Tool, also known as the "jaws of life". This will include cutters, spreaders, chains and related equipment. The current Hurst Tool is a 15 year old, 3<sup>rd</sup> generation tool.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$62,400.

**Fire Department - 2004 Ambulance (\$190,000)**

This request is to replace the department's 2004 ambulance.

Proposed Funding– This project is recommended to be funded through a transfer from free cash in the amount of \$100,000 and a transfer from the Ambulance fund in the amount of \$90,000.

**Library - *Carpeting Main Level* (\$55,000)**

This request is to replace ten year old carpeting in the main level of the library. The current carpeting is showing extreme wear and rippling. It was installed with no carpet pad and was glued on tile which is now showing through the carpet. Two carpet companies have declined repairing it, saying that stretching it any further would cause it to tear. New carpeting will be with carpet tiles that are easily replaced if staining or wear occurs. This will also enable the staff to rearrange shelving to use our space more efficiently will be severely limited until carpeting is replaced because current carpeting was installed and cut around the book shelves.

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

**Library - *Parkman Street Entrance* (\$4,800)**

This request is to repair or replace the 31 year old handicapped-accessible door at the Parkman Street entrance which has worn out. The door often will not close all the way during snow season, causing heat loss and ice buildup along the ground. In addition, disabled patrons have been trapped between the automatic door and the manual pull-open glass door. This request will allow the library to meet the requirements of the Americans with Disabilities Act.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$4,800.

**Police Department - *Cruisers* (\$88,000)**

This request is to replace cruisers. The department requests to replace cruisers equipped with Mobile Data Terminals each year in order to keep the fleet in good working condition.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$88,000.

**DPW-General - *Drainage Maintenance-Evaluation* (\$70,000)**

This request is to perform a Drainage Evaluation to evaluate corrugated metal drainage pipes and culverts in various locations in town. These funds are for engineering evaluations, camera work and recommendations. Also request seeks to establish an annuity type funding to rehab/replace corrugated metal drain pipes found to need replacement in the 2013 study. Funding is expected to increase to \$150,000 in FY15, 16.

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

**DPW-General - *Nourse Street Cemetery-Survey Work and Cut Road* (\$30,000)**

This request is to develop a new cemetery to provide adequate space for burials. The proposed timeline for this project is to perform survey work and cut road in for FY13, pave roads in FY14, clear the first section of the cemetery in FY15 and develop the burial area in FY16.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$30,000.

**DPW-General – *1985 Mack 10-Wheeler* (\$125,000)**

This request is to replace a 1985 Mack 10-Wheeler Dump. Currently the vehicles have become unreliable with excessive body rot, are difficult to obtain replacement parts. 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 \$125,000.

**DPW-General - *Lease to replace 1999 Sterling Vac Sweeper* (\$45,000)**

This request is to lease a Sterling Vac Sweeper to replace a 1999 Sterling Vac Sweeper at a cost of \$45,000 per year for five years.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$45,000.

**DPW-Water - *Repair Roof at Fisher Street Water Plant* (\$38,000)**

This request is to repair the roof at the Fisher Street Water Treatment Plant which has developed roof leakage.

Proposed Funding – This project is recommended to be funded through a transfer from Water Retained Earnings in the amount of \$38,000.

**DPW-Water - *1984 Mack Dump Truck* (\$55,000)**

This request is to replace a 1984 Mack Dump Truck which is used for emergency water breaks and snow operations.

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