



TOWN OF EASTON
MASSACHUSETTS
Office of the Town Administrator

DAVID A. COLTON
Town Administrator

Interoffice Memorandum

To: Board of Selectmen

cc: Finance Committee
Michael Green, School Superintendent
Department Heads

From: David A. Colton, Town Administrator *DC*

Subject: Preliminary Capital Budget Program - Fiscal Year 2012

Date: 1/31/11

In accordance with the Easton Town Charter (section C6-6) I am pleased to present the fiscal year 2012 preliminary capital improvement program. This program is based on material prepared by the Capital Planning Committee which has diligently reviewed the requests of the various department heads over the past few months. I thank them for all their efforts and present below a program that is nearly identical to their recommendations. The report and back up information assembled by the committee is attached for reference.

Capital Planning is an essential element of a fiscally stable community. A capital program addresses the physical needs of a community that cannot be met through the annual operating budget. Capital items addressed by the plan have a useful life of at least five years and most are eligible for borrowing under Massachusetts General Law governing municipal finance. As such, capital programs are distinct from annual operating budgets. Where annual operating budgets fluctuate from year to year depending upon operating revenue, capital budgets should be stable and dedicated to a sensible schedule for replacement of capital assets.

Easton has a long history of providing capital funding through a model capital improvement program by-law. This year should be no exception as in many ways it is a good time to address capital needs. Interest rates and pricing for construction work are both low meaning our dollars will go further. Neglecting capital needs today means that expenditures will be delayed to a future time of higher cost with ever increasing demand for the funds. Budgeted funds for principal and interest payments diminish over time if not replaced with new debt. This capacity, if not set aside for capital needs, will be used to fund annual costs such as the cost of labor. These annual costs never diminish therefore eliminating capacity for capital needs. Restoring this capacity can only be accomplished through increasing taxes or cutting services.

The proposed 2012 Program encompasses improvements to town buildings, roads and sidewalks, water mains, and replacement of necessary equipment including an ambulance, police cruisers and snowplows. Department Heads requested \$4,571,049 of which \$383,599 is not approved. Therefore, the total program is estimated at \$4,187,450, however \$1,223,000 has been included in various grant applications including the Green Communities Program and the Massachusetts School Building Assistance Program, \$1,257,000 is funded from the water enterprise, and \$50,000 is funded from mitigation funds leaving \$1,657,450 to be funded by the general fund. Therefore we expect to request Town Meeting to approve appropriations totaling \$2,964,450 as follows:

- \$1,425,000 general obligation bonds
- \$201,150 transfer from FY11 capital reserve
- \$272,000 water enterprise surplus
- \$985,000 water enterprise bonds
- \$81,300 transfer from available funds

The detailed program elements are as follows:

- Vehicles and Equipment
 - The top priority of the Capital Planning Committee is the replacement of the fire department's 2004 model year ambulance. This has been scheduled for replacement in fiscal year 2012 in prior capital planning committee reports and is necessary to keep our two ambulance fleet running at optimal levels of response. However, the committee has recommended reducing the Fire Chief's request by \$25,000 which would necessitate the purchase of a smaller, lighter duty vehicle that is not the current standard for our Emergency Medical personnel. Therefore, I am not including the capital committee's recommended cut and proposing the Chief's request at \$225,000.

In addition to the ambulance the committee has approved the addition of two life pack defibrillators. The \$60,000 cost will be offset by a \$54,000 grant obtained by Chief Stone. The committee, however, did not approve \$30,000 for a machine to generate medical grade oxygen for use by our paramedics. Instead the department will continue to purchase oxygen.

- Two marked and one unmarked police cruisers to replace aging vehicles.

The police department presently has eleven marked patrol vehicles. Nine are used as line cars for the patrol officers; two are used by the school resource officers. Three of these vehicles have over 100K miles; a fourth is approaching 100K. These vehicles are frequently off-line and in for repairs. The repairs for these vehicles are typical for high mileage police cars and include transmission repair, tie rods and bearings, fuel pumps and water pumps and radiator work.

The two oldest vehicles are presently being used by the two School Resource Officers; those cars are a 2000 Ford Crown Victoria with 140,100 miles and a 2006 Ford Crown Victoria with 116,500 miles. The two new marked cruisers would go to the patrol fleet and then the next two oldest cars in the fleet would be rotated to the school resource officers.

The unmarked car is to replace the 2002 Ford Crown Victoria with 115,000 miles that is used as the Chief's car. This was originally driven by Chief Bates, then Chief Kominsky. It has been towed in twice recently, once because of transmission problems, the second time because of a failed fuel pump. This vehicle, although primarily an administrative vehicle, is needed for emergency use.

- The Capital Planning Committee has recommended a new vehicle "allowance" of \$195,000 to replace DPW, general government equipment, and the animal control van. Department Heads had requested \$214,794 in equipment; however I support the capital committee's recommended reduction and have included it in this program. In addition it approved the purchase of a new pavement roller for the DPW.
- The Water Division replaces equipment based on an appropriate depreciation schedule which is built into the water rate structure. This year four heavy duty vehicles with a replacement cost of \$272,000 are slated for replacement.
- The School Department requested equipment totaling \$164,905 including a Special Education Transport Van, information technology upgrades, and certain classroom equipment. The committee reduced the

classroom equipment request down from \$61,805 to \$20,000, thus reducing the overall request to \$123,100. I am including the committee recommendation, but will seek further clarification from the school department before finalizing the program.

- Computers and miscellaneous information technology equipment in the amount of \$30,000 are included as is the replacement of the town's antiquated phone system at a cost of \$19,200 to be paid through the annual operating budget through a lease-purchase plan.
- Buildings
 - There are several town and school buildings included in this program that are included in grant applications for state funding including renovations to the Parkview and Moreau Hall Schools; and a heating system for Town Hall. Although these are included they will not be submitted for appropriation.
 - The replacement of the roof at Fire Station #3 is long overdue. Although damage to the building interior is minimal there is a growing concern over the potential for mold growth.
 - The DPW is in dire need of a new salt storage shed as the current one is too small to meet current needs. This winter has been a series of snow storms and salt supplies have been dangerously low because we are unable to store adequate quantities. A shed that will double our capacity is estimated to cost \$230,000.
 - The value of the requested building improvements is \$1,614,000, however only \$445,000 is recommended for funding at this time.
- Infrastructure
 - The Water Division will replace 6,400 linear feet of six inch unlined cast iron water main with eight inch cement lined ductile iron pipe. The pipe being replaced was installed in 1887 on Oliver Street, Mechanic Street, Andrews Street, and Pond Street. The estimated cost of this work is \$985,000.
 - The intersections of Elm Street at Washington and Union Street at Washington have been long standing problems. The capital committee has halved the request of the DPW director from \$250,000 to design both intersections, as well as, improvements along Washington Street between Elm and Union. In addition to any Town funds, the developer of Winterberry Hills is pledged to provide \$50,000 towards improvements to the Union Street intersection. My recommendation is to include the capital committee's approval of \$125,000 together with the mitigation funds to design traffic and pedestrian safety improvements, including

signalization, at both intersections excluding the in-between section of Washington Street.

- In order to begin addressing the growing demand for new sidewalks in Town, the DPW requested \$600,000 to reconstruct and add a sidewalk to Summer Street. The committee has recommended reducing that amount to \$400,000 for the portion of Summer Street from Center to Randall. I accept their recommendation and have included it in this program.

Thank you for your consideration of this capital program request. I have attached a spreadsheet which includes information provided by the Capital Planning Committee along with my recommendations.

**TOWN OF EASTON
CAPITAL PLANNING COMMITTEE
CAPITAL BUDGET REQUESTS FY12**

Department	Cap Planning Priority Ranking	Brief Description of Item	Initial Fiscal Year of Request	FY 12 Requested	FY 12 Committee Recommendation	FY 12 Administrator Recommendation	FY 12 Administrator Funding Request
Fire	1	Replace Ambulance (2004 model in FY12) - Committee recommends exploring cost opportunities for a less expensive vehicle	10/16/2006	225,000	200,000	225,000	225,000
DPW	2	Replace Roof on Fire Station #3	3/13/2001	215,000	215,000	215,000	215,000
Fire	3	2 Lifepak Defibrillators - 90% of this will now be funded from a grant. Committee recommends funding 10% match of \$6,000	10/26/2006	60,000	6,000	60,000	6,000
Police	4	Replace 2 marked police cruisers	annual	60,150	60,150	60,150	60,150
School Dept	5	New Special Education School Van		47,000	47,000	47,000	47,000
DPW	6	Replace Salt Shed at 130 Center St.	3/13/2001	230,000	230,000	230,000	230,000
DPW	7	Route 138 / Elm Street / Union Street Intersection Improvements Design - Committee recommends funding 1 project for \$125,000	10/15/2009	250,000	125,000	175,000	175,000
DPW	8	Reconstruct Summer Street w/ sidewalks - Committee recommends funding \$400,000 for sidewalks from Center St. to Randal St.	10/7/2008	600,000	400,000	400,000	400,000
Council on Aging	9	Matching funds for EOT grants to replace shuttle vans	FY 2009	14,000	14,000	14,000	14,000
Data Processing	10	Annual replacement of servers, computers, routers and switches. \$25,000 for computers and \$5,000 for the more critical servers, switches and storage array equipment. (The previous 10 years to FY09, we had paid for these cyclic upgrades with money from Comcast.) (Total replacement cost of all equipment is about \$280,000. This amount will allow me to replace the oldest equipment so that we avoid significant downtime in any area or department.)	FY09	30,000	30,000	30,000	30,000
School Dept	11	Technology - Upgrade Firewalls for both OA & FLO/HHR		6,100	6,100	6,100	6,100
School Dept	12	Technology - Virtualization of Server Infrastructure (OA)		50,000	50,000	50,000	50,000
School Dept	13	Technology - Prometheian Boards, Brightlink Projectors, Printers (Various Schools) - Committee Recommends \$20,000		61,805	20,000	20,000	20,000
DPW	14	Highway Dept - Paving Vibratory Roller	10/5/2010	15,000	15,000	15,000	15,000
Various	15	FY 2012 Town Vehicle Replacements - Committee recommends funding \$195,000 for vehicle replacements with priority to be assigned at the Town's discretion based on requests submitted			195,000	195,000	195,000

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Department	Cap Planning Priority Ranking	Brief Description of Item	Initial Fiscal Year of Request	FY 12 Requested	FY 12 Committee Recommendation	FY 12 Administrator Recommendation	FY 12 Administrator Funding Request
Board of Health	15	Pickup Truck - Replace 1999 Ford Truck	FY 12-16	20,000			
DPW	15	Bldg & Grounds - 1-Ton Dump Truck w/plow - (replace 1995 Ford)	9/15/2007	40,000			
DPW	15	Bldg & Grounds - Pickup Truck w/plow - (replace 1995 Ford)	9/15/2007	35,000			
DPW	15	Highway Dept - Pickup Truck w/plow - (replace 1993 Ford #10)	9/15/2007	35,000			
Planning/Com Dev	15	Compact Vehicle - 4 door Hatchback to be used for inspections and in/out of town travel by Planning Department staff (Replaces 1996 Ford F-150)	2009	17,000			
Police	15	Replace unmarked cruiser	10/12/2009	23,863			
Police	15	Animal Control Van	10/16/2010	25,931			
Data Processing	O	Replacement of Telephone System at Town Offices, DPW, Water Division & Fire Station 3. (Lease purchase to be funded from the operating budget, estimated at \$1,600 per month. Current lease expires 11/30/10)	FY09	19,200	19,200	19,200	19,200
Water	O	Replace Skid-Steer Loader		20,000	20,000	20,000	20,000
Water	O	Replace Vehicle #121 F-250 Utility Truck		28,000	28,000	28,000	28,000
Water	O	Replace Vehicle #123 Hydraulic Service Truck		94,000	94,000	94,000	94,000
Water	O	Replace Vehicle #122 Dump Truck L-800		130,000	130,000	130,000	130,000
Water	O	Water Main Replacement Program		985,000	985,000	985,000	985,000
DPW	NR	Bldg & Grounds - New Heating System for Town Hall - Committee recommends waiting for outcome of funding from Green Communities grant application.	9/28/2005	200,000	-	200,000	-
Fire	NR	New Technology (Oxygen Generator Fill Unit) - Not recommended at this time	5/28/2001	30,000	-	-	-
Planning/Com Dev	NR	2011 Chevy Volt Electric Vehicle (replace 1996 Ford F-150) - Committee is against purchase of Volt due to newness of vehicle and recommends original request (compact vehicle in the amount of \$17,000).	2011	35,000			
School Dept	NR	Moreau Hall - Replace 2 existing boilers - Committee recommends waiting for outcome of MSBA grant application	3/13/2001	305,000	-	305,000	-
School Dept	NR	Parkview School - Replace Roof - Committee recommends waiting for outcome of MSBA grant application	3/13/2006	664,000	-	664,000	-
TOTALS				\$ 4,571,049	\$ 2,889,450	\$ 4,187,450	\$ 2,964,450

NR - Not recommended at this time

O - Other Source of funding such as water surplus, request recommend but not included in priority ranking order.