

Town Of Longmeadow, MA  
Capital Planning Committee  
Meeting Minutes  
December 15, 2004

The capital planning committee met on December 15, 2004 for its fifth meeting of the Fiscal Year 2006 planning cycle. In attendance were members:

Mr. Steven Gelling                      Mr. Mark Gold                      Mr. Nicholas Katsoulis  
Mr. Michael Giampietro              Mr. Roger Cloutman              Mr. Roger Wojcik  
Mr. Suresh Samant – Finance Committee Liaison

Also attending for the second hour was:

Mr. Paul Pasterczyk - Town Accountant

Prior to the review with Mr. Pasterczyk, the committee briefly summarized and discussed the submissions that have been reviewed to date. A clear area of concern, highlighted by the school department presentation, was the preponderance of maintenance items that were presented to the Capital Planning committee for funding. The committee had broad support for the concept that the apparent town-wide deferral of maintenance needs to be addressed through the budgeting process, and that this committee may consider building a coalition with the finance committee and the Select Board to address this issue. The town's new facilities manager (Mr. Steve Kerrigan) should play an important role in identifying the scheduled maintenance needs of the town's buildings. Town departments should target 2% of facilities capital value as the annual maintenance spending. The committee instructed the chair to begin discussions with the Finance Committee regarding the separation of maintenance expenses from extraordinary capital items. In preparation for, and as part of this ongoing discussion, Mr. Croteau will make available contacts at other towns in Massachusetts so that their maintenance expenditure practices can be investigated.

The committee also reiterated the growing need for funds this year beyond the \$320K available. FY06 is the sixth year of the seven year bond on the Public Safety complex (Fire and Police building) that has been taking nearly \$500K from available capital funds each year. The shortfall of capital spending appears to have "caught up" with the town and some means of getting additional funding for this fiscal year is necessary. Mr. Pasterczyk offered several options for forward funding (getting more money this year) the capital budget, and recommended that the Capital Planning committee may also want to review with the Finance committee a possible change (increase) in the capital funding level (currently set at 2% of income).

Chairman Gold asked the committee if there was reason to consider delaying the Capital Budget planning cycle from its current schedule of October 1 to December 31. Because the February through March timeframe is occupied by fiscal budgeting, and there is a possibility that the annual town meeting date may need to be moved to an earlier date than the current mid-May schedule, it was decided that we would not change the Capital Budget scheduling for next year. We will again ask that departments prepare capital budgets by October 15<sup>th</sup>.

Following this general discussion, Mr. Pasterczyk was asked to review his request for funding for new town wide accounting, treasury, and collection software.

Request A-1: New Accounting and Collection Software: Requested: \$240,000

Last year the town accountant and the town Treasurer / collector independently requested new software. The accounting software for the town is "Unifund", a DOS based system that is "barely" supported by its vendor. At that time, the committee asked that Mr. Pasterczyk better define a single software system and bring it back to the committee for consideration this year. Mr. Pasterczyk was partially successful in developing a software requirements document but the strong start became sidetracked when individual department requirements (RFP documents) were not developed.

The shortcomings of the software systems were described as follows: The accounting software functions well, but it is based on a DOS operating system. On the other hand, the Treasure / Collector software does not give reliable output. Several functions (municipal liens, tax refunds, and monthly reports) do not function properly. Daily reports are not reliable, and details supporting summary reports are frequently not attainable. Although the system is “only” seven years old, it needs to be replaced.

Two preliminary price quotations have been received to date, one for \$230K and the other for “\$180 to \$240K – depending on the requirements”. This system serves several dozen users, from town hall, water and sewer, and the School departments. Mr. Pasterczyk believes that there are few available community software systems, and the software definition is not likely to change with the arrival of the Town Manager. In addition, the ongoing integration of the town departments under the revised charter make the next few months an appropriate time to consider replacing the town’s accounting and collection software.

With Mr. Pasterczyk’s input the committee reviewed options for funding the \$240K required for this software system given the limited available capital. Although there were methods identified to gain funding within the constraints of the currently available capital plan, it became clear that there were multiple advantages to deferring the appropriation of money for such a system until the fall of 2005. Such a deferment would allow the new town manager to review the software situation, allow the new town treasurer to complete the RFP document for this system, and more importantly would defer much of the payment to FY07, when additional capital could be available. Although there was no formal decision by the committee, the deferral capital expenditure on this project to the fall, 2005 town meeting was generally supported.

#### Other Business:

The committee asked that the meeting dates for January be confirmed. [Subsequent to the meeting the dates were confirmed as Wednesday, January 5<sup>th</sup> and Tuesday, January 11<sup>th</sup>.]

The committee also agreed to tentatively schedule meeting dates for February and March to have available time to discuss the spring and fall town meeting initiatives.

We will request a meeting with the Finance committee to discuss the issue of deferred maintenance items being requested for capital funding. An additional item we would like to have clarified is our request that the Capital Planning Committee be required to approve “capital leases”; defined as the budgetary expenditure of lease payments for capital items.

We will follow-up on the bids for the Glenbrook School boiler replacement (due to be opened 12/16/04). The need for additional funds will impact our deliberations and recommendations.

In preparation for our deliberations meeting, it was suggested that the “ranking criteria” used for the past two years be communicated to the committee members.

[For the record, rankings are done in the following categories:

Seriousness: What is the impact of the funded item on the department's ability to carry out its core mission? Have alternatives been considered and eliminated?

Urgency: How soon must this need be met? Are there adverse or potentially serious consequences of delay?

Growth: Will the monetary need grow at a rate greater than inflation if the purchase is not made this year? Put another way, does spending a dollar now prevent the spending of far more than that next year?]

The next meeting of the Capital planning committee will be Wednesday, January 5, 2005 at 7 PM in the Police community room. At that time we will begin deliberations.

Submitted,

Mark Gold