



*Town of*

*Amherst* Massachusetts

## **JOINT CAPITAL PLANNING COMMITTEE Fiscal Year 2010**

### **FY 10 Recommendation Summary**

The target for capital investment in FY 10 had been 8% of the levy. Reluctantly, JCPC recommends 6.75%. That amount is \$148,391 lower (-5.8%) than the FY 09 approved capital plan, which used 7.25% of the levy. By comparison, Town, School, and Library recommended operating budgets for FY 10 will likely be close to level-funded or even decrease between 0% and 1%.

To meet this reduction, JCPC recommends eliminating or deferring these three items from its original prioritized list of FY 10 projects:

1. Town-wide GIS mapping/flood area analysis, \$100,000 (The Town may be eligible for federal funding for this).
2. Aerial ladder refurbishing, \$95,000, pushed back to FY 11. The new Quint, with a smaller ladder, is going into service this coming summer.
3. Marks Meadow exterior doors, \$20,000. The School Committee may decide to close the school.

### **Why Capital Planning?**

The Joint Capital Planning Committee (JCPC), comprised of two representatives each from the Select Board, School Committee, Jones Library Board of Trustees, and Finance Committee, advises the Town Manager, Finance Committee, and Town Meeting on the capital needs of the Town. It was organized in 1992 as the Town began to recover from the fiscal crisis of the early 1990s. At the same time that the state was experiencing recession and cutting aid to cities and towns, the Town of Amherst reached its levy limit under Proposition 2½. That milestone meant the Town no longer had the option of raising whatever taxes were necessary to meet expenditure demands. With state aid reduced and growth of property taxes limited, the Town used reserves and unexpended capital appropriations totaling nearly \$15 million to balance three years of operating budgets. Capital needs were so neglected that departments had equipment that did not work; building maintenance and repairs fell far behind. It has taken 16 years of careful planning and management to get equipment on regular replacement schedules and buildings free of some of the health and safety problems that arose from failure to keep up those facilities during that period.

The last several years have been a reminder that there are economic ups and downs. Many cities and towns, including Amherst, are faced with the need to meet increasing operating expenses, satisfy capital needs, and rebuild reserves. Especially in the current economic downturn, these three objectives can conflict. The Financial Management Policies and

Objectives reviewed by JCPC and adopted by the Finance Committee in January 2008 acknowledges the need to adequately fund a viable multi-year capital plan to maintain infrastructure, replace worn equipment, and address other capital needs of the Town.

### **Prioritization of Capital Needs**

JCPC reviews requests for capital plan funding that meet several criteria. A capital improvement is a tangible asset or project with an estimated useful life of five (5) years or more, and a cost of \$5,000 or more. Among the items properly classified as capital improvements are:

- New public buildings, or additions to existing buildings, including land acquisition costs and equipment needed to furnish the new building or addition for the first time;
- Major alterations, renovations, or improvements to existing buildings that extend the useful life of the existing buildings by ten (10) years;
- Land acquisition and /or improvement, unrelated to a public building, but necessary for conservation or park and recreation purposes;
- Major equipment acquisition, replacement or refurbishment, including but not limited to vehicles, furnishings, and information technology systems' hardware and software;
- New construction or major improvements to the Town's physical infrastructure, including streets, sidewalks, storm water drains, the water distribution system, and the sanitary sewer system. Infrastructure improvements must extend the useful life of the infrastructure by at least ten (10) years to be appropriately classified as a capital improvement; and
- A feasibility study, engineering design services, or consultant services which are ancillary to a future capital improvement project.

Successful capital planning facilitates postponing some capital expenditures in favor of others as part of the planning process. JCPC has adopted the following guidelines for prioritizing capital projects, with examples listed in parentheses. The guidelines themselves are not necessarily listed in priority order:

- Imminent threat to health and safety of citizens, employees or property (police cruisers and radios, SCBA self-contained breathing apparatus);
- Maintenance and improvement of capital assets (major repairs of buildings, replacement of vehicles and equipment, park and play area renovations);
- Requirement of state or federal law (asbestos cleanup program mandated by federal law in 1986, removal of gas tanks, etc);
- Improvement of the infrastructure (streets and sidewalks, water and sewer programs);
- Improvement/maintenance of productivity (equipment replacement, computer hardware / software);
- Improvement of an overburdened situation (Town Hall renovations, cemetery expansion program);
- Newly identified need (recreation fields);
- Priority assigned by Department (Very High, High, Medium, Low); and
- Consistency with and in furtherance of long-term planning objectives of the Town (Master Plan, Climate Action Plan, Historic Preservation Plan, etc.).

## **Sources of Funds**

Funds for the recommended Five Year Capital Plan will come from the same sources as before: property taxes, enterprise and other special purpose funds of the Town, grant funds from the federal and state governments, and from unexpended balances from previously authorized capital projects. This plan assumes commitment of 6.75% of the local property tax levy in FY 10, a reduction of \$178,351 from the 7.25% of the levy used in FY 09. With less money available, fewer of the requested capital items would be funded. A list of those to be eliminated or deferred to future years appears at the end of this report.

Earlier capital plans used as much as 10% of the tax levy, which along with the other resources was enough, or almost enough, to keep up with renovation and maintenance of existing buildings and equipment replacement, but not enough to cover significant new projects. Beginning in FY 05, that percentage was reduced annually and dropped to a low of 7% for FY 08, after the defeat of a Proposition 2½ override. Last year, JCPC recommended that funding for capital should increase incrementally in succeeding years to 9.5% in FY 13. Due to the current economic recession and decreases in state aid, that recommendation needs to be deferred.

Using just 6.75% of the levy, JCPC had to postpone or eliminate nearly \$700,000 in expenditures initially proposed for FY 10. Among those are computers and related information technology equipment; a Fire Department van; refurbishment of the department's aerial ladder truck; replacement furniture for fire stations and many other town buildings; a 2-ton roller; exterior maintenance for the Munson Building and the child care facility near Wildwood School; a security system for the Department of Public Works facility; energy management systems for Wildwood and Fort River Elementary Schools; and studies of North Amherst land zoned for Professional Research Park and of brownfield sites around Amherst.

Large projects slated for future years include repairs and renovations of Fort River and Wildwood elementary schools; one or two new fire stations; renovating or replacing the 19<sup>th</sup> century Department of Public Works facility, and major expenditures for deteriorating roads and sidewalks.

## **The Recommended Capital Plan – A One Year Budget, A Five Year Plan**

The General Fund Five Year Capital Plan for FY 10-14 includes voted appropriations from FY 09, a proposed budget for FY 10, and a prioritized plan of capital investment possible with projected available revenues for the period FY 10-14. The total capital budget in any fiscal year is composed of direct cash expenditures for capital items, debt service (interest and principal) on all prior bonded expenditures, and debt service on any new authorized and issued bonds, if any. The plan is organized into three categories of projects: major equipment (vehicles, technology, etc.), building needs, and facilities needs (road maintenance, parks, open space, etc.). The plan also incorporates recommendations developed by the Community Preservation Act (CPA) Committee for eligible community housing, open space, historic preservation, and recreation projects funded from the local voter-approved 1.5% property tax CPA surcharge and matching state funds. JCPC appreciates the CPA Committee's cooperation and coordination of their recommendations to allow presentation of the entire Capital Plan at the Annual Town

Meeting. Recommendations for FY 10 Capital Plan funding total \$2,066,200 plus Community Preservation Act projects of \$653,574 and include the following:

**Equipment [Note: Included in 2009 ATM Article 26 unless otherwise noted]**

JCPC recommends a total of \$1,023,200 for equipment items. Of this total, Chapter 90 grants for road repair equipment funds \$170,000 and taxation funds the remaining \$853,200. Town technology infrastructure equipment replacement (computers and network equipment) is recommended for \$123,000 and includes scheduled replacements of servers, PCs, printers, routers, switches, and other critical Town technology systems. Other Town technology-related items include \$18,000 for photocopiers, \$20,000 to purchase a business licensing module to the Town's MUNIS financial management software suite, and \$40,000 for the second and final installment of the Town's share of a Geographic Information System (GIS) base map update. The project includes a spring 2009 flyover and base map compilation work through the summer and fall of 2009, allowing the Town to span the project over two fiscal years. UMass has contributed \$50,000 to the FY 09 portion of this project and \$40,000 has been requested from Amherst College for the FY 10 portion of the project. While Amherst College has not yet made a commitment to provide this funding, it is still under active consideration. Data compiled in the previous base map update in 1999 was used for design plans for several capital improvement projects, defraying what would have been some significant surveying costs.

JCPC recommends \$130,000 for the replacement of four police cruisers. The fleet totals 18 vehicles, including 12 marked units. Replacement of 4 vehicles per year has been the practice for approximately the past 15 years.

Fire equipment includes \$32,000 for a replacement Fire Prevention Officer vehicle. Currently a 1998 V-8 4WD vehicle previously assigned to the Assistant Fire Chief now is used as the Fire Prevention vehicle. It has over 100,000 miles on it and every year the department spends close to \$2,000 to keep it on the road. It would be replaced with a smaller Ford Escape hybrid (like the DPW hybrid). JCPC also recommends \$20,000 for trench rescue equipment. The Commonwealth has a new regulation mandating the permitting of trenches by each municipality. The department has a 10-person Technical Rescue Team, but lacks the actual trench rescue pneumatic devices to stabilize trenches that collapse during construction and trap people.

Public Works equipment includes \$170,000, funded by the Chapter 90 state grant, to purchase a replacement dump/sander truck for the Highway Division. [Article 25] An additional \$20,000 is funded from taxation to equip that vehicle with snow plowing equipment. \$60,000 is recommended to outfit a 1-ton dump truck purchased in FY 09 for the Parks and Commons truck with a trash body to allow for the collection of trash and recyclables at one time, thus reducing the number of trips to the Transfer Station. A replacement pickup truck with plow for \$45,000 is also recommended for the Highway Division.

JCPC recommends \$25,000 for a replacement pickup truck for the LSSE Fields Crew to tow field grooming equipment and haul staff and supplies to 9 different athletic field sites and 3 swimming and wading pool sites around Town.

Library equipment includes an annual allocation of \$20,000 for technology infrastructure, \$5,000 for a photocopier replacement, and \$10,000 for computer equipment that would provide people with disabilities access to the internet as well as commonly used computer applications such as Microsoft Office. This package would also include a special work station and specialized input devices.

Recommended School equipment items total \$275,200, including \$85,000 to replace a bus, \$26,000 to replace a special education van that will have in excess of 150,000 miles, \$30,000 for a replacement maintenance vehicle for grounds maintenance, snow removal, transporting school goods building to building, and transportation for the maintenance staff throughout the campus. JCPC recommends \$55,000 to begin a multi-year project to replace kitchen equipment at the Fort River and Wildwood Schools. The kitchen equipment is over 35 years old. It continues to break down and the School staff are having a difficult time finding parts to make repairs. The equipment is at the end of its useful life. Also recommended are \$24,000 for telecommunications equipment, \$23,000 for photocopiers, and \$32,200 for computer equipment for replacement of servers, switches, desktops, printers and similar computer and networking equipment and to update and maintain the network infrastructure.

**Buildings [Note: Included in 2009 ATM Article 27]**

JCPC recommends a total of \$345,000 for building repairs and renovations. \$25,000 is recommended for miscellaneous building envelope repairs for emergency or unexpected repairs. Town Hall work includes \$10,000 for exterior maintenance (door repainting, window sashes, etc.) and \$10,000 for HVAC improvements. \$10,000 is recommended for Bangs Community Center exterior maintenance, \$25,000 to repair the dangerously heaved sidewalk at the main entrance to the building, and \$12,000 for boiler repairs. The Munson Library receives \$5,000 for exterior maintenance (painting the trim).

Two projects are recommended for funding at the North Fire Station. JCPC recommends \$65,000 to replace the HVAC system. The HVAC system is original to the building (1975). It is the highest energy user of all the Town buildings, per the Town's own survey. The system frequently breaks down and is very inefficient, both for heating and cooling. This building is home to 17 career, 22 call and 36 volunteer firefighters, including 17 who live and sleep here overnight. \$25,000 is recommended to move a bay door out approximately 4 feet to accommodate the new Quint fire truck in the station (similar to what was done in FY 06 to accommodate another ambulance. If the Town does not add to the doorway, the department will not be able to park the fifth ambulance inside the station, a violation of state law. The work will involve disassembling the door, adding a new sub-floor, wall and ceiling assembly four feet north of the present door, and re-installing the frame and door.

Public Works recommendations include \$5,000 for ongoing facility improvements/repairs at the Garage. \$5,000 is allocated to repair the roof over the Perry Room at the Hitchcock Center, a Town-owned facility.

The Jones Library is allocated \$7,500 to repair the metal roof on the new addition where it leaks into the Special Collections and Reference Departments, and \$55,500 for repair or replacement and repainting of the rotted window trim. The complete building was last painted in 1998.

School building projects recommended include \$25,000 for school security equipment. The schools want the ability to lock all doors and to buzz people in at a locked front door to increase security. This request is for the hardware needed to outfit the four elementary front doors with access equipment. \$10,000 is recommended to repair several deteriorating storm drains on school property and \$10,000 is needed for ongoing asbestos removal at all schools. \$5,000 each is recommended for exterior door repairs at the Wildwood and Fort River Schools. The exterior doors are rotting out from the New England weather. They are to the point that rodents are coming into the building. Additionally, they are not secure doors due to the design of the crash bars. It is an opportunity for energy improvements as well. \$30,000 is recommended to repair/replace the boiler room valves at the Fort River School. These control heating and air conditioning; they have deteriorated after 36 years and are becoming non functional.

**Facilities [Note: Included in 2009 ATM Article 27 unless otherwise noted]**

A total of \$698,000 is recommended for facilities needs, but only \$198,000 is funded via taxation. \$500,000 for road maintenance and repairs is funded by state Chapter 90 funds. [Article 25] Taxation-funded recommendations include \$10,000 for a downtown improvements matching fund for private donations and \$25,000 to begin a multi-year project to restore elements of the existing downtown way-finding sign system and supplement it with three (3) new pedestrian kiosks. The downtown way-finding sign system was designed and partially installed in 1995, using CDBG block grant funds, and provides directions to public and historic sites in and around downtown Amherst. Several important elements of the system have since been vandalized or damaged by wear and need refurbishment and replacement. Additionally, this request would fund three (3) new pedestrian kiosk signs. The bases for these kiosks have already been constructed as part of the downtown streetscape improvement project. With the 250th Anniversary of Amherst upon us, it is increasingly imperative to ensure that visitors have basic directional information allowing them to find their way around downtown Amherst.

JCPC recommends \$5,000 to cover the cost of Town labor and materials involved in the regular maintenance and refurbishment of the Town's growing collection of permanent public art installations. Without such funding, these works will deteriorate and be lost. \$30,000 is allocated to begin a multi-year project to tackle the backlog of sidewalk repairs that have accumulated. This money will be pooled with the Chapter 90 money to address the sidewalks on Town streets. \$6,000 is allocated to continue a 10-year replacement schedule for streetlights, and \$12,500 for the second year of a multi-year (and we hope a permanent) program to purchase and plant new street trees each year. This funding allows for the purchase of approximately 25 trees for downtown Amherst and outlying village centers and complements an ambitious fundraising effort by the Public Shade Tree Committee to plant 250 trees in conjunction with the Town's 250<sup>th</sup> celebration in 2009. Between 2000 and 2005, Amherst removed 513 street trees and planted only 38, a net loss of 475 trees in Amherst's public ways and public spaces. Amherst has been without an effective tree planting program for decades. It is time to reverse that trend. More extensive tree inventorying and planning is also underway.

\$10,000 is recommended to repair a leak in an underground pipe that runs from the War Memorial Pool Filter Room to the pool and around the pool perimeter. JCPC recommends \$49,500 to re-roof all four buildings at Mill River Recreation Area, which have never been replaced. The Bath House Building, Filter Room, Pavilion, and Storage Garage are over 30

years old, very worn and many of the shingles are curled. Some leaking has occurred in the bathhouse building.

JCPC recommends \$50,000 to pay for consultant services to assist Town departments and boards with geographic planning, review, analysis, and development of a coordinated and comprehensive set of amendments to existing growth management regulations--Zoning Bylaw and Map, subdivision regulations, local wetlands regulations, health regulations, utility policies, public shade tree regulations, public way regulations, permitting board/committee rules and regulations, etc. This represents a key next step in the Master Plan implementation process.

### **Contingency Recommendations for Reduced Funding**

If additional cuts are necessary due to budget constraints, the JCPC has prioritized additional cuts with the first to be cut at the top and the last at the bottom:

1. Downtown improvements matching fund, \$10,000.
2. Garbage/recycling body for one-ton dump truck purchased in FY 09, \$60,000. This would have allowed pickup of recyclables from downtown and parks, a new service.
3. Pickup truck for ballfield maintenance, \$25,000.
4. Leak repairs, War Memorial Pool, \$10,000. If operating budgets have to be cut deeply due to reduced revenue, it's unlikely the pool will open. Much more extensive repairs will eventually be needed.
5. Public art maintenance, \$5,000.
6. Downtown way-finding sign system, \$10,000. (\$15,000 of the total request remains in the budget.)
7. Jones Library public disability access computer, \$10,000. This would provide a valuable service, but a new one.
8. Hitchcock Center Perry Room roof repair, \$5,000.
9. Fire prevention officer vehicle, \$32,000.
10. Schools maintenance fleet vehicle, \$30,000.

### **Key Capital Planning Issues Going Forward**

The Five Year Capital Plan identifies several major projects on the horizon, including the potential for one or two new fire stations; major renovations at both Wildwood and Fort River Elementary Schools, and the Public Works garage; and additional borrowing for roads and sidewalks to address a growing backlog. Many other projects large and small will compete for scarce resources. Capital funding for a new fire station (either a new or renovated headquarters or a new substation in South Amherst) is deferred until at least Year 5 (FY 14). The capital plan includes first-year debt service funding in FY 12 and FY 13 (with bonds to be authorized in FY 11) for a total of \$4.3 million of road improvements. This is only possible if the Town increases funding allocations to the capital budget over a period of years as recommended by the JCPC and the Finance Committee, either through increased general tax support or earmarked property tax support via a debt exclusion override. An adequately funded capital plan should be a critical component of any long-term financial plan for the Town.

**Committee Membership Changes**

Three people who worked on this report are leaving JCPC. We would like to thank Elaine Brighty for more than nine years of service; Molly Turner, who served six years; and Pat Holland, who served four years. We welcome two new representatives from the Jones Library Board of Trustees, Carol Gray and Sarah McKee, who joined JCPC at the end of April.

**JOINT CAPITAL PLANNING COMMITTEE**

Kathleen Anderson, School Committee

Elaine Brighty, School Committee

Patricia Holland, Jones Library Trustees

Kay Moran, Finance Committee

Stephanie O’Keeffe, Select Board

Doug Slaughter, Finance Committee

Diana Stein, Select Board

Molly Turner, Jones Library Trustees

Staff Liaison: John Musante, Assistant Town Manager/Finance Director