

Town of Franklin

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Memorandum

January 2, 2019

To: Finance Committee & Town Council Capital Subcommittee

From: Jamie Hellen

Re: **FY19 Capital Plan Proposal**

Please find the attached Capital Plan for FY19, as well as each departments' five-year capital plan as required by the Town Charter.

Included in this memo is a sheet with the 10-year free cash history. As you can see, the average is \$2.8 million over ten years. This year free cash is a little higher than usual because town departments have been running efficiently, providing cost effective services and revenues have been stable.

From the certified total, there are several major policy commitments that eat into the total right off the bat, most notably the OPEB contribution (per Council policy), the turf fields stabilization fund contribution, scheduled fire engine replacement stabilization fund contribution and annual snow and ice funds. These recommendations are Round 1 of the FY19 Capital program. Once we know the final totals of the winter costs for snow removal, if there are remaining funds, staff will propose a "Round 2" Capital later in the Spring, which we have traditionally used to fund road and infrastructure projects.

The following is an overview of certified free cash status for FY19:

<u>Request</u>	<u>Amounts</u>
FREE CASH CERTIFIED TOTAL	3,726,972
Snow and ice removal/other	-750,000
OPEB Trust fund; per Council policy 10% of Free Cash	-370,000
Fire Truck Stabilization (7-year plan)	-100,000
Fields Stabilization (Replace in 2027-ish)	-30,000
Previously authorized expenditures (Special Ed Van for School Department, LED Lights conversion)	-\$156,446.65
Remaining Free Cash for Capital Requests	2,320,525.35

Administration & Town Policy Requests

1. **Snow & Ice Removal - \$750,000**
 - a. Each year the Town reserves \$750,000 for snow and ice removal until April when we see the full costs of this winter.

2. **OPEB Contribution - \$370,000**
 - a. \$370,000, of 10% of the overall certified free cash, will be deposited into the OPEB Trust. This is consistent with Town Council policy to set aside this amount annually.
 - b. The OPEB Trust Fund currently has \$4,608,133.
 - c. An update of the OPEB actuarial just completed shows a \$74 million liability. A presentation will be forthcoming in the winter.

3. **Fire Truck Stabilization Contribution - \$100,000**
 - a. This amount is set aside to get the Fire Department to the \$700,000 estimate needed to replace a new engine 4 in approximately 2023.
 - b. The stabilization account currently has \$105,835.

4. **Turf Field Stabilization Contribution - \$30,000**
 - a. After this investment, the Town will have \$300,000 in the account and will be on schedule to replace fields in 2027-ish.
 - b. This amount will begin to set aside enough funds in the stabilization account to be prepared for the full cost of implementing new fields at the High School/Track and Beaver Street in approximately 2027. Estimated costs will be around \$2 million.
 - c. The Stabilization account currently has \$158,566. Additionally, after installation of the fields last year, the fund has \$110,000 left over from the penalties for being late and a sound bid. These monies will transfer over to the stabilization account.

5. **Previously Authorized Expenditures - \$156,446.65**
 - a. **Special Ed Van - 56,446.65**

Approved by Town Council Capital Subcommittee in late summer to accommodate the higher than expected Special education needs.

 - b. **LED Street Lights - \$100,000**

This last amount of cash will pay off the LED Street Lights conversion program. Approximately \$400,000 is from grants and utility incentives (National Grid). If we pay the remaining amount with cash, we will not have to borrow the money.

Once fully mature, we anticipate in FY21 the Town will save \$150,000 a year in operating funds in electricity costs and less maintenance. We estimate, over a 20-year period, the Town will save \$2.966 million in electricity costs and maintenance costs from conversion!

Town Department Requests

6. Conservation Department - \$23,000

a. Delcarte Herbicide Treatment - \$23,000

This is the final investment needed, based off the great progress that has been made to get rid of invasive weeds at the Delcarte Recreation Area pond.

The Conservation Department has \$37,000 remaining from the original appropriation two years ago. Combined with \$23,000, it will allow enough funds for the next three years worth of treatments to complete the weeds portion of the project. See attached quote and report. We will amend the current contract with the current vendor to get the best price.

Please note, in three years, the Conservation Department will look for a major investment to remediate the invasive fish species.

7. Fire Department - \$190,000

a. Video Laryngoscope- \$11,000

The funds are being requested to provide paramedics with a Laryngoscope that provides the ability to confirm their visualization of significant anatomy specifically in patients with obstructed airways.

b. Protective Clothing Replacement - \$69,000

This year begins a multi-year request to replace old, outdated protective gear. Funds requested will allow the department to replace the entire protective ensemble for each firefighter to include coats, pants and boots.

c. Auto Extraction Device - \$11,000

The funds requested will allow the purchase of a "Combi Tool" for Engine #2 used for automobile wreckage.

d. Pulse Oximeter - \$18,000

The funds are being requested to purchase this medical device that allows paramedics to assess Respiratory system and efforts.

e. Thermal Image Cameras - \$33,000

These funds will allow for replacement of 4 old imaging units.

f. Replacement Gym Equipment - \$29,000

The gym equipment has fallen apart in Station #2 and needs replacement.

g. External Chest Compressor - \$19,000

These funds will allow for purchase of a chest compressor for the departments fourth ambulance. The device provides better quality and more consistent external chest compressions and frees on-scene personnel to complete other necessary tasks more quickly.

Not recommended at this time:

- Radio Repeater - hold until communications study is complete.

8. **Police Department** - \$315,000

a. Police Cruisers - \$207,000

Will fund the replacement of three cruisers and one motorcycle on the fleet schedule due to cost-benefit of repairs versus new.

b. Portable Radios - \$72,000

Replace twenty (20) portable radios and accessories that have met the six year recommended replacement cycle. This is the first year of a three year project to replace all 60 portable radios utilized by the department. A large portion of the older radios will be transferred to the school department as part of a program to meet MGL C. 71 S. 37R (Two-way Communications between Public Safety and Schools).

c. Equipment & Technology - \$36,000

To replace older protective body armor, Message Board, Trailer and Camera Equipment.

Not recommended at this time:

- One additional cruiser replacement
- Communications antennae until communications study is complete

9. **Public Works** - \$540,000

a. Community Improvements - \$50,000

The funds appropriated three years ago for downtown improvements, such as lighting, signs, decorations, banners and other projects has dried up. We are proposing a reauthorization of this account for downtown and community beautification improvements for the next few years.

b. Stormwater Management Study - \$85,000

The DPW is requesting the funds to engage in an outside consultant to work with Town Employees to determine the true cost burden of the full implementation of the EPA Municipal Separate Storm Sewer System on the town.

c. Street Acceptance Program - \$50,000

To continue the legal and design processes to accept private ways and clean up the 100 plus backlog of acceptance of private roads.

d. Street Sweeper - \$205,000

The DPW would like to purchase a new street sweeper to be used for all town work, hauling debris, snow removal, sanding, etc. Well past the usual age with rot, wear and tear.

e. 4x4 Pick-up Truck - \$35,000

The current truck needs to be replaced due to rot, wear and tear and transmission issues. The truck is 12 years old and well past life expectancy.

f. 4x4 Utility Body Truck - \$45,000

The M-1 2003 Ford F-350 is in need of replacing due to the body rot. The truck is used by the mechanics for picking up parts and emergency road repairs. The truck carries welding equipment and other tools to make road repairs. The truck is now 15 years old and past it life expectancy.

g. Mini Excavator - \$70,000

The DPW would like to purchase this equipment to replace a 21 year old backhoe that continues to cost the town money in repairs. A mini excavator is more efficient for road repairs than a backhoe.

Not recommended at this time:

- Sidewalk Plow w/ snowblower
- Streets and roads improvements 1,000,000 (on hold until spring).
- Class B Dump Truck with 11ft. Plow \$180,000
- Class B Dump Truck with 11ft. Plow \$180,000
- 4x4 Crew Cab Pick-up \$45,000

10. Water Enterprise Fund - \$1,800,000

a. Meter replacement program - \$100,000

- a. To continue the program of replacing water meters.

b. Vehicles & Equipment - \$100,000

- a. Replace Backhoe - \$100,000

c. Water Main Improvements - 1,600,000

To transfer cash from the Enterprise account for water main improvements to keep up with infrastructure investments of the last 20 years. With the Pavement Management Plan complete, staff have developed a short list schedule of improvements for the next five years, including Marvin Ave and Cold Road neighborhoods.

Not recommended at this time:

- a. Vehicles - \$62,000
b. Infrastructure Improvements (roofs) - ongoing

Note: This proposal maintains enough revenue at 1,000,000 in the bank to properly plan for future needs and for emergencies.

11. Sewer Enterprise Fund - \$500,000

a. Sahlin Circle Pump Station Design - \$50,000

The Sahlin Circle Sewer Pump Station needs to be replaced. We are currently studying alternatives to bring the station above ground and up to date. The engineers have provided a preliminary design and construction administration budget of \$50,000.

b. Vactor Truck - \$450,000

The vactor truck is used for many tasks and usually lasts 20-30 years. The primary function of the vactor truck is to jet sewer lines for regular maintenance line cleaning and clearing of blockages. The truck is also used to vacuum out sewer station wet wells which is essential to maintain our 23 sewer pump stations. The truck also assists with excavation around utilities, which keeps crews out of potentially dangerous trenches. Our existing truck has had and continues to have many issues that are both inconveniences, and most importantly, safety issues.

Not recommended at this time:

- c. Sahlin Circle Pump Station Build (FY20) - \$250,000

- d. Other vehicles and equipment - \$105,000
- e. Collection System Repairs and Infrastructure (roofs) - ongoing

Note: This proposal maintains enough revenue at just under 1,000,000 in the bank to properly plan for future needs and for emergencies.

12. School Department & School Technology - \$318,000

a. 8 Passenger Special Ed Van - \$48,000

Seeking to add an additional van to our fleet due to the increase in students attending our in-district specialized programs. We are required to transport these students by law if the program is located in a school that is not within their district. Furthermore, the District is obligated to provide specialized transportation for any student who requires specialized transportation due to their disability as referenced in the IEP.

b. Double Stack Combination Oven - \$20,000

A combination oven will allow Foodservice to prepare different and programatically better choices of food for students, with the goal of continuing to increase meal participation. Located at the High School.

c. School Technology - \$250,000

For strategic technology investments, such as student Chromebook replacements, staff computer replacements, clear touch displays, Aesop software and other minor technology investments as needed.

Not recommended at this time:

- More School Technology - \$32,800

13. Facilities Department (School Projects) - \$620,000

a. Keller Sullivan Roof - \$250,000

Replacement of Keller-Sullivan gas fired rooftop units. Current rooftop units are 17 years old and life expectancy is only 15 years.

b. Parmenter Canopy - \$30,000

Addition of new footing, posts and concrete at the Cafeteria entrance canopy.

c. Security & Surveillance Investments - \$240,000

To slowly increase the building security and surveillance in the elementary and middle school buildings to the standards set forth at the High School and to keep up with rapidly changing technology.

d. Horace Mann Drainage Courtyard Fix - \$100,000

Repiping of courtyard drainage systems to prevent future flooding. The school has had two sizeable floods resulting in hundreds of thousands of dollars in damage to the school floors and theater.

14. Facilities Department (Town Projects) - \$90,000

a. Municipal Generator - \$90,000

TOWN OF FRANKLIN
10 YEAR HISTORY
CERTIFIED FREE CASH
2009 TO 2018

	Free Cash
7/1/2009	\$2,385,242
7/1/2010	\$2,133,006
7/1/2011	\$2,935,840
7/1/2012	\$3,580,481
7/1/2013	\$2,001,830
7/1/2014	\$3,073,946
7/1/2015	\$2,359,365
7/1/2016	\$3,643,540
7/1/2017	\$2,821,988
7/1/2018	\$3,726,972

Average \$2,866,221

This is required as part of our Risk Analysis. The generator will be in a trailer to be used in emergencies at the Police Dept and Municipal Building. This is the most affordable option.

Not recommended at this time:

- Police Station Renovation & Expansion Study - \$150,000 (see future projects below)
- Municipal Building windows - \$750,000 -
We plan to go out to bid on the project in the Spring and see what the exact price is. Doing the entire building at once will yield a better price than piecemeal. We will look at the free cash scenario in the Spring and likely request a short term borrowing for the windows based on the exact bids we receive.

15. Recreation Department - \$200,000

a. Fletcher Field Courts - \$200,000

Much like King Street, the Fletcher Field basketball courts are in serious deterioration.

Other projects over next five to ten years (in no particular order):

- Public Safety communications infrastructure implementation - Study being completed now, cost To be determined later this year.
- Police Station study and renovation - \$20-\$25 million (renovation & expansion to current station; this does not include any new land if a new site is desired. If so, add another \$2-\$4 million)
- Prepare for future Open Space purchases and Recreation land investments - millions.
- Sidewalks on Beaver Street and Washington Street – cost TBD
- Pavement & Infrastructure Management -
 - Recent plan on roads and parking lost showed a \$40 million backlog for roads and municipal and school parking lots.
- Landfill cap and Recycling Center expansion- \$3 million approximately; state Environmental Bond Bill has \$1 million reserved authorization.
- Water treatment facility Wells 3 & 6 – approximately \$12-\$13 million (2019-2020; design occurring right now).
- Beaver Street Interceptor Design and replacement - \$25 to \$30 million; Design will likely be \$2-\$3 million on its own.
- Town and School Playground Improvements - \$1.5 million approximately over next 5-10 years.
- Stormwater Utility to comply with federal EPA mandates in stormwater
 - the study this year will help us determine this in 2020 and beyond.
- Building stabilization fund investments - \$5 - \$10 million over a decade.
 - School roofs will likely require a borrowing at some point for the next ten years to replace or stabilize roofs for several schools.
 - Municipal Building Windows - \$750,000+