

Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

April 2, 2021

To: Town Council
From: Jamie Hellen, Town Administrator
Chrissy Whelton, Assistant to the Town Administrator

Re: FY21 Capital Plan Proposal

Please find the attached Capital Plan for FY21, as well as the five-year capital plan from each department as required by the Town Charter. Included with this memo is a sheet with the 20-year free cash history. The average is \$2.69 million over the past ten years. FY21 is almost spot on the ten year average.

The following Capital Plan items were unanimously approved by the Town Council Capital Budget Subcommittee (chaired by Councilor Pellegri, and also Councilor Chandler, Councilor Kelly and Councilor Dellorco) at their March 31, 2021 meeting. These recommendations have also been unanimously endorsed by the Town Finance Committee in March.

From the certified total, there are several policy commitments that eat into the total right off the bat, most notably contributions to stabilization accounts for OPEB and turf fields (per Council policy). Due to the borrowing for two fire trucks, we recommend not depositing cash into the fire engine replacement fund this year. Additionally, with the adoption of the Community Preservation Act, we recommend not depositing any funds into an open space stabilization account as a new revenue source will be emerging next fiscal year. The staff also recommend holding revenue for annual snow and ice removal.

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 May/June.

The following is an overview of certified free cash status for FY21:

<u>Request</u>	<u>Amounts</u>
CERTIFIED FREE CASH TOTAL	\$2,730,757
Snow and ice removal/other	-\$670,000
OPEB Trust fund; per Council policy 10% of Free Cash	-\$273,000
Fire Truck Stabilization (7-year plan)	Hold
Fields Stabilization (Replace in 2027-ish)	-\$150,000
Open Space Stabilization	Hold
Remaining Free Cash for Capital Requests	\$1,637,757

Administration & Town Policy Requests

1. Snow & Ice Removal - \$670,000 **HOLD**

- a. Each year the Town reserves funds for snow and ice removal until April when we see the full costs of the winter. We set these funds aside due to quickly rising snow and ice removal costs.
- b. Current Snow and Ice budget has exceeded operating budget appropriations and stands at \$1,125,000.

2. OPEB Contribution - \$273,000

- a. \$273,000 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. An update of the OPEB actuarial that has recently been completed and shows a \$73 million liability, up from \$68.5 million in 2019. A presentation on this update will be forthcoming at a Town Council meeting in April.
- c. The OPEB Trust Fund currently has \$8,245,507.

3. Fire Truck Stabilization Contribution - \$0

- a. This request is postponed for FY21 due to the purchasing of 2 trucks through borrowing.
- b. As we heard from the Fire Chief, the two new trucks set the department up for success for the next decade. Staff will consider revisiting the annual deposit next year.
- c. The stabilization account currently has \$0.

4. Turf Field Stabilization Contribution - \$150,000

- a. This amount will continue 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.
- b. After this investment, the Town will have \$611,546 in the account and will be on schedule to replace fields in 2027-ish.

5. Open Space Stabilization - \$0

- a. With the adoption of Community Preservation and having a low free cash year, it seems best to hold off on the deposit this year. The Community Preservation Act will add a 2% surcharge on Real Estate Taxes for Residential and Commercial properties starting in July 2021. A minimum of 10% of those funds raised each year must be allocated to Open Space.
- b. The Open Space Stabilization account currently has \$2,372,367.85.

Town Department Requests

6. School Department, School Technology, School Facilities - \$200,000

a. Special Education Vans - \$90,000

This request is for the purchase of 2 new Special Education Vans at \$45,000 per van which includes the security cameras, technology/disability upgrades for compliance etc. FPS has an aging fleet of vans with six vans dating between 2009 and 2011, with a mean mileage of 129,043. We anticipate building the regular replacement of the remaining vans into the capital cycle in the next several years.

b. ECDC Playground Rubber Surface - \$50,000

This request is to replace playground surfacing at the ECDC. The existing poured in place playground surfacing has started to deteriorate, thereby losing its accessibility. This was original to the school when it opened in 2004. We propose replacing it with a new poured in place surface that will address the ADA accessibility concerns due to water pooling and freezing.

c. Security Access Controls- \$35,000

This request is to upgrade the access control system at Kennedy Elementary. We will be adding hardware and access control to the interior vestibule doors creating a locked area in between the two sets of doors in order to screen visitors before they are admitted into the school.

d. Gymnasium Room Divider- \$25,000

This request is to replace the existing Gymnasium divider at the Horace Mann Middle School.

7. Facilities Department (Town Projects) - \$500,000

- a. Municipal Building Windows Replacement. The good news is that the cost to replace the windows came in much lower than estimated at \$750,000. The Town was successful in obtaining a bid at approximately \$389,000 for the windows. The additional money is for the design fee and a contingency for work that may arise from any damage within the walls from leaks. All in all, this is an excellent price. Holding off saved taxpayer money.

The Town selected Russo Barr Associates to design a repair to the lintel area above the windows and replacement of all the building original window systems installed when the building was constructed in the 1980's. The original windows were never properly

flashed and as a result many leak. The new windows are filmed with UV protection on the interior surfaces and will be much more energy efficient.

On the Facilities Department ten-year capital plan, the items in Red denote that borrowing authorizations have already occurred on these items. The School Department's Facilities Use Master Plan will guide and assist the funding and priority of these items.

8. Fire Department - \$127,535

a. Structural Firefighter Clothing- \$47,500

These funds are being requested to replace the protective clothing that firefighters wear to protect themselves during structural firefighting operations. This continual replacement process is necessary as the outside (shell) material, while resistant to heat, degrades over time due to this heat exposure as well as the ultraviolet rays of the sun. This degradation, combined with normal wear and tear of the garments, weakens the fabric's ability to provide reliable protection for firefighters. While these garments are anticipated to last about ten years, it is necessary for firefighters to have two complete sets, so that one set can be thoroughly cleaned, while keeping that firefighter in service. The requested funds will allow the department to purchase the full protective ensemble for eleven (11) firefighters.

b. Solo Rescue Washer - \$29,806

The request for these funds is to purchase a washer/decontamination system that will rapidly and effectively decontaminate our breathing apparatus, boots, and gloves. This washer would complement the current gear washer and would give the ability to finally clean the entire structural firefighting ensemble utilized by personnel. The cleaning ability will ensure that our personnel protective equipment is free of not only the cancer causing products of combustion, but also bacteria and viruses, such as COVID-19. In turn, the proper cleaning of these items will generally lead to an increased longevity and service life of these items.

c. Portable Radio Microphones & Two Mobile Radios- \$42,091

These funds are being requested for the replacement of the current in-use microphones that are associated with our portable radios. This newer generation of microphones are more purpose-built for fire service use. This includes ruggedized and water-proof construction, more effective noise-cancellation for fireground use, along with controls which are designed to be manipulated with gloved hands. While we are looking to upgrade all of our current radios via federal grants in the next year or two, purchasing these microphones will not only help protect personnel currently, but will be able to be used with the newer generation of radios that are on the market. This would also fund the upgrade of two mobile radios for the two first-due engines, so as to enable communications with surrounding communities that are on frequencies outside the band of the current radios.

d. MSA HUB- \$8,138

These funds are being requested to purchase technology which works with our current Self-Contained Breathing Apparatus (SCBA), so that firefighter accountability is improved when on-scene in SCBA. This technology works with telemetry units in the SCBA, which report the firefighter's remaining air supply and status to the Incident Commander (IC). It allows for two-way communication between the firefighters inside the structure and the IC, indicating if a firefighter is in trouble or if the firefighter must evacuate the structure. These HUB units are the necessary base technology to maximize the safety function of our current SCBA.

Not recommended at this time:

- Deputy Chief Vehicles - \$112,116.14

9. Police Department - \$299,675

a. Police Vehicles Replacement - \$235,710

This request is to fund the replacement of the following vehicles:

- 2017 Ford Police Interceptor Utility-605 with 92,221 miles for \$60,877
- 2016 Ford Police Interceptor Utility-616 with 90,142 miles for \$61,347
- 2016 Ford Police Interceptor Utility -619 with 90,880 miles for \$61,347
- 2009 Ford Crown Victoria Police Interceptor - 620 with 98,400 miles for \$52,139

The selected cruisers are scheduled to be rotated out of service by recommendation of DPW mechanics, age, high mileage and their continued cost of maintenance.

b. Protective Body Armor-\$9,740

These funds are being requested to replace eight (8) sets of concealable soft body armor worn by officers that have met or exceeded the five year operational cycle and warranty status.

c. Portable Radios-\$28,475

These funds are being requested to replace eight (8) portable radios and accessories that have met the six year recommended replacement cycle. This is a third and final year of a three year project to replace all portable radios utilized by the department.

d. Electronic Control Weapons-\$14,600

These funds are being requested to purchase forty-six (46) units and to spread the cost of the replacements over a five year period. This is year two of the Axon Enterprise Taser 60- 5 year purchase plan.

e. Technology/ Equipment- \$11,150

This request is for the replacement of technology and office equipment. Items include three(3) desktop computers that have met the Information Technology departments replacement guidelines, one digital copier and one desktop copier.

Not recommended at this time:

- Two additional Police Vehicles - \$125,287
- Police Station Renovation & Expansion Study - \$150,000

10. Public Works - \$415,000

a. Street Light/Intersection Design at Grove St and Washington St -\$250,000

This request is to construct a traffic signal at the Washington and Grove St intersection, and to construct roadway improvements on Grove St from Washington St to Kenwood Circle, as well as on Kenwood Circle. The construction will improve safety along the corridor, improve bicycle access and mobility, and better accommodate access and traffic growth associated with new developments along the corridor.

We currently have G&H under contract and they are finishing up a field survey for the project and we are in the process of getting a contract together for BETA for design services.

We are planning on re-applying for a MassWorks grant for construction funding in May when they start accepting new applications. The Town will also use revenues from any marijuana facilities to assist in financing this project.

b. Vehicles & Equipment- \$165,000

This request is to purchase the following:

- H-5 1997 Ford 6 Wheel Dump Truck w/ Sander- \$165,000
The H-5 is 24 years old and is well past its expectancy. The cab and chassis have considerable amounts of rust and rot. This truck is used for plowing and treating roads as well as daily work throughout the year. This vehicle will not pass inspection and parts are unavailable due to the age of the truck.

Not recommended at this time:

- T-5 2006 Ford F250 4x4 w/8' plow- \$45,000
- T-4 1994 Ford 250 4x4- \$45,000
- H-22 2000 International Bucket Truck- \$100,000
- 1986 Bombardier sidewalk plow- \$130,000
- Supervisors pick-up truck -\$35,000
- H-38 1999 GMC w/ sander -\$165,000
- H-17 2002 Ford 1-Ton Dump w/plow- \$65,000

11. Water Enterprise Funds - \$1,805,000

The Water Enterprise fund expenditures are slightly higher than normal this year due to the unknown circumstances around the Garelick bankruptcy case and statewide drought last year. We ultimately took a year off from any capital investments for the water department. The good news is the bankruptcy case is completed and the Town did receive its payments thanks to the efforts of our Town Treasurer/Collector and Finance staff (and great attorney's in Houston!). Also, the state has revised drought projections back to normal and the Town does not have a water ban. FY21 capital seeks to make up for lost time on many critical projects needed to the system. Additionally, a new water treatment plant will be coming online in the Spring.

- a. Water Main Replacement projects - \$1.050 million which is to pay cash for FY20 water main projects rather than borrow and pay interest. The FY21 roads program will be beginning paving over the areas where water work was completed last year.
- b. Vehicles & Equipment - \$273,000
This request is to replace the following:
- Replace W-7a with one 4x4 Pickup for \$35,000
The W-7 is a 2007 GMC 1500 Pickup currently used as the meter readers truck. It is a 2007 that will not pass inspection, due to holes in the floorboard being a safety issue with emissions entering the vehicle. We will be replacing it with a compact utility van to allow the meter reader to carry tools, spare meters, and the ability to work inside the van as needed.
 - Replace W-14 with 6 Wheel Dump with Plow for \$175,000
The W-14 is a 1999 Sterling 6 wheel dump truck with 50,544 miles. Sterlings around this age are known for having costly issues as we have seen with other DPW trucks in the past. To be proactive we are replacing with a new 6 wheel dump with a plow to also assist in snow clean up.
 - Replace W-1 with 4x4 Pickup for \$18,000 (Split with Sewer)
The W-1 is a 2008 Ford F-150 pickup currently used as the water/sewer superintendents vehicle to be replaced with a 4x4 pickup.
 - Replace W-25 with one 4x4 Pickup with Plow for \$45,000
The W-25 is a 2008 Ford Ranger pickup currently used by our water field operations crew. We are in need of a 4 wheel drive vehicle so we will replace it with a 4x4 pick up with a plow.
- c. Low Service Area & Tank Repair Design- \$270,000
This request is for the design of the reconfiguration options for the Pleasant Street tank to eliminate the extraneous pumping to improve energy efficiency. In addition, all six storage tanks were inspected in 2019. This request would include repair/rehab of the Hillside and Forge Hill Tanks. This project is on the Draft IUP list for SRF funding in FY21. The total construction cost covered under SRF is \$6.056M.
- d. Scada System Upgrades- \$160,000
This request is to replace obsolete radio telemetry systems and to replace obsolete controllers at Hayward St Water Treatment Plant. This will also allow for better communication with the new Grove Street Water Treatment Plant.
- e. Meter Replacement - \$50,000
The Franklin Water system includes over \$10,000 water meters, all of which act as cash registers for the Water and Sewer Department. AWWA recommends that water meters be replaced every 10-15 years. As meters age, their accuracy decreases, generally in favor of the customer. Therefore, we would like to continue our 20 year meter replacement program.

12. Sewer Enterprise Funds - \$506,000

- a. Sahlin Circle Sewer Station Construction - \$300,000
The Sahlin Circle Sewer Station is in poor condition and needs to be replaced. A new station is currently in design. The requested funding is for construction of the new station, which is scheduled to begin in 2021.
- b. Beaver Street Interceptor Rehab & Engineering Design - \$150,000
This request is to fund an engineering peer review of Beaver Street interceptor for Rehab and Replacement. As we approach designing the \$25 million Interceptor, it is worth the money to peer review and get a third party review of the project to ensure the Town is taking the best course of action.
- c. Vehicles and Equipment - \$56,000
This request is to replace the following:
 - Replace W-1 with 4x4 pickup for \$18,000 (split with Water).
The W-1 is a 2008 Ford F-150 Pick up currently used as the water/sewer superintendents vehicle to be replaced with a 4x4 Pickup.
 - Replace W-16 with 4x4 Pickup with a Snow Plow for \$38,000. The transmission failed on the previous pickup and rusted out with 120,000 miles on it. The cost to repair would be too high.

Not recommended at this time:

- Phase VI Sewer Rehabilitation Construction - \$400,000
- Replace Dawn Marie Generator for - \$50,000
- Sewer Pump Station Improvements - \$200,000

In addition to the needs within each department' 5-year capital plans, here is a list of other capital projects over the next five to ten years (in no particular order):

- Technology - potential to look at a stabilization account for long term technology investments. The Town is borrowing \$2 million in May to upgrade critical infrastructure, such as network switches, fiber and connectivity, as well as new devices such as interactive display technology in school, school security improvements, Chromebooks, Wi-Fi, which are all developing into a new baseline standard of investment the Town will need to make over the next decade. A discussion should occur regarding this topic this year after the Town and School staff have a workshop this month on the topic.
- Stormwater Utility to comply with federal EPA mandates in stormwater. Estimated \$60 million over 2 decades.
- Pavement & Infrastructure Management - \$40 million.
 - Recent plans on roads and parking lots showed a \$40+ million backlog for roads and municipal and school parking lots.
 - Sidewalks are \$100-\$120/foot. Millions per sidewalk for large feeder roads.
- Police Station study and renovation - Estimate \$20-\$30 million.

- For renovation & expansion of the current station; this estimate does not include any new land if a new site is desired. If so, add another \$2-\$4 million.
- A new Police Station will require a debt exclusion vote at the ballot by citizens in the community.
- Staff will look to fund the full \$150,000 study in the FY22 capital plan once a timeline and strategy is in place by the Council.
- School Curriculum investments - Approximately \$250,000 to \$500,000 in new curriculum investments over the next 3 years.
- Town and School Playground Improvements - \$1.5 million approximately over the next 5-10 years. Possible CPA use, as well.
- Open Space - Prepare for future Open Space purchases and Recreation land investments - millions. Possible CPA use, as well.
- Landfill cap and Recycling Center expansion - \$3-5 million, approximately.
 - The state Environmental Bond Bill has \$1 million reserved authorization.
 - This project will be a long permitting process through DEP after the land transfer is completed. The state agency in charge of disposition of state land continues its work.

TOWN OF FRANKLIN					
20 YEAR FREE CASH / RETAINED EARNINGS HISTORY					
Certified	General Fund	Water Enterprise	Sewer Enterprise	Solid Waste Enterprise	Total
7/1/2001	3,802,432				3,802,432
7/1/2002	3,882,685				3,882,685
7/1/2003	1,586,454				1,586,454
7/1/2004	2,707,379				2,707,379
7/1/2005	2,104,083				2,104,083
7/1/2006	656,535	2,176,995	2,864,197	183,451	5,881,178
7/1/2007	1,858,230	1,647,411	2,561,047	61,500	6,128,188
7/1/2008	2,328,614	2,460,244	3,345,138	122,289	8,256,285
7/1/2009	2,385,242	1,554,884	1,343,434	351,058	5,634,618
7/1/2010	2,133,006	2,384,106	1,282,996	382,606	6,182,714
7/1/2011	2,935,840	2,030,319	1,386,149	624,111	6,976,419
7/1/2012	3,580,481	3,045,246	862,396	331,426	7,819,549
7/1/2013	2,001,830	4,275,163	1,359,927	383,173	8,020,093
7/1/2014	3,073,946	2,693,223	1,500,456	432,094	7,699,719
7/1/2015	2,359,365	2,348,202	2,673,720	396,933	7,778,220
7/1/2016	3,643,541	2,391,123	1,560,327	379,567	7,974,558
7/1/2017	2,821,988	2,481,336	904,612	380,888	6,588,824
7/1/2018	3,726,972	2,809,777	1,470,260	319,625	8,326,634
7/1/2019	3,482,875	2,754,056	1,404,544	285,807	7,927,282
7/1/2020	2,730,757	3,429,103	1,491,152	298,505	7,949,517

What is Free Cash?

Free Cash (Also Budgetary Fund Balance) is defined as “remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts. (See Available Funds)”

The state Department of Local Services has a [glossary on municipal finance terms](#).

You may also visit the [Town of Franklin’s Budget website](#) for more.

<https://www.franklinma.gov/town-budget>



TOWN OF FRANKLIN

RESOLUTION NO.: 21-13

APPROPRIATION: Capital FY21

TOTAL REQUESTED: Free Cash **\$1,542,210**
 Water Retained Earnings \$753,000
 Sewer Retained Earnings \$506,000

PURPOSE: To appropriate funds for the 2021 Capital Improvement Plan:

<u>Department</u>	<u>Description</u>	<u>Category</u>	<u>Amount</u>	<u>Total</u>
Schools	Special Education Vans	Vehicles	\$90,000	
Schools- Facilities	ECDC Playground Rubber Surface	Infrastructure	\$50,000	
	Security Access Controls	Technology	\$35,000	
	Gymnasium Room Divider	Equipment	\$25,000	\$200,000
Facilities	Municipal Building Windows	Infrastructure	\$500,000	\$500,000
Fire	Structural Firefighter Clothing	Equipment	\$47,500	
	Solo Rescue Washer	Equipment	\$29,806	
	Portable Radio Microphone & Town Mobile Radios	Equipment	\$42,091	
	MBA HUB	Technology	\$8,138	\$127,535
Police	Police Vehicles	Vehicles	\$235,710	
	Protective Body Equipment	Equipment	\$9,740	
	Portable Radios	Equipment	\$28,475	
	Electronic Control Weapons	Equipment	\$14,600	
	Technology/Equipment	Technology	\$11,150	\$299,675
Public Works	Street Light/Intersection Design	Infrastructure	\$250,000	
	Vehicles and Equipment	Vehicles	\$165,000	\$415,000
	TOTAL FREE CASH APPROPRIATION			\$1,542,210
Water Enterprise	Vehicles and Equipment	Vehicles	\$273,000	
	Low Service Area & Tank Repair Design	Infrastructure	\$270,000	
	Scada System Upgrades	Technology	\$160,000	
	Meter Replacement	Equipment	\$50,000	
	TOTAL WATER RETAINED EARNINGS APPROPRIATION			\$753,000

Sewer Enterprise	Sahlin Circle Sewer Station Construction	Infrastructure	\$300,000	
	Beaver Street Interceptor Rehab & Engineering Design	Infrastructure	\$150,000	
	Vehicles and Equipment	Vehicles	\$56,000	
TOTAL SEWER RETAINED EARNINGS APPROPRIATION				\$506,000

FINANCE COMMITTEE ACTION

Meeting Date: 3/10/21 Vote: 5-0

**Recommended Amount: \$ 1,637,727 from Free Cash
 \$ 753,000 from Water Retained Earnings
 \$ 506,000 from Sewer Retained Earnings**

CAPITAL BUDGET SUBCOMMITTEE ACTION

Meeting Date: 3/31/21 Vote: 4-0

**Recommended Amount: \$ 1,542,210 from Free Cash
 \$ 753,000 from Water Retained Earnings
 \$ 506,000 from Sewer Retained Earnings**

MOTION

Be It Moved and Voted by the Town Council that the sums of One Million Five Hundred Forty-Two Thousand Two Hundred and Ten Dollars (\$1,542,210) be appropriated from Free Cash, Seven Hundred Fifty Three Thousand Dollars (\$753,000) be appropriated from Water Retained Earnings and Five Hundred and Six Thousand Dollars (\$506,000) be appropriated from Sewer Retained Earnings to be expended at the discretion of the Town Administrator for the FY 2021 Capital Improvement Plan as outlined above including any residual funds remaining in these line items.

This Resolution shall become effective according to the provisions of the Town of Franklin Home Rule Charter.

DATED: _____, 2021

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

**Nancy Danello
 Temporary Town Clerk**

**Glenn Jones, Clerk
 Franklin Town Council**