

Capital Planning Committee

Town of Longmeadow, Massachusetts

February 10, 2006

Selectboard
Town of Longmeadow Massachusetts
20 Williams Street
Longmeadow, MA 01106

To the Honorable Selectboard of the Town of Longmeadow, Massachusetts;

The Capital Planning Committee has completed its review of capital projects submitted for funding consideration for Fiscal Year 2007 (FY07). A total of 51 (35 non-school and 16 school department) requests, seeking funding of \$3,759,437, were submitted for consideration. A list of all 51 projects is attached as Appendix A.

Last year our committee proposed, and the finance committee approved, a revised capital schedule that would make available \$561,000 for funding. This total includes approximately \$355K scheduled to be available from the Capital Stabilization Fund (2% of tax revenue less current payments on the public safety complex bonds) plus \$206K that we intended to "borrow forward" from FY09 in keeping with the program begun last year to increase currently available funds. Now, however, due to cash flow restrictions, the town accountant has asked that we limit our appropriation recommendations to \$511K for FY07.

As in the years since the public safety complex payments began limiting the available capital, the town's demands for capital again outpaced the available funds. To assist in funding some of these capital projects, the Town Manager suggested that alternative funding options be considered for several of these requests. It was with this recommendation in mind that we suggested, and you concurred that we review all requested capital items including those that would normally be funded by other sources. This report represents that review along with our recommendations for funding those items that we deemed highest in priority, based on our evaluation of the town's needs and an assessment of the requests against three criteria: seriousness, urgency, and growth. These criteria are defined in Appendix D to this recommending letter.

Should you adopt all of our recommendations, we are asking that the town appropriate \$521,487 from the Capital Stabilization Fund to finance 15 of the 51 submitted projects and further recommend that the town transfer or appropriate an additional \$533,778 from other reserve accounts to fund an additional 9 projects.

The sources of funding considered for financing the requested project are:

- Capital Stabilization Fund (CSF)
- Water Retained Earnings Fund (WRE)
- Sewer Retained Earnings Fund (SRE)
- Ambulance Fund (AF)
- Prior allocated but not expended Capital funds (PCF)
- School Building Capital funds (SBC)

Appendix E explains these sources of funds.

Recommendations:

In priority order, irrespective of funding source, the Capital Planning Committee's top recommendations are shown in Table 1. The total expenditure of items shown in this table is \$539,500. Page 4 is a brief explanation of why several of these items are prioritized as they are. Appendix B is a more detailed explanation of our decision on each request, and we ask that the Selectboard also review this section of our report.

Table 1: Priority Recommendations

<u>No. ⁽¹⁾</u>	<u>Department</u>	<u>Project Description</u>	<u>Amount Requested</u>	<u>Funding Amount Recommended</u>
0.	Fire	Annual Truck Allocation	Capital Planning Committee Recommendation	\$35,000
18.	Public Works	Underground Storage Tank # 1 removal	\$20,000	\$20,000
25.	Public Works	Underground Storage Tank # 2 removal	\$12,000	\$12,000
41.	School Dept.	Center School Carpet Replacement Phase II	\$25,000	\$25,000
47.	School / Building	Repoint Mortar on LHS '74 Addition	\$95,000	\$50,000
23.	DPW	10 Wheel dump truck	\$137, 500	\$137,500
6.	Park and Rec.	Repair Laurel Park Dam and Bridge	\$19,000	\$19,000
26.	Public Works	Comminuter	\$66,000	\$66,000
37.	School / Buildings	Center School 10 Year exterior refurbishing	\$12,000	\$60,000
20	DPW	Dump Truck with Plow	\$115,000	\$115,000
TOTAL				\$539.500

It was the opinion of our committee that several of these items should be financed using alternative funding sources to best match the request with a relevant existing account. With the inclusion of these alternative funding sources, our final recommendation of capital projects to be funded is Table 2.

Table 2: Expanded Recommendations

<u>No.</u> ⁽¹⁾	<u>Department</u>	<u>Project Description</u>	<u>Amount Requested</u>	<u>Funding Amount Recommended</u>	<u>From Capital Stabilization Fund</u>	<u>From Alternate Funding Source</u> ⁽²⁾
0.	Fire	Annual Truck Allocation	CPC Recommendation	\$35,000	\$35,000	
18.	Public Works	Underground Storage Tank # 1 removal	\$20,000	\$20,000	\$20,000	
25.	Public Works	Underground Storage Tank # 2 removal	\$12,000	\$12,000	None	SRE \$12,000
41.	School Dept.	Center School Carpet Replacement Phase II	\$25,000	\$25,000	\$25,000	
47.	School / Building	Repoint Mortar on LHS '74 Addition	\$95,000	\$50,000	\$50,000	
23.	DPW	10 Wheel dump truck	\$137, 500	\$137,500	None	SRE \$137,500
6.	Park and Rec.	Repair Laurel Park Dam and Bridge	\$19,000	\$19,000	\$19,000	
26.	Public Works	Comminuter	\$66,000	\$66,000	None	SRE \$66,000
37.	School / Buildings	Center School 10 Year exterior refurbishing	\$12,000	\$60,000	\$60,000	
20.	Public Works	Plow Truck	\$115,000	\$115,000	None	WRE \$115,000
3.	Fire /Safety	Ambulance	\$140,000	\$140,000	None	AF \$140,000
7.	Park and Rec	Tennis Court Resurfacing III	\$12,500	\$12,500	\$12,500	
39.	School Dept	LHS Pool Liner Repair	\$65,000	\$65,000	\$65,000	
42.	School Dept	WMS Exterior Door Replacement II	\$25,000	\$25,000	\$10,000	(3)
8.	Park and Rec	15 Passenger Van	\$21,260	\$21,260	\$21,260	
38.	School Dept.	LHS Bathroom ADA Phase III	\$27,000	\$27,000	None	PCF \$27,000
21.	Public Works	GPS Unit	\$11,000	\$11,000	\$5,000	WRE/SRE \$6,000
29.	Public Works	Water Tank Radio Monitor	\$16,000	\$16,000	None	WRE \$16,000
43.	School Dept	WMS Carpet I	\$25,000	\$25,000	\$25,000	
45.	School Dept	Glenbrook Carpet I	\$25,000	\$25,000	\$25,000	
10.	Park and Rec	Greenwood ADA Doors	\$15,505	\$15,505	\$1,227	PCF \$14,278
40.	School Dept	CTR Fresh Air Intake	\$20,000	\$20,000	\$20,000	
32.	Public Works	Combo. Street Sweeper	\$127,500	\$127,500	\$127,500	
		Total		\$1,070,265		\$533,778
		Net from Capital Stabilization Fund			\$521,487	
		Net from Water Retained Earnings			\$134,000	
		Net from Sewer Retained Earnings			\$218,500	
		Net from Ambulance Fund			\$140,000	
		Net from Prior Capital Appropriations			\$ 41,278	

(1): Project numbers reference line item projects from Appendix A

(2): Alternative funding sources are:

WRE - Water Retained Earnings Fund

SRE - Sewer Retained Earnings Fund

AF - Ambulance Fund

PCF - Prior allocated but not expended Capital funds

SBC - School Building Capital funds

(3) \$15,000 of this request was funded at the October, 2005 Special Town Meeting

The reasons for the committee's selection of these requests are detailed in Appendix B. The committee requests that the Board of Selectmen refer to Appendix B for detailed summaries of each of these recommended appropriations.

There are several specific detailed recommendations that we would like to bring to the attention of the Selectboard.

Fire Truck: The Capital Planning Committee is committed to continuing the appropriation of money for a fire truck "fund" as we have done over the past four years. We recommend that this funding level continue at the \$35,000 per year level previously established and that funding be "off the top" of the available funds. Town Accountant Pasterczyk indicated that the truck purchased in 2004 has now been fully paid by additional funds from free cash, and the FY06 (May 2005) appropriation of \$35,000 is already in a reserved account for the next fire truck purchase.

Chief Madison has again recommended the purchase of a non-traditional fire truck, a so called "quick response vehicle". The committee supports Chief Madison in this selection of a truck with greater utility. The cost of this quick response vehicle is estimated at \$145,000, which means that after this year's scheduled \$35,000 appropriation, nearly one-half the funds for this truck will be available for this purchase. The committee therefore modified Chief Madison's request to indicate a request for \$75,000 for the purchase of this vehicle.

The appropriation of this \$75,000 for this quick response fire vehicle fell below this year's funding recommendation primarily because the committee believes that four years between fire truck purchases is a shorter duration than the six to seven years we were trying to establish for the fire truck maintenance program. The lower cost truck that Chief Madison has identified, however, may make the purchase of this truck reasonable in a three to five year time-frame rather than the originally scheduled seven year time frame.

Dump Trucks / Plows: To insure adequate and timely snow plowing services, the town utilizes a four plow route, and needs five dump trucks with plows available for this work. There are currently only four operating plows. The fifth plow's transmission failed last year and the unit is not worth repairing. The town's remaining "fleet" of dump trucks equipped with snow plows is in deplorable condition. Several of these dump truck and plow systems are badly corroded and three of the four operating trucks have rear, rather than mid-vehicle sanders. Town Manager Crosbie has supported Mr. Wrabel's recommendation that the town purchase three standard plows (dump trucks with sanding / plow system costing \$115,000 each) and an additional ten wheel dump truck / plow with an 18 cu. yard body (\$137,500). They have recommended that the three standard plows be purchased through funds from the Capital Stabilization Fund, the Water Retained Earnings fund, and the Sewer Retained Earnings fund (one plow from each funding source). Mr. Wrabel and Ms. Crosbie placed a lower priority on the 18 cu. yd. truck due to its higher cost, even though it has potential year round utility for regular hauling of yard waste and sand.

While the need for the replacement of all new DPW equipment is supported, the committee strongly believes that the most fiscally responsible program is to establish a phased, multi-year replacement of DPW equipment, especially dump trucks with plows. The committee therefore recommends that no more than two dump trucks with plows be purchased this year. One of these new trucks should be the 18 cu. yd. body truck, whose efficiency in hauling will reduce the load on the smaller vehicles. Our recommendation to limit the purchase of these vehicles to two is also based on the condition of the town yard, where a lack of appropriate vehicle washing and storage facilities likely contributes to the accelerated decline in these vehicles

Although replacing all the equipment this year would benefit the DPW in the short-term, such an action would be counter to the town's best interests of scheduling equipment replacements. For example, purchasing \$850,000 worth of equipment over one or two years (four plows, a street sweeper, and a sewer cleaner) creates a similar capital "crunch" situation in 8-12 years when all the equipment again needs replacing. Also, the current 40% reduction in available capital funds (due to the final two payments for the public safety complex) results in such "big ticket" purchases severely reducing the number of alternative capital items that can be funded.

The Park and Recreation Department included four items (totaling \$358,683) that had to do with repairs to, or replacements for, the two outdoor town pools. None of these items were on the Town Manager's priority list. The Capital Planning Committee noted that one item (Reynold's pool pump replacement for \$6875) fell below the \$10,000 capital threshold. The Park Department is still developing its strategy for the pool areas in town, the subject of the other submissions. These four items were therefore not evaluated.

Buildings The request for painting the Library was categorized as high in urgency and growth. However, the insufficient information available to the committee, along with the facts that we have asked Mr. Carignan to review this project over the next three months and that this project was not prioritized by the Town Manager, has led us to decline to rank this project in our final analysis.

Unfortunately, even with our aggressive recommendation that the town use alternative funding sources, there are 23 requested projects that have fallen below the level of available funds. The Capital Planning Committee believes it is important to report on the 23 proposals that were not deemed of sufficient priority to be able to be funded within the limited available capital. Each of these 23 proposals (15 non-school and 8 school) is listed in Appendix C. The committee has chosen not to prioritize these projects, asking rather that the Selectboard review Appendix C to understand why these proposals were not recommended for funding appropriation.

Please note that within this list of 23 lower priority projects there are four proposals that could be funded from alternate sources. These four proposals are summarized on Page 14. The Capital Planning Committee has made no recommendation on the funding of these projects since their ranking brought them below the level of available funds.

As has become our practice over the past four years, the Capital Planning Committee has offered specifically recommended wording for each of this year's capital appropriation, recommendations that it hopes the Selectboard will carry through to the town warrant. These wordings are intended to assure that excess money is returned to the fund source for those instances where actual expenditures fall short of the appropriated funds (e.g. where price quotations used as the basis for these requests may be out of date) and also helps to assure that funds are spent on ONLY that particular portion of a multi-faceted project for which the capital appropriations committee recommends partial funding.

The Capital Planning Committee would like to thank Mr. Suresh Samant of the Finance Committee. Mr. Samant attended, observed, and actively participated in several of our Committee meetings. His participation is expected to contribute to the Finance Committee's understanding of our decisions. The support of the School Department must be also noted. Their submission this year reflected a review and internal prioritization of projects that substantially assisted our ability to evaluate their requests. Our committee also wishes to thank the Town Manager Crosbie and the town department heads for their cooperation in this effort and the Selectboard for the opportunity to serve in this important capacity.

We look forward to meeting with the Selectboard to review our recommendations with you. As you review this document prior to such a meeting, if you have any questions about our recommendations, please feel free to contact any of the members of the Capital Planning Committee.

Respectfully Submitted,

Capital Planning Committee

Mark P. Gold – Chairman
Roger Cloutman
Stephen R. Gelling
Nicholas Katsoulis
Roger Wojcik

Copies to: Ms. R. Crosbie – Town Manager
Mr. J. Peskin – Finance Committee
Mr. J. Nittoli – School Committee

Attachments:

Appendix A: Capital request and recommendation summary
Appendix B: Details on projects recommended for funding
Appendix C: Details on projects not recommended for funding
Appendix D: Project ranking criteria
Appendix E: Sources of Funds