

FY07 Capital Planning Committee Report

The Town Bylaws require that the Capital Planning Committee report on all proposed capital improvements before a Town Meeting vote. The Bylaws also require that the Committee recommend a capital improvement budget for the next fiscal year and a plan for the next four fiscal years. Consequently, this report has two sections: (1) the recommended capital improvement budget for FY07 and a plan for FY08 through FY11 [General Fund, Water Enterprise Fund, and Wastewater Enterprise Fund] and (2) other proposed capital improvements the Committee supports.

Recommended Budgets and Plans

Each September, the Budget Advisory Board allocates a specific amount of surplus revenue (free cash) to the Capital Planning Committee to develop its budget for the next fiscal year. This year, the Budget Advisory Board allocated \$515,000. But, because of the town's financial situation, the Committee is recommending the expenditure of only \$319,600.

With this introduction, a FY07 budget and a plan for FY08 to FY11 has been developed and is contained on pages 3 to 5. The specific capital items recommended¹ for purchase in FY07 are:

General Fund

Solid Waste:

1. Transfer Station Control Tower (\$26,000): Current Tower was used equipment when installed in 1988. Tower is rotting and hence a safety concern.
6. A 75 C.Y. Ejection Trailer (\$51,000): Purchase of the fourth and final ejection trailer needed to reliably dispose of the trash deposited by residents at the transfer station.

Fire Department:

2. Refurbish Brush Truck (\$57,000): Fifteen-year-old brush truck has deteriorating steel body that could result in catastrophic failure. Replacing the truck would cost over \$300,000. But for \$57,000 repairs can be made such that the truck would stay in service until 2023.

Police Department:

3. Four Wheel Drive Vehicle (\$35,000): Replacing an eight-year-old four-wheel drive vehicle. With winters producing 38-inch snowstorms, a four-wheel drive vehicle is essential in getting around town and, in weaker snowstorms, for reaching the rural areas in town.
4. Two Patrol Cars (\$59,600): Cars patrol the three sectors of the town thereby providing a timely police response. These frontline cars are always running racking up an effective mileage of over 100,000 miles a year. Old cars will be auctioned off or provided to other departments for their use. Traditionally the Town has approved the purchase of three cars each year. However in view of the Town finances, the Committee recommends two cars this year with three cars next year.
7. Planning Facility Renovation/ Expansion (\$25,000): The existing facility was built in 1986 and was designed for 18 officers and dispatchers. Over the past twenty years the Police force has grown to 39 officers and dispatchers; communications equipment has expanded to an Enhanced 911 Dispatch system and the documentation needed to prosecute criminals had ballooned beyond belief. In addition, there are the inevitable problems with a 21-year-old building: leaky roof rotted exterior trim, floor drain problems and insufficient electrical service/equipment [exterior lights, light switches exterior cameras and monitors]. This appropriation will fund the design work needed to modernize/renovate this outdated aging facility and provide a realistic cost estimate plus schedule.

¹ The numbers given here and in the spreadsheet (following the amounts) reflects the Committee's priority.

Streets, Trees & Parks Department:

5. Truck with four-wheel drive & Sander (\$66,000): Replaces an old pickup truck with a new four-wheel drive truck with sander and plow. The sander capability is needed to maintain clear ice-free roads.

Debt:

For the General Fund we only show the included debt [which must be included within the revenue limitations of Proposition 2 ½]. Note that three existing bonds are completed in FY08 or FY10 thereby reducing the yearly debt service by roughly \$170,000. This reduction plus the normal reduction for included debt will result in an overall reduction of \$221,040 by FY2011. It is this reduction in included debt service that many Capital Planning Committees use to schedule construction/maintenance projects (such as the police station) without increasing real estate taxes.

Water Enterprise Fund

As an Enterprise Fund, the Water Department finances are completely separate from the General Fund and depends upon its own revenues (user fees and hookup fees). The Water Department capital improvements supported by the Capital Planning Committee are:

Testing, Permitting, Interim Construction of I-86 (\$150,000): Continued preliminary work to bring a new well on-line.

System Upgrades (\$350,000): Funds to improve the distribution system in conjunction with the sewer system expansion.

Meter Replacement (\$150,000): Second phase of a multiyear program to convert the existing meters that are read over the telephone to radio read units.

The Capital Planning Committee does not support the Water Department's request for a new pickup truck (\$37,000). The Committee believes that the Water Department can get another year of service from their trucks as other Town departments do.

Although the existing water debt is 25% of the budget, the ongoing bond sale is projected to increase the debt service to 34% of the budget. Close attention must be given to future borrowing.

Wastewater Enterprise Fund

As an Enterprise Fund, the Wastewater Department finance is completely separate from the General Fund and depends upon its own revenues (user fees, septage fees and hookup fees). The Wastewater Department capital improvements supported by the Capital Planning Committee are:

Portable Pump Station (\$25,000): Safety issue – provides backup capability for a pump station that goes offline for any reason.

Software Upgrade (\$15,000): Upgrading monitor system operating system to Windows XP so they are compatible with plants PCs.

Supported Capital Improvements

The following capital improvement is supported by the Capital Planning Committee but could not be funded by the surplus revenue allocated to the Committee. The Committee supports these capital improvements provided a suitable source of funds can be found. The supported capital improvement is:

Article 9 Additional Funding for Phase II: The Capital Planning Committee recommends favorable action for this article so the sewer extension, approved at an earlier Town Meeting, can be properly completed.

FY07 CAPITAL IMPROVEMENT BUDGET AND PLAN

<u>Solid Waste</u>	<u>FY07</u>		<u>FY08</u>		<u>FY09</u>		<u>FY10</u>		<u>FY11</u>
-									
Transfer Station Control Tower	\$26,000	1							
75 C.Y. Ejection Trailer	\$51,000	6							
40 C.Y. Pushout Trailer			\$17,000						
Reconfiguration of Transfer Station					\$900,000				
	\$77,000		\$17,000		\$900,000		\$0		\$0
<u>Fire Department</u>	<u>FY07</u>		<u>FY08</u>		<u>FY09</u>		<u>FY10</u>		<u>FY11</u>
-									
Refurbish Brush Truck	\$57,000	2							
Ambulance 2			\$165,600						
Needs Assessment (Smith Lane Station)					\$25,000				
Car 3					\$35,000				
Car 1					\$35,000				
Surprise Hose House Maintenance					\$100,000				
Addition to Smith Lane Station							\$500,000		
Ambulance 1							\$175,000		
E-One Pumper							\$400,000		
Rescue Boat									\$50,000
	<u>\$57,000</u>		<u>\$165,600</u>		<u>\$195,000</u>		<u>\$1,075,000</u>		<u>\$50,000</u>
<u>Police Department</u>	<u>FY07</u>		<u>FY08</u>		<u>FY09</u>		<u>FY10</u>		<u>FY11</u>
Marked 4 Wheel Drive Vehicle	\$35,000	3							
Marked Patrol Cars (2)	\$59,600	4	\$97,500		\$68,250		\$112,110		\$75,000
Planning, Facility Renovation/Expansion	\$25,000	7							
Facility Renovation/Expansion			\$1,000,000						
Radio System Upgrade			\$150,000						
Computer System Hardware Upgrade					\$150,000				
	<u>\$119,600</u>		<u>\$1,247,500</u>		<u>\$218,250</u>		<u>\$112,110</u>		<u>\$75,000</u>
<u>Streets, Trees & Parks</u>	<u>FY07</u>		<u>FY08</u>		<u>FY09</u>		<u>FY10</u>		<u>FY11</u>
Truck with four wheel drive & Sander	\$66,000	5							
Street Sweeper			\$115,000						
Tractor with Plow			\$120,000						
Vehicle Wash Bay					\$100,000				
Additional Storage Space					\$240,000				
Skid Steer W/Attachments					\$57,000				

35,000 GCW Dump Truck			\$106,000	\$107,000	\$108,000
Catch Basin Cleaner	\$66,000	\$235,000	\$503,000	\$347,000	\$108,000

Recreation Commission

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Reed House Back Steps/ Concrete Area		\$40,000			
Reed House Parking Lot Renovation			\$25,700		
Pave Area into Opachinski Complex				\$150,000	
Camp Nekon Revitalization					\$260,000
	\$0	\$40,000	\$25,700	\$150,000	\$260,000

Library

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Preliminary Design Development					\$20,000
	\$0	\$0	\$0	\$0	\$20,000

TOTAL COST \$319,600 \$1,705,100 \$1,841,950 \$1,684,110 \$513,000

RECOMMENDED FUNDING SOURCE

Surplus Revenue	\$319,600	\$705,100	\$701,950	\$784,110	\$233,000
Borrowing	\$0	\$1,000,000	\$1,140,000	\$900,000	\$260,000
Total	\$319,600	\$1,705,100	\$1,841,950	\$1,684,110	\$493,000

EXISTING INCLUDED DEBT

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Outstanding Principle*	\$25,505,000	\$23,940,000	\$22,315,000	\$20,780,000	\$19,180,000
Debt Service:	\$490,520	\$476,885	\$427,777	\$414,146	\$269,480
Debt Service Reduction:		\$13,635	\$62,743	\$76,374	\$221,040

\$570,000 Landfill Closure Bonds: Last payment in FY08
 \$490,000 Highway Garage Bonds: Last payment in FY10
 \$930,000 Kelleher Land Acquisition Bonds: Last payment in FY10

* At beginning of fiscal year

WATER ENTERPRISE FUND

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Testing, Permitting, Interim Const of I-86	\$150,000				
System Upgrades	\$350,000		\$400,000		\$400,000

Meter Replacement	\$150,000	\$250,000	\$250,000	\$250,000	\$250,000
Pick-up Truck (1 ton)		\$37,000	\$37,000		\$37,000
Clean Trackle Pond		\$75,000			
I-86 Well On Line		\$1,125,000			
Clean Soule's Pond			\$75,000		
Dump Truck				\$50,000	
Clean Millgate				\$75,000	
Clean South Street					\$75,000
	<u>\$650,000</u>	<u>\$1,487,000</u>	<u>\$762,000</u>	<u>\$375,000</u>	<u>\$762,000</u>

RECOMMENDED FUNDING SOURCE

Water Receipts		\$37,000	\$37,000	\$50,000	\$37,000
Water Enterprise Surplus Revenue	\$300,000	\$250,000	\$250,000	\$250,000	\$250,000
Borrowing	<u>\$350,000</u>	<u>\$1,200,000</u>	<u>\$475,000</u>	<u>\$75,000</u>	<u>\$475,000</u>
	\$650,000	\$1,487,000	\$762,000	\$375,000	\$762,000
Needed Revenue	\$0	\$0	\$0	\$0	\$0

EXISTING DEBT

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Outstanding Principle*	\$3,110,000	\$2,855,000	\$2,600,000	\$2,345,000	\$2,090,000
Debt Service:					
Amount	\$382,783	\$373,908	\$364,158	\$354,308	\$344,358
% of Budget	25.0%	24.4%	23.8%	23.2%	22.5%

* At beginning of fiscal year

WASTEWATER ENTERPRISE FUND

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Portable Pump Station	\$25,000				
Software Upgrade	\$15,000				
	<u>\$40,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

RECOMMENDED FUNDING SOURCE

Wastewater Surplus Revenue	<u>\$40,000</u>
	\$40,000