

Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

January 5, 2024

To: Finance Committee
From: Jamie Hellen, Town Administrator

Re: **FY24 Capital Plan Proposal, Round 1**

Please find the attached Capital Plan Round 1 for Fiscal Year 2024 (FY24), as well as the five-year capital plan from each department as required by the Town Charter. Included in this memo is a chart with the 20-year free cash history. The average free cash balance is \$3.52 million over the past ten years and \$2.89 million over the past 20 years.

From the certified total, there are several policy commitments that eat into the total right off the bat, most notably contributions to stabilization accounts (per town policy). Please note that snow and ice removal is now fully funded in the operating budget and there is no reason to “hold” any free cash for snow and ice removal. See narrative below for more specifics.

These recommendations are the FY24 Capital program Round 1. A second round will be later this Spring. The following is an overview of certified free cash status for FY24:

Town Policies	Amounts
CERTIFIED FREE CASH TOTAL	\$4,524,625
Snow and ice removal	-\$0
OPEB Trust fund; per Council policy 10% of Free Cash	-\$452,000
Fire Truck Stabilization (7-year plan)	-\$100,000
Fields Stabilization (Replace in 2027-ish)	-\$150,000
Open Space Stabilization	-\$100,000
Budget Stabilization	-\$250,000
Property, Projects and Facilities Stabilization	\$0
Remaining Free Cash for Capital Requests	\$3,472,625

Town Policy Requests

1. **OPEB Contribution - \$452,000**
 - a. \$452,000 or 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 has recently been completed and shows a \$61.2 million net liability. A presentation will be given at the February 28th Council meeting.
 - c. The OPEB Trust Fund currently has \$12,494,202.
2. **Fire Truck Stabilization Contribution - \$100,000**
 - a. Continuing town policy of \$100,000 from free cash to the fire truck stabilization account.
 - b. The stabilization account currently has \$118,669.
3. **Recreation Fields Stabilization Contribution - \$150,000**
 - a. This amount will continue to be set aside in the stabilization account in order 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. The stabilization account currently has \$951,728.
4. **Budget Stabilization Account - \$250,000**
 - a. Supporting this deposit increases the Budget Stabilization Fund to \$3,347,350. Commitment to stabilization balances and increasing reserves are clearly both driving reasons behind the Town's AAA bond rating. Town policy is to have 2%, but staff recommends increasing this goal to 5% of general operating revenues (not including enterprise funds). A AAA bond rating allows the Town to borrow at more favorable rates.
5. **Property, Projects and Facilities Stabilization Account – \$0**
 - a. The stabilization account currently has \$294,352.
6. **Open Space Stabilization - \$100,000**
 - a. FY24 is the first year since the approval of the Community Preservation Act (CPA) that the town can resume its policy commitment to offering funding to the town's open space stabilization account.
 - b. The Open Space Stabilization account currently has \$2,587,067.

Department Requests

7. **School Department, School Facilities, School Technology - \$1,210,387**
 - a. SPED Van - \$75,000
For a regular replacement of a 13-year old SPED van.
 - b. Math Curriculum - \$95,587
Replacement materials for Middle School curriculum licenses, subscriptions, textbooks and a three (3) year license.
 - c. 400 Student Chromebooks - \$100,000
Replacement Devices for 1:1 Chromebooks (\$250 per unit) for students.
 - d. K-8 Administration Laptop Warranty Extension - \$55,000

The Schools are requesting funds for a warranty extension for staff laptops for an additional year. A request will be coming forward in the future for 300 new laptop replacements at \$1,250 a piece.

- e. Interactive TouchView displays at FHS - \$324,800
75-inch Touch Views to replace projectors and whiteboard combinations in 116 rooms that were installed in 2014. Estimated price \$2,800 per unit.
- f. LARGE format (85") Interactive TouchView displays - \$50,000
To replace ten (10) touchview displays at \$5,000/display.
- g. Crestron A/V system Update - \$100,000
Continuation of maintenance started in 2021.
- h. Replace seven (7) video servers at the High School - \$120,000
Includes Hardware and software licenses.
- i. Removal of Kennedy Modulares - \$50,000
To fund removal of the last modular classrooms within the district at Kennedy. The modular is leaking and falling apart. The Town and Principal have wanted to remove the modular for a couple of years and cannot be avoided any longer.
- j. 4 Large Projectors at FHS - \$240,000
Four large Projectors located in the following 4 large space areas: Gym, Auditorium, cafeteria, lecture hall were \$60,000 each when purchased with the new school in 2014. They will be 10 years old and coming to the end of their useful lifespan.

8. Facilities Department (Town Projects) - \$300,000

- a. 911 upgrade phone systems - \$300,000
The state is requiring an upgrade to emergency phone systems.

9. Technology Department (Town Projects) - \$36,000

- a. Fire Department Laptops - \$36,000
Replace six (6) "ruggedized" laptops (= expensive) that ride in the ambulances at roughly \$6,000 each. These are specialized computers in the ambulances. They are on a replacement schedule.

10. Town Administrator - \$140,000

- a. Citizen Satisfaction Survey - \$40,000
To hire Polco, who is affiliated with the International County and Managers Association (ICMA) and the Nation Research Center (NRC), to conduct a scientific, random selection study of citizen satisfaction within Franklin. The study will include numerous questions that are standard to reflect the overall happiness, or dissatisfaction, of service levels within the community. The data is a helpful metric to show (1) how Franklin relates to other similar communities in New England and nationally and (2) assists the community in policy decisions, including spending.

Studies such as this create a baseline of data within the community to determine where to allocate financial resources, especially when there are significant competing demands.

Attached are some promotional materials.

b. Crisis Intervention Team (CIT) - \$25,000

To provide ancillary financial assistance to residents facing extreme crises due to homelessness or other extreme cases. The CIT has been established by town staff/departments who work on a case-by-case basis with individuals facing extreme circumstances. Two recent cases have raised awareness of a “doughnut hole” in assisting people who are homeless, while obtaining transitional assistance. These funds will allow us to fund temporary assistance for someone, while the professional staff coordinates more permanent solutions. These funds will only be used in extreme circumstances and will not be readily available.

This capital account will be overseen by the Deputy Town Administrator, Amy Frigulietti, as she works to bring greater coordination and system of social services in town. I am pleased to report one recent case where the team has made huge strides to solve a homeless case in town.

The CIT is an internal working group we are developing that consists of staff from Administration, Police, Senior Center, Board of Health and Fire Department. While a formal charge has yet to be drafted, the group is charged with working on extreme crisis cases. These agencies encounter staff who are licensed or have extensive experience in these areas, as well as those who have legal authority over matters on public safety of housing. This group is NOT a triage center for day to day issues. We hope a website will be planned later in the year.

c. School & Town Website Upgrade - \$75,000

To upgrade the town website for both town and schools. Staff have recently completed demo's with several companies and will be selecting a vendor at the beginning of the new year. These costs will go to pay for the migration of sites, upgrading, licensing, and likely photography and other incidentals. This project will take upwards of a full year to upgrade websites.

11. Fire Department - \$337,854

a. Structural Firefighter Clothing- \$82,000

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 heat exposure as well as to 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 taken out of service and thoroughly cleaned, while keeping that firefighter in service. The requested funds will allow the department to purchase the full protective ensemble for ten (10) firefighters.

b. Portable Radios - \$34,607

Last year, through the use of capital funds and federal grant monies, the department was able to replace all of the portable radios within the department. This year's request is to provide the funding necessary to purchase four (4) mobile radios, which would be used in apparatus that are currently on order or as a replacement for current equipment.

c. Battalion Chief/Command Vehicle- \$86,949

This year we are requesting funds to replace the on-duty marked Battalion Fire Chief's vehicle with a 4-door, 4-wheel drive pick-up truck with utility cap. The current vehicle is a 2015 model year Ford Police Interceptor (Explorer) with 68,687 miles on the odometer and 6760 engine hours, of which 3942 are engine idle hours. Using a conservative 40 mph equivalent, these hours equate to 270,400 engine miles. Due to the changing role of the Battalion Chief within the department, this new style of vehicle will increase productivity and help provide a greater range of services to the community.

d. Durable Medical Equipment - \$101,631

These funds are being requested to replace two (2) of the three (3) automated external chest compression devices in use on the department's ambulances. Purchased in 2013, they are considered end-of-life (EOL) by the manufacturer and no longer able to be repaired. These devices replace the need for manual CPR by the department's paramedics by providing automated manual external chest compressions, freeing up valuable on-scene personnel for other life-saving tasks. More importantly, automated CPR devices have been shown to provide better quality, more consistent external chest compressions than manual CPR. In addition, these funds would be used to replace one (1) aging cardiac monitor / defibrillator that is approaching its end-of-life (EOL), due to increased maintenance requirements on this particular unit. In a cardiac emergency, these units provide the following six primary functions: cardiac defibrillation, non-invasive pacing, patient ECG information capture and printing, patient signal monitoring, 12-lead ECG capture and analysis, and pt monitoring alarms and warning management. In addition, in some instances, this unit will transmit the 12-lead ECG directly to the emergency department. Lastly, this project would fund the purchase of a new ambulance stretcher and stair chair for the ambulance which is scheduled to be delivered in the summer of 2024.

e. Hose, Nozzle and Associated Equipment - \$32,667

These funds are being requested to replace structural fire hose, nozzles, and equipment that are beyond their expected service life and in need of replacement. Some of the current nozzles have been discontinued and service parts are no longer available. These funds will also allow for the outfitting of the new tower truck, which is expected to be delivered in early 2025.

12. Police Department - \$373,375

a. Police Vehicles Replacement - \$333,595

The department is requesting funds to replace four (4) police vehicles and one (1) motorcycle consistent with our vehicle replacement policy. The selected vehicles are scheduled to be rotated out of service by recommendation of DPW mechanics and fleet managers based on age, mileage and projected future maintenance costs.

b. Electronic Control Weapons (Tasers) - \$14,603

The Department is in year four (4) of the Axon Enterprise Taser 60 - 5 year purchase plan. This plan allowed the purchase of 46 units simultaneously while spreading the cost of replacements over a five year period.

c. Protective Body Armor - \$15,651

To replace thirteen (13) concealable soft body armor vests worn by officers that have met or exceeded the five year operational cycle and warranty status.

d. Technology Investments - \$9,526

The department needs to replace technology and office related equipment. Four(4) desktop computers that were originally purchased in 2015 are in need of replacement. Software license renewals are needed. The desktops and software we will purchase meet the Information Technology Departments' replacement guidelines and the IT Department was consulted prior to this request.

13. Public Works - \$770,000

a. Road Maintenance - \$150,000

For capital maintenance to fix roads throughout town. Note, the Town has infused money toward roads in the operating budget of \$600,000 annually.

b. Sidewalk Maintenance - \$150,000

For capital maintenance to fix sidewalks throughout town, notably many ADA ramps for individuals to access the sidewalks. This money will not cover any new sidewalks.

c. Vehicles & Equipment- \$470,000

This request is to purchase the following vehicles (in order of priority to the DPW):

- 6 Wheel Hook Truck with Sander/Liquid Tank/Flat Bed & Plow - \$280,000

H-7 2000 Sterling flat bed sander is now 24 years old and the dump body has been removed due to rot. The sander is permanently mounted on the flat bed which makes this truck a very limited year round vehicle. We would like to replace this truck with a 6 Wheel Hook Truck with a liquid tank, sander and flat bed.

- 1-Dump Truck with Plow - \$105,000

The 2005 T-16 F550 1-Ton is now 18 years old, is well past its life expectancy, and has severe rot to the frame. This truck will not end up passing the next state inspection. We would like to replace this dump truck with a 1-Ton dump truck with a 9' plow. This truck is assigned a plow route and we need this truck as part of our snow operations and daily tasks.

- Wide Area Mower - \$85,000

The 2012 Toro 4100 D Wide Area Mower is now 12 years old and is a big part of keeping the athletic fields and schools mowed weekly. We would like to replace this mower with a new Wide Area Mower.

14. Water Enterprise Funds - \$813,450

The following recommendations comply with the Town's policy to maintain at least \$1.5 million in retained earnings for emergency purposes. The recommendations are as follows:

a. Fisher Street Water Treatment Plant Design Phase 2 - \$663,450

To replace the existing Fisher Street WTP membrane cartridge system before the estimated end of cartridge life (2024) which could lead to WTP failure/loss of services. To improve the system reliability and WTP safety of operations. Demolition of the existing membrane system, WTP building modifications and installation of a new pressurized media filtration

system for iron and manganese removal, similar to the system in the Grove Street Water Treatment Plant. The project also includes building a PFAS treatment addition to the existing WTP to house GAC vessels. Consistent and reliable treatment to reduce iron and manganese for Well Nos. 1, 2, 2a, and 2b as well as to provide for safer operating conditions and wide availability of spare parts. Consistency between the existing Grove Street WTP and the improved Fisher Street WTP will also provide operational familiarity and opportunities for optimized equipment maintenance.

Phase 1 Pilot & 30% Design completed under FY23 Capital Request (\$467,250). The estimated Construction Cost is \$25,696,000.00. An SRF PEF was submitted for state loan assistance, similar to the Beaver Street Interceptor and PFAS.

b. Meter Replacements - \$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.

c. General Infrastructure Improvements - \$100,000

Replacement of water main sections prone to leaks. Also, includes funding to start a Valve Exercising and Replacement Program throughout Town.

15. Sewer Enterprise Funds - \$500,000

The following recommendations comply with the Town's policy to maintain at least \$1 million in retained earnings for emergency purposes. The Town staff recommend maintaining a \$1.5 million in retained earnings in the stabilization utility due to major projects in town. Note, \$500,000 in federal ARPA funds were recently appropriated to alleviate local rate-payers paying for those projects. While \$1 million is town policy, we think it's wise to save a little extra in the event of an emergency.

Under this guidance, the Town will invest \$500,000 in capital projects this year. The recommendations are as follows:

a. Replace Control Systems at 7 Lift Stations - Part 1 - \$250,000

The Town is currently in the process of replacing old control systems at each pump station. The following pump stations still require replacements: Public Works Sewer Lift Station, Jackson Sewer Lift Station, Kenwood Sewer Lift Station, Longhill Sewer Lift Station, Oxford Sewer Lift Station, Palomino Sewer Lift Station, and Red Gate Sewer Lift Station.

b. Equipment & Vehicles - \$150,000

CCTV Camera Equipment to conduct in-house investigations in sewer and drain pipelines. This will help avoid calling in a contractor to conduct emergency CCTV work and will provide the Town's sewer crew eyes in the pipes during cleaning and jetting operations. Cost to include camera equipment, purchase of enclosed dual axle trailer, and outfitting the trailer with all the equipment and lights.

c. Phase 1 SCADA Upgrades - \$100,000

Upgrade radio and PLC equipment at each sewer pump station to current technology.

Glossary

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					
20 YEAR FREE CASH / RETAINED EARNINGS HISTORY					
Certified	General Fund	Water Enterprise	Sewer Enterprise	Solid Waste Enterprise	Total
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
7/1/2021	4,470,514	3,622,117	2,168,606	548,721	10,809,958
7/1/2022	4,322,269	2,730,677	2,172,601	980,427	10,205,974
7/1/2023	4,524,625	2,942,072	2,000,660	792,976	10,260,333