



REPORT OF THE JOINT CAPITAL PLANNING COMMITTEE (JCPC) APRIL 2018

Fiscal Year 19 Recommendation Summary

The Joint Capital Planning Committee (JCPC) recommends capital project funding for FY 2019 totaling \$8,026,817. This includes \$1,136,925 for equipment, \$1,458,500 for buildings and \$5,431,392 for facilities. Included in this total is Community Preservation Act (CPA) project spending of \$1,065,145, and is shown with a purple background in the later pages of this report. The Enterprise Funds contain their own capital appropriations and are not included in this report. Items funded through borrowing have a gray background on the attached General Fund Ten Year Capital Plan.

In FY18, the Town allocated 8.5% of the tax levy to capital project. The JCPC recommends that 9% of the local property tax levy be committed to the Capital Plan for FY19 for a total of \$4,751,788 (an increase of 10.3% from the FY18 total), which would move the Town closer to the longstanding goal of 10% of the levy for capital projects as stated in the Town's financial policies. We believe it is critical to continue to increase our spending to this level to keep up with the capital needs of the Town.

In addition to funding the purchase of new items, the capital budget includes debt service for capital projects that were purchased through borrowing. The total debt service is \$2,187,843, which includes current debt obligation of \$1,923,970 and proposed debt of \$263,873. Included in these totals are CPA debt of \$320,843 and the Town's share of debt service on capital expenditures authorized by the Amherst-Pelham Regional School Committee of \$284,038.

Funds for the recommended Ten Year Capital Plan may come from many sources: property taxes, enterprise and other special purpose funds of the Town, grant funds from the federal and state government, debt exclusion overrides, and unexpended balances from previously authorized capital projects

Current Capital Planning Issues

JCPC began its review of the FY19 capital budget on January 25, 2018, and had a total of eight meetings of the Committee. As is typical, we began the process with the knowledge that the capital needs of the Town were greater than the amount of funds available. Working closely with Town staff, we were able to balance the FY19 capital budget by judiciously moving some capital spending to future years, and by reducing the amount requested for a few targeted projects. Some vehicle purchases were deferred for a year in order to provide additional funds for road repair and

maintenance this coming year. Road work is a priority articulated by Town Manager Paul Bockelman and we concurred. Recent information from a study of the condition of Town roads found we had approximately \$12 million in needed road work. In order to make a meaningful dent in the backlog in work to our streets and sidewalks, the capital budget allocates \$1,910,247 in funding toward these repairs. This total is made up of Chapter 90 formula funding of \$841,883 and an additional \$968,364 in funding from the General Fund for road repairs and \$100,000 in funding for sidewalks.

- This year JCPC tried something new in an attempt to make the Town's capital funding process even more accessible to residents. Historically, capital requests come to JCPC from Town Departments as well as the Library and Amherst elementary and the Regional schools. We created a citizen request form as a way to surface new capital project ideas and to bring forward community concerns regarding capital spending. We received three requests this year, all related to road, sidewalk, and crosswalk work. Some items proposed were already being planned for, while others needed additional information and were referred to the Transportation Advisory Committee (TAC) for continued discussion. We think this was a worthwhile endeavor and have plans to refine and continue the process next year. A suggestion for next year is to give applicants more guidance prior to application submission.
- Last year the JCPC made two recommendations that we have now implemented in our planning process: 1) moving to a 10 year capital plan from a 5 year plan as you can see reflected in the format for FY19; and 2) increasing the minimum expenditure for debt financing (borrowing) to \$100,000. The Committee has started to initiate a third recommendation to increase the threshold cost for capital projects from \$5,000 to \$10,000 to better reflect current cost realities. It will take additional time to fully implement this policy due to the impact on the operating budget as costs are shifted from capital to operating. We are in a transition period and will continue to work on this issue during the development of next year's capital budget proposal.
- JCPC has continued the effort to increase coordination with the capital spending priorities of the Community Preservation Act Committee (CPAC) to better align community capital spending and to create a comprehensive approach to our capital planning and spending. This involves on-going communication and coordination.

Short History of Capital Planning in Amherst

JCPC is comprised of two representatives each from the Select Board, School Committee, Jones Library Board of Trustees, and Finance Committee, and 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. State Aid was reduced, property tax limits were imposed, and the Town used reserves and unexpended capital appropriations to balance operating budgets for three consecutive years. Capital needs were neglected during this time of economic difficulty, but through good capital planning the backlog in capital needs was reduced by the early 2000's. With the next economic recession which began in the fall of 2008, we once again faced significant reductions in State Aid and local tax revenues, but our well developed approach to the capital planning process allowed the Town to not fall too far behind in maintaining our capital assets. This history demonstrates how careful planning and management with respect to capital needs over the last 25 years has allowed the Town to purchase equipment

using regular replacement schedules and to make regular expenditures for the maintenance and upkeep of buildings and facilities.

Amherst, like many cities and towns, is often faced with the conflicting priorities of needing to meet increased operating expenses, provide for pensions and other post-employment benefits (OPEB), satisfy capital needs, and rebuild/maintain reserves. The Financial Management Policies and Objectives, adopted by the Finance Committee in January 2008 and reviewed by JCPC, acknowledge the need to adequately fund a multi-year capital plan to maintain infrastructure, replace worn equipment, and provide for other long-range capital projects.

What are Capital Improvements?

A capital improvement is currently defined as a tangible asset or project with an estimated useful life of five (5) years or more, and a cost of \$5,000 or more. As noted above, JCPC recommends this amount be raised to \$10,000. Among 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 acquisitions and/or improvements, unrelated to a public building, but necessary for conservation or park and recreation purposes;
- Major equipment acquisitions, replacements or refurbishments, including but not limited to vehicles, furnishings, and information technology systems hardware and software; or other items that combined in purpose together make it a Capital Project;
- New construction or major improvements to 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;
- A feasibility study, engineering design services, or consultant services which are ancillary to a future capital improvement project.

How Are Capital Needs Prioritized?

JCPC reviews requests for capital funding that meet several criteria. Successful capital planning requires 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. These guidelines are not necessarily listed in priority order:

- Imminent threat to health and safety of citizens, employees or property (police cruisers and radios, self-contained breathing apparatus for firefighters, building repairs, improving accessibility for people with disabilities);
- 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 (e.g. asbestos cleanup program mandated by federal law, removal of fuel storage tanks);
- 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;
- Newly identified need;
- Priority assigned by a 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, Disability Access Transition Plan, etc.).

The Recommended Capital Plan – A One-Year Budget, a Ten-Year Plan

The General Fund Ten Year Capital Plan for FY19-28 includes voted appropriations from FY18, a proposed budget for FY19, and a tentative projected plan of capital investment for the period FY20-28. Next year JCPC will again update the plan to balance projected expenditures with projected available revenues for subsequent years. The total capital budget in any fiscal year is comprised of direct cash expenditures for capital items, debt service (interest and principal) on all prior bonded expenditures, and debt service on newly authorized and un-issued bonds, if any. The plan is organized into three categories of projects: major equipment (vehicles, technology, etc.); building needs; and facility needs (road maintenance, parks, open space, etc.). The two capital spending articles that Town Meeting will be acting on are 1) for equipment and 2) for building and facilities which are combined in one article. Also included in the plan are 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 3% property tax CPA surcharge and matching state funds. The CPA Committee spending recommendations are proposed by the CPA Committee and are described in their report for FY19.

Capital plans in previous years have used as much as 10% of the tax levy which is the target expressed in the Town’s current Financial Management and Objectives. We recommend continuing to increase the funding level for capital projects in subsequent years so we do not fall further behind in preserving and maintaining our capital assets.

In conclusion, JCPC recommends \$8,026,817 in new project spending and \$2,187,843 in debt spending for a total of \$10,214,659 for the FY19 Capital Plan.

Equipment [Included in 2018 ATM Article]

JCPC recommends a total of \$1,136,925 in equipment upgrades and purchases, of which \$260,000 is supported by the Ambulance Fund and \$876,925 comes from taxation.

Cost	Item and Description
\$151,425	Computer equipment
	Annual computer equipment replacement, including servers, PCs, printers, copiers, routers, switches, and other technology systems.
\$115,000	Hardware and Software in the Departments
	Includes a firewall replacement, permit module for Inspections, interview and booking recording system for Police, and an upgrade for half of Town computers to Office 2016.

\$10,000	Library Information Technology
	Annual computer equipment replacement, including servers, PCs, printers, copiers, and other technology systems in the Jones and branch libraries.
\$120,000	Police Vehicles
	Replace three APD cruisers as part of department's ongoing vehicle replacement program. The department currently utilizes 11 marked (black and white) and 3 unmarked (silver) police vehicles for routine patrol. Department protocol is to replace patrol vehicles after they reach approximately 100,000 miles and administrative vehicles after approximately 120,000 miles.
\$6,500	In Car Radar Units
	In accordance with replacement schedule, replace three of the 20-year-old radar units in APD cruisers. This is part two of a two-year request.
\$260,000	Ambulance (Ambulance Receipts Reserved for Appropriation Fund)
	Replace one ambulance as part of department's ongoing vehicle replacement program. The department currently utilizes 5 ambulances. Department protocol is to replace ambulances after 10 years; the oldest is from 2007 and has over 196,000 miles.
\$55,000	Microwave Radio Communications
	Replace microwave radio link that connects all Fire and Police radios. Current link has reached end of life and is no longer supported by manufacturer.
\$10,000	Park Equipment
	Replace broken equipment at parks and purchase cover for War Memorial Pool.
\$95,000	School Bus
	Replace one school bus as part of department's ongoing vehicle replacement program. The department currently utilizes seven full-time buses with two spares. Department protocol is to replace buses after ten years; the oldest bus is from 2006 and has 142,000 miles.
\$45,000	Special Education Van
	Replace one van as part of department's ongoing vehicle replacement program. The department currently utilizes three vans, all over ten years old with more than 200,000 miles.
\$10,000	Furniture at Amherst Schools
	Ongoing necessary replacement of elementary school furniture.
\$85,000	Backup Generator at Fort River Elementary School
	Replacement of existing generator, which can no longer supply the necessary power for electrical, sewer, and emergency systems.

\$15,000	Boiler Insulation and Hot Water Tank at Crocker Farm Elementary School
	Replace failed boiler insulation to protect equipment and replace leaking hot water tank.
\$33,000	Copiers at Amherst Schools
	Replace three photocopiers, one at each elementary school. All are from 2014 with over 1 million copies by the end of the year.
\$126,000	School Computer Replacements
	Annual computer equipment replacement, including PCs, laptops, tablets, printers, monitors, servers, switches, and other related equipment throughout the elementary schools.

Buildings [Included in 2018 ATM Article]

JCPC recommends a total of \$1,458,500 for building repairs and renovations, of which \$558,500 is funded through taxation and \$900,000 through borrowing in the future.

Cost	Item and Description
\$25,000	Building Envelope Repairs
	Annual allocation to town building repairs, covering the costs of unexpected repairs to roofs, HVAC units, and other items that arise during the course of the year.
\$15,000	Exterior Maintenance at Town Hall
	Ongoing necessary repairs of building exterior, including gutters, mortar joints, walls, rails, walkways, steps, snow guards, roofing, windows, stairs, granite blocks and planters, etc.
\$10,000	Interior Maintenance at Town Hall
	Ongoing necessary repair of interior finishes and features, including walls, floors, ceilings, doors, stairwells, and fixtures.
\$35,000	Security at Town Hall
	Ongoing repair and replacement of security features, including alarms, doors, and support systems.
\$25,000	Exterior Maintenance at Bangs Center
	Ongoing necessary repairs of building exterior, including gutters, mortar joints, walls, rails, walkways, steps, snow guards, roofing, windows, signs, benches, etc.
\$10,000	Interior Maintenance at Bangs Center
	Ongoing necessary repair of interior finishes and features, including walls, ceilings, doors, stairwells and fixtures.
\$10,000	Flooring at Bangs Center
	Ongoing repair of vinyl and ceramic tile, wood flooring, and carpet to maintain safe walking conditions.

\$90,000	Hall Air Conditioner at Munson Memorial Library
	Replacement of HVAC unit and support equipment to improve environmental conditions for library materials and users.
\$550,000	New Fire Headquarters (Borrowing)
	Design services for new Fire headquarters.
\$15,000	Roof Design at Police Station
	Design services for replacement of roof.
\$350,000	New Public Works Facility (Borrowing)
	Design services for new DPW facility.
\$25,000	Security Improvements at Elementary Schools
	Continuing improvements to school safety and security with locks, crash bars, and communications systems with Police and Fire.
\$175,000	Energy Management Upgrade to Wildwood Elementary School
	Upgrades and improvement to the software used to control the environments at Wildwood Elementary School.
\$30,000	Interior Upgrades at Amherst Schools.
	Ongoing repair of interior finishes and features including walls, floors, ceilings, doors, stairwells and fixtures.
\$10,000	Asbestos Management at Amherst Schools
	Abatement or encasement of existing asbestos within the schools.
\$30,000	Roof at Fort River Elementary School
	Patch repairs to leaking roof ahead of full replacement in the future.
\$8,500	Exterior Doors at Fort River Elementary School
	Replace one set of doors for better protection against weather and rodents, improving energy efficiency and security as well.
\$45,000	Exterior Doors at Wildwood Elementary School
	Replace six sets of doors for better protection against weather and rodents, improving energy efficiency and security as well.

Facilities [Included in 2018 ATM Article]

A total of \$5,431,392 is recommended for facilities' needs, of which \$1,449,364 is funded via taxation and \$2,075,000 comes from grants. Additional road maintenance and repairs will be done with \$841,883 in Chapter 90 funds from the State. CPA funds are recommended for \$1,065,145 as described in the CPAC report.

Cost	Item and Description
\$90,000	Downtown Wayfinding System
	As part of the Master Plan, install a family of signs to point visitors and residents to downtown businesses and cultural sites. Part one of a two-year request.
\$10,000	School Zone Light at Crocker Farm Elementary School
	Set of school zone and crosswalk lights for Crocker Farm Elementary School on Shay St.
\$6,000	Street Lights
	Replacement of lamps as they fail throughout the year and to add new lights as approved.
\$100,000	Sidewalks
	Address backlog of sidewalk repairs and extensions to new areas.
\$968,364	Paving and Road Repairs
	Roadway maintenance, including paving machines to supplement efforts of DPW equipment and labor for repairs to Amherst roads.
\$841,883	Road Maintenance and Improvements (Chapter 90)
	This is the estimated amount of the annual Chapter 90 state road repair program monies that will be dedicated to repaving, based on projected grant funding by the state for local projects.
\$2,075,000	Mill Street Bridge (Grant)
	Replacement of Mill Street Bridge at Puffers Pond by MassDOT.
\$40,000	Waste Processing
	Fund the recycling of accumulated asphalt, brick and concrete at the Ruxton Facility. Construction waste from various projects is ground and screened to make backfill for other projects.
\$15,000	LSSE Strategic Planning Facilitation
	Funds will be used to hire an outside consultant to develop strategic, business, and marketing planning for LSEE in order to chart the department's future structure and direction.
\$15,000	Painting of Bath House Exteriors at Mill River and War Memorial Pools
	Painting of bath house exteriors.
\$125,000	Comfort Station at Plum Brook Athletic Fields
	Installation of a full service, prefabricated, ADA-compliant restroom.

\$40,000	Discover, List and Price all Personal Property
	Complete discovery of personal property in the Town. Potential revenue growth.
\$40,000	Flood Mapping Revisions
	Supplement ongoing floodplain analysis with 2017 Regression Analysis methodology.

JOINT CAPITAL PLANNING COMMITTEE

Tamson Ely, Library Trustees
 Phoebe Hazzard, School Committee
 Connie Kruger, Select Board, Chair
 Bernie Kubiak, Finance Committee
 Alex Lefebvre, Library Trustees
 Eric Nakajima, School Committee
 Andrew Steinberg, Select Board
 Marylou Theilman, Finance Committee

Staff Liaison: Claire McGinnis, Co-Finance Director and Treasurer/Collector

**JOINT CAPITAL PLANNING COMMITTEE
General Fund Ten Year Capital Plan**

Fiscal Years 2019 - 2028

	<i>REVISED APRIL 2, 2018</i>	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	TOTAL FY19 - FY28
EQUIPMENT:													
93 Pools(Mill River and War Memorial)													
94 Shade Sturcture Canopies					20,000								20,000
95 Automatic External Defibrillators (3)		6,500											-
96 Total		6,500	-	-	20,000	-	-	-	-	-	-	-	20,000
97													
98 Building Maintenance													
99 Maintenance Vehicle						35,000							35,000
100 Furniture (all buildings)		10,000		10,000	10,000	10,000							30,000
101 Total		10,000	-	10,000	10,000	45,000	-	-	-	-	-	-	65,000
102													
103 Library													
104 Truck with Plow						40,000							40,000
105 IT Infrastructure Replacements		25,000	10,000	25,000	25,000	25,000	25,000	25,000	25,000	35,000	25,000	25,000	245,000
106 Total		25,000	10,000	25,000	25,000	65,000	25,000	25,000	25,000	35,000	25,000	25,000	285,000
107													
108 Schools													
109 Buses			95,000		95,000	95,000	95,000	95,000	95,000		95,000	95,000	760,000
110 SPED Vans		35,000	45,000	36,000	37,000	38,000		36,000	36,000	36,000	36,000		300,000
111 Disabled Access Van				55,000			55,000				55,000		165,000
112 Maintenance Fleet Vehicles					40,000		40,000	40,000			40,000	40,000	200,000
113 Furniture (all schools)		5,000	10,000		10,000		10,000		15,000		20,000		65,000
114 Backup Generators (FR)			85,000										85,000
115 Backup Generators (WW)			-	45,000									45,000
116 Boiler Replacement (WW)		500,000											-
117 Boiler Insulation/Hotwater Tank (CF)			15,000										15,000
118 Copiers			33,000	33,000	25,000	28,000							119,000
119 Telecommunications		3,500		3,500	3,500	3,500							10,500
120 Computer Technology		161,000	126,000	120,000	168,400	265,400							679,800
121 Multimedia - Audio/Visual		8,000		8,000	8,000	8,000							24,000
122 Total		712,500	409,000	300,500	386,900	437,900	200,000	171,000	146,000	36,000	246,000	135,000	2,468,300
123 TOTAL EQUIPMENT		1,931,174	1,136,925	4,222,408	2,227,592	1,596,992	1,248,592	1,229,925	1,032,425	687,425	1,072,925	792,425	15,247,633
124 Less Chapter 90		-		150,000									150,000
125 Less Grants													-
126 Less Ambulance		36,840	260,000	165,000	260,000	-	320,000	-	361,500	-	305,500	-	1,672,000
127 Less Borrowing		500,000	-	2,234,283	400,000	400,000		400,000					3,434,283
128 Less Debt Exclusion													-
129 Less Other Available Funds													-
130 TOTAL TAX SUPPORTED EQUIPMENT		1,394,334	876,925	1,673,125	1,567,592	1,196,992	928,592	829,925	670,925	687,425	767,425	792,425	9,991,350

**JOINT CAPITAL PLANNING COMMITTEE
General Fund Ten Year Capital Plan**

Fiscal Years 2019 - 2028

	<i>REVISED APRIL 2, 2018</i>	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	TOTAL FY19 - FY28
225	MUNICIPAL BUILDINGS:												
226	Wildwood												
227	Exterior Doors	25,000	45,000										45,000
228	Air Condition R22 Law			150,000									150,000
229	Upgrade Parking Lot Lighting	30,000											
230	Environmental Health Assessment	25,000											
231	TOTAL BUILDINGS	840,000	1,458,500	11,283,500	50,855,000	15,445,000	35,000	10,175,000	12,025,000	4,080,000	40,000	20,000	105,417,000
232	Less Grants												-
233	Less Ambulance												-
234	Less Borrowing	250,000	900,000	10,000,000	35,000,000	7,400,000	-	-	-	4,000,000	-	-	57,300,000
235	Less Debt Exclusion	-	-	-	15,000,000	7,360,000	-	10,000,000	12,000,000	-	-	-	44,360,000
236	Less Other Available Funds	50,000		-		25,000							25,000
237	Total Tax Supported Buildings	515,000	558,500	1,283,500	855,000	660,000	35,000	175,000	25,000	80,000	40,000	20,000	3,732,000

JOINT CAPITAL PLANNING COMMITTEE
General Fund Ten Year Capital Plan
Fiscal Years 2019 - 2028

REVISED APRIL 2, 2018	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	TOTAL
MUNICIPAL FACILITIES:												FY19 - FY28
320												
321 Amherst Historical Society												
322 Review of Textile/Costume Inventory	8,980											
323 Textiles		13,580										13580
324 New Boiler		30,000										30,000
325												
326 Conservation												
327 Land Improvements	30,000											
328 Due Diligence	20,000	25,000										25,000
329 Puffer's Pond Dredging-Permitting	25,000		25,000	25,000	750,000							800,000
330 Puffer's Beach/Trail Improvements				100,000								100,000
331 Puffer's Pond Parking Lot (new)					100,000							100,000
332 Trails, Bridges, Kiosks, Parking Access			10,000	10,000	10,000	10,000	10,000					50,000
333 TOTAL FACILITIES	2,480,108	5,431,392	1,620,383	1,558,883	2,311,883	1,461,883	1,221,883	4,391,883	1,211,883	1,141,883	1,161,883	21,513,839
334 Less Chapter 90	841,883	841,883	691,883	841,883	841,883	841,883	841,883	841,883	841,883	841,883	841,883	8,268,830
335 Less CPA	1,193,663	1,065,145										1,065,145
336 Less Grants	50,000	2,075,000										2,075,000
337 Less Borrowing					750,000							750,000
338 Less Debt Exclusion												-
339 Less Other Available Funds												-
340 Total Tax Supported Facilities	394,562	1,449,364	928,500	717,000	720,000	620,000	380,000	3,550,000	370,000	300,000	320,000	9,354,864