

Capital Planning Committee
Longmeadow, Massachusetts

Minutes of the meeting of November 7, 2007

Members attending: Mark Gold, Stephen Gelling, Ned Steiger, Roger Wojcik.

Absent: Nicholas Katsoulis, Stephen Metz,

In the Gallery: No one.

Item One

(At the October 25 meeting the concept of building a portion of future capital plans by allocating blocks of money to certain town departments for specific types of expenditures was discussed.)

Attached on the notes that Steve Gelling and Roger Wojcik prepared regarding the methodology and structure of a format for the block grant type of capital allocation.

A discussion of the concept of awarding block grants to the DPW to cover its rolling fleet yielded the following:

Fleet needs should be divided into four categories...

1. emergency replacements...
2. replace in next fiscal cycle...
3. want to replace when cash is available, and
4. don't replace.

It was suggested that the DPW Director do the rating.

It was suggested that a description of "the preferred fleet" be developed as a basis for sizing and shaping the current rolling stock. The design of this preferred fleet should answer the question "Do we have the right vehicles for the work to be done?"

Steve Gelling and Roger Wojcik agreed to meet with Mike Wrabel to facilitate the development of a fleet redesign and the establishment of the priority of vehicle replacement.

A discussion of the Fire Department's block grant for the replacement of fire engines (35,000\$/yr) was prompted by last year's premature engine purchase. The current allocation may no longer be appropriate.

Item Two

(At the meeting of October 25 there was discussion on the issue of defining those projects whose size clearly is within the domain of Capital Planning Committee responsibility versus those which need be addressed by the Town's citizens at large.)

On a related matter, Roger Wojcik asked the Committee to consider making a distinction of those projects having hard economic justification (i.e. a tangible reduction of operating expenses) versus those projects which are non-earning. Possible options to handling hard justification

projects include making these projects stand alone warrant articles or giving them a very high priority of recommendation from the Capital Planning Committee.

Item Three

A cursory review of the Town Managers proposed Capital Project List noted the following among other comments...

Discussion of the follow-thru on the Glenbrook Middle School improvement project concluded that we need an up to date project status before we prioritize additional funding.

Discussion of the follow-thru on the Center School improvement project concluded that we need an up to date project status before we prioritize additional funding.

The Committee noted that one project has accumulated 51,000\$ in expenditures versus the approved amount of 25,000\$, a 104% overrun!, and discussed potential penalties or control measures on all projects in the future.

Other Matters

Mark Gold indicated that the next meeting will be November 29. At that meeting the Committee will start a rigorous review of the Book of Proposed Capital Projects.

Mark Gold will give a heads up to Barry Thomas, Adrian Phaneuf, Eric Madison and Mike Wrabel that they will be invited to either the December 13 or December 20 meetings for capital project discussions.

The meeting was adjourned about 9:00pm.

Submitted,

Roger B Wojcik, Secretary

November 20, 2007

Addendum

Structure and Methodology of Block Grants for Capital Planning

Working notes:

Consider establishing a nominal size of each block grant.

Identify the number of block grants.

Consider excluding from the block grant program any single project which exceeds 100,000\$ (?) in size.

Consider excluding from block grants any project which has a hard dollar payback or generates or supports a return-on-investment.

Grouping of capital projects... i.e. leased items... equipment purchases...enterprise systems... building repairs/improvements

Focus on things where judgment has particular value.

Sources of funding: Capital Stabilization... Water and Sewer... Ambulance Fund.

What truly relates to the scope of the block grant... i.e. all and only vehicle needs

What areas have track records that we can use as a base for sizing the grants... i.e. all town vehicles excluding fire engines and other special equipment? Put all vehicles with 'standardized' lives in one bucket. Develop a vehicle replacement schedule based on a predictable depreciation

CPC to vote on amount of \$\$ for each block grant.

Each year, the CPC must approve the final capital list within a block grant as reasonable.

Make block grants a trial program for the first year.

Is there software existing and tested for use in a vehicle replacement program

Target areas other than vehicles? A second category might be for DPW for non-vehicle fleet... lawn mowers, welders.

Consider Mike Wrabel as Fleet Administrator, excluding fire engines and police cruisers.

Notes by Steve Gelling and Roger Wojcik

10-30-07