

Capital Improvement Plan
FY 2020 - 2024

Introduction

Presented in this section is the proposed FY2020-2024 CIP, the first year of which constitutes the requested FY2020 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

2018 Capital Expenditure Planning Committee

Bruce Tretter, Chair	Selectmen Representative
Jim Ball	Planning Board Representative
Stephen Doret	School Committee Representative
Robert Haley	Treasurer/Collector
Sean Keogh	AFC Representative
Lisa Blazejewski	Moderator Appointment
Susan Woodcock	Moderator Appointment

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 nine 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.

Fuel Efficiency – In 2018 the Town adopted a policy for Fuel Efficient Vehicles as part of the initiative to become certified as a Green Community. The Capital Planning Expenditure Committee considered this policy in their ratings but it has not been formally worked into the Capital Plan rating materials.

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.

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.

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.

FY20 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 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 FY20-FY24. 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 FY20 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.

It is unclear at this time if the School Department will need to replace the fire alarm panels prior to the March Annual Town Meeting. If these are replaced prior to ATM, the Capital Planning Expenditure Committee has identified a request from the DPW to replace a F350 Ford Dump (#220) at \$80,000 request as well as additional money for the Fire Department Capital Stabilization Fund to be moved into the FY20 capital plan year request.

DPW-Sewer – Sewer Grinder Installation at Pump Station (\$60,000)

The Department of Public Works Sewer Division is seeking to install Grinders in various sewer pump stations over the next five years. This FY19 request would fund grinder installation at Willy's Pump Station 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 and/or causing pump failure.

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

DPW-Water – Replace Fire Hydrants (\$30,000)

The DPW Water Division is continuing to implement a fire hydrant program in which the Town will replace ten (10) fire hydrants that began in FY19. Many of the hydrants within town are antiquated and are in need of replacement. Parts for old hydrants are difficult to obtain, while newer hydrants open easier and are more efficient due to newer technology and less overall wear. Also new hydrants do not have the problem of leakage, avoiding potential cross connection issues of water loss.

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

DPW-Water – *Service Van (#144)* (\$50,000)

The DPW Water Division is seeking to replace #144, 2011 Service Van in Capital Planning Year 2020 and replace it with a F350 Utility Truck w/plow. This vehicle is used by the Water Division for monitoring water stations, transporting equipment, water service calls & emergency repair calls. The new vehicle can perform snow duties as well. This vehicle has body rot, it has become unreliable, it is being serviced more often and parts are getting difficult to obtain. This vehicles estimated useful life is five years according to the states GASB#34 guide which provides bureau recommended capital assets, depreciation and estimated useful lives for municipal fixed assets

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

Fire Department – *Ambulance Equipment* (\$138,000)

Each ambulance is equipped with a cardiac monitor which is capable of monitoring heart rhythm, performing 12 lead EKG's, monitoring pulse oximetry, end tidal CO2 monitoring, pace maker, and cardioversion. These tools are used on nearly every ambulance call and often times directly relate to level of care provided and speed to specialty services. This piece of equipment, although expensive, is critical to delivering high quality EMS within our community. This purchase would replace four cardiac monitors that are now 10 years old. Current equipment does not meet the technological demands that the department of public health desires. Newer equipment will permit Bluetooth transmission of data into electronic charting and facilitate transmission of EKG's to awaiting physicians thus reducing time to critical interventions. Also, there is a demand for ventilators to support an increase of "trach dependent" patients at Whittier Rehab and Westborough Healthcare. Cost would be recovered via specialized billing. Lastly, the Department of Public Health is requesting that all EMS services transition to IV Pumps to reduce medication errors and improve patient care.

Proposed Funding – This project is recommended to be funded through a transfer from free cash in the amount of \$138,000.

Police Department – *Mobile Radio Replacement* (\$91,000)

These mobile radios are approaching 16 years old or older and are quickly nearing their end of life. The model of radios we have in the cruisers are no longer manufactured and replacement parts are becoming difficult to purchase. There has been much advancement in radio technology since these radios were purchased. The current radios do not have the capability to utilize every radio frequency that is currently being used by local law enforcement agencies. The new radios would include the capability to do just that. The

new mobile radios would allow us to match the capabilities of the new portable radios we received in FY18.

Proposed Funding – This request is recommended to be funded through a transfer from free cash in the amount of \$91,000.

Police Department - *Cruisers* (\$265,000)

Police vehicles are often used 24 hours a day and 7 days a week. In order to properly manage the fleet a regular replacement schedule is needed to ensure the fleet does not become unreliable. A regular replacement schedule also improves officer safety and cuts down on maintenance costs. Having just one cruiser out of service puts a strain on the department's operations. The intention of this proposal is to: (1) replace two of the oldest cruisers including related equipment; (2) add two vehicles to the fleet; (3) buy out the lease on the Chief's cruiser. This proposal has increased due to a need to increase the fleet and increased equipment costs. We also anticipate increasing the fleet moving forward. The prices are based on the Plymouth County Commissioners bid.

Proposed Funding – This request is recommended to be funded through a transfer from free cash in the amount of \$265,000.

Recreation Department – *Accessibility Improvements at Haskell Park* (\$53,765)

There is a proposed change to 521 CMR that would deem wood chips unacceptable access routes within playgrounds for persons with disabilities. The proposed change reads “The ground surface of use zones, accessible routes and turning spaces within play areas shall be firm, stable and slip resistant, permanent, and constructed of materials such as rubber resilient surfacing, urethane rubber composites or similar; and comply with commonly accepted impact attenuation criteria for safety surfacing materials within the use zones of play area equipment. Loose fill surfaces and aggregate surfaces including wood fiber, bark mulch, wood chips, shredded rubber, shredded foam, etc. are not acceptable for accessible routes within the playground.”

Proposed Funding – This request is recommended to be funded through a transfer from free cash in the amount of \$53,765.

School Department – *Mill Pond – Main Fire Alarm Panel Replacement* (\$60,000)

The Mill Pond School's existing Main Fire Alarm Panel is obsolete and parts are no longer manufactured or available from the Manufacturer, RB Allen Company. The Fire Alarm Panel must be replaced. RB Allen Company is the only manufacturer that can supply a replacement panel that will communicate with the existing Fire Alarm System.

Proposed Funding – This request is recommended to be funded through a transfer from free cash in the amount of \$60,000.

School Department – *High School – Main Fire Alarm Panel Replacement* (\$80,000)

The High School’s existing Main Fire Alarm Panel is in a failed condition. During the recent repair operations to remedy the deficiencies identified during the annual Fire Alarm Inspections, the repair company, AETNA, was unable to clear 5 “Trouble Alerts” because parts are no longer manufactured or available from the Manufacturer, RB Allen Company. The Fire Alarm Panel is obsolete and must be replaced. RB Allen Company is the only manufacturer that can supply a replacement panel that will communicate with the existing Fire Alarm System.

Proposed Funding – This request is recommended to be funded through a transfer from free cash in the amount of \$80,000.

Town Finance Departments (Finance/Treasurer/Collector/Assessor) – *Integrated Financial Software and Associated Training* (\$175,000)

This request would integrate the software packages for Assessing, Collections and General Ledger. The current Treasurer/Collector’s software is outdated and inadequate. Maintaining the current software (CollectPro) results in duplication of effort, inefficiency, and creates an increased likelihood of errors. This proposal also covers the cost of the upgrade to the Assessing software. The software we currently use is outdated and insufficient for the complexity of the property, both personal and real, in Westborough. The new software will enable us to more efficiently and accurately value property. For example, the new software will allow for true blended income approaches for mixed use property compared to the current software that limits the factors to a single income approach often requiring us to complete analysis outside of the system and making adjustments to enter into the system. The current Collection software (same company) will not work with the Assessing software once the upgrade is complete. The two programs reside on the same server and the fact they won’t interconnect once the upgrade is complete makes the upgrade impractical. Current Collection software is also completely independent of General Ledger requiring thousands of transactions to be manually entered between the two offices. The current T/C’s software has no audit trail making it impossible to tell if someone deleted / adjusted entries.

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

Future Years

Fuel Efficient Vehicles Policy: In 2018 the Green Technology Advisory Group developed a Fuel Efficiency policy to serve as a guideline for the Capital Planning Expenditure Committee as part of the Green Community designation process. This policy was considered in the 2018 ratings but will be more formally incorporated into the Capital Planning process in 2019.

Fire Hydrant Replacement: This is recommended to become part of the budget in FY21 as this is an ongoing expense.

Priority Ratings: While this has been discussed in the past, the Capital Planning Expenditure Committee will require all departments to set clear priorities in future capital planning requests. Prioritization of requests by department heads informs the committee as they work through their ratings and attempt to meet the department needs.

Appendix A

Dept	Item Description	Free Cash	Borrowing	R & A	Other
FY20					
DPW Sewer	Sewer Grinder Installation at Pump Station				\$60,000.00 Sewer Retained Earnings
DPW Water	Replace 10 Fire Hydrants				\$30,000.00 Water Retained Earnings
DPW Water	Service Van (#144)				\$50,000.00 Water Retained Earnings
Fire Dept.	Ambulance Equip (Cardiac Monitors, IV Pumps, Ventilators)	\$138,000.00			
Police Dept.	Mobile Radio Replacement	\$91,000.00			
Police Dept.	Police Cruisers	\$265,000.00			
Recreation Dept.	Accessibility Improvements at Haskell Park	\$53,765.00			
School Dept.	Mill Pond - Main Fire Alarm Panel Replacement	\$60,000.00			
School Dept.	HS- Main Fire Alarm Panel Replacement	\$80,000.00			
Town Finance Depts	Integrated Financial Software and Associated Training	\$175,000.00			
	Total	\$862,765.00			\$140,000.00
FY21					
DPW Sewer	Sewer Grinder Installation at Pump Station				\$50,000.00 Sewer Retained Earnings
DPW Water	Replace 10 Fire Hydrants				\$30,000.00 Water Retained Earnings
Fire Dept.	Replace SCBA Units	\$325,000.00			
Fire Dept.	Capital Stabilization Fund			\$50,000.00	
Fire Dept.	2007 4WD Vehicle (Car #3)	\$79,000.00			
Police Dept.	Police Cruisers	\$220,000.00			
Police Dept.	Firearms Training Facility Improvements	\$200,000.00			
	Total	\$824,000.00		\$50,000.00	\$80,000.00
FY22					
DPW Sewer	Sewer Grinder Installation at Pump Station				\$50,000.00 Sewer Retained Earnings
DPW Water	Replace 10 Fire Hydrants				\$30,000.00 Water Retained Earnings
DPW Water	F350 Utility Truck w/Plow (#142)				\$80,000.00 Water Retained Earnings
Fire Dept.	2013 Ambulance Replacement	\$15,000.00			\$270,000.00 Ambulance Receipts Reserved
Police Dept.	Police Cruisers	\$220,000.00			
School Dept.	Emergency Disconnects	\$41,800.00			
Fire Dept.	Replace Engine 2	\$255,000.00			\$340,000.00 Capital Stabilization Fund
	Total	\$531,800.00			\$430,000.00
FY23					
DPW General	10-Wheeler "Autocar" Sander (#287)	\$210,000.00			
DPW Sewer	Sewer Grinder Installation at Pump Station				\$50,000.00 Sewer Retained Earnings
DPW Water	Replace 10 Fire Hydrants				\$30,000.00 Water Retained Earnings
Fire Dept.	Extractor	\$22,000.00			
Fire Dept.	Capital Stabilization Fund	\$50,000.00			
Fire Dept.	EMS Chase Car/Brush Truck	\$90,000.00			
Police Dept.	Police Cruisers	\$180,000.00			
Police Dept.	Firearms Training Facility Shoot House	\$350,000.00			

