

Capital Budget Committee Report, July 22, 2020

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Introduction and context

The duties of the Capital Budget Committee are articulated in Chapter 6 of the Sherborn's General By-laws. The Committee, appointed by the Town Moderator, "...shall consider all matters relating to proposed expenditures of money for capital improvements and may make recommendations to the Town and all Town Boards, Officers and Committees with reference to such expenditures." The By-laws go on to define a capital improvement as "...a physical betterment or item of equipment having a useful life, of at least five years, and a cost of ten thousand dollars (\$10,000.00) or more."

Our charge is to evaluate each request that meets this criteria for its individual merit, regardless of its source of funding. The Committee considers capital items, as defined in the By-laws, regardless of whether they are to be funded with exempt debt, non-exempt debt, operating funds, or free cash. In addition, the Committee does not rank individual requests against each other, against other noncapital funding requests, or in the context of Town priorities in any given year. We provide the Sherborn Advisory Committee with an evaluation on the individual merit of each request based on the criteria below.

Each request must meet at least one of the following criteria:

- Corrects a threat to health and safety
- Improves the asset to avoid costly repair
- Replaces an asset to maintain service levels
- Enables an asset to meet a legal requirement
- Improves productivity, efficiency or service levels significantly
- Addresses an overburdened situation

It is important to note that, in any given year, the Town can choose to defer needed capital expenditures. However, the needs that those expenditures address do not then disappear, and in some cases, a delay can result in additional operating costs and higher capital costs in the future.

The Capital Budget Committee takes a long-term view of the Town's needs to maintain and enhance infrastructure and to smooth capital expenditures over time. We encourage all capital requesters to develop 5-year capital plans in a consistent and measurable framework that the committee provides. Also, because Pine Hill, the Regional Schools, and Town Buildings have obtained capital needs assessment reports from an outside consultant, these capital needs are well documented and foreseeable. The Committee encourages these entities to update their reports approximately every five years.

Process

As part of our process, we ask capital project sponsors to justify their request with a thorough explanation within the context of the criteria above and to provide detailed background materials, photos, and engineering plans as available. We require three quotes for anything costing between \$10,000 and \$50,000 or, for items costing more than \$50,000, there needs to be an official bid process. The only exceptions are if the capital purchase will be procured through the state contract system or another approved bulk purchasing process, or for building projects that have estimates provided on the Onsite Insight reports. Whenever possible, we like to see qualified third-party evaluations and recommendations regarding remaining useful life and expected replacement time. Finally, all sponsors must meet with the Committee to present their case.

As further protection of the taxpayers, all expenditures approved by Town Meeting are supervised by the Town Administrator in his/her role as Chief Procurement Officer.

Overview of FY2021 capital requests

Capital requests in FY2021 include requests from the Fire Department, Town Buildings, DPW and Pine Hill School.

The Fire Department request is for \$62,667 to replace their portable radios.

In 2017, the Town commissioned an engineering study by Onsite Insight for the major town buildings which created multi-decade capital and maintenance plans. The maintenance of Town buildings has been historically underfunded, and significant repairs and catch-up are needed. This season, the chair of the Capital Budget Committee and DPW Director Sean Killeen together reviewed the items identified by the OnSite Insight reports one by one, making adjustments where needed based on Sean's knowledge of current conditions. All projects were prioritized and selected based upon the state of deterioration, end of useful life or to bring conditions up to current safety and regulatory standards. For the most part, cost estimates were taken from the reports, given the documentation, expense and time required to obtain formal bids for building projects. Town Buildings is requesting \$312,730 to fund the projects identified from the Onsite Insight reports. The Capital Budget Committee encourages the town to keep up with maintenance of town buildings, particularly with regard to building envelope (roofing, siding, weatherproofing) in order to avoid damage resulting in more costly repairs in the future.

DPW is requesting \$893,400. These requests consist of \$30,000 for non-road work related equipment, \$58,400 for road work related equipment, \$175,000 for a wheeled excavator, \$350,000 for Roadway Management, \$200,000 for Stormwater Compliance and \$80,000 for Pine Hill Access Road engineering.

The remaining capital request is from the Sherborn School Committee for \$16,000 for the computer room rooftop HVAC unit at Pine Hill School.

Capital Items in Article 10

a. Fire Department

The Fire Department is requesting funds to replace their portable radios. The current HT1250 radios are 17-18 years old and not designed for fire service use, being neither water resistant nor intrinsically safe. They have spotty coverage in the Sherborn area because they are not powerful enough, and thus at times personnel are unable to communicate, which is a safety issue. Given their estimated useful life of 12-14 years, several of the current radios are in severe disrepair. The Fire Chief has been able to replace 7 radios with microgrants. Twenty-five radios remain to be replaced. A FEMA AFG grant request for the remainder was unsuccessful for three years in a row. The proposed replacement model is the Motorola APX 4000, which is the least expensive public safety radio available, and which is also currently used by the Sherborn DPW and Police Department. A specific quote has been obtained for this item.

We recommend favorable action for a total cost up to \$62,667.

b. Town Buildings and Facilities

Town Buildings is requesting \$312,730 to address a series of capital issues that have been delayed from previous years to fund work on the DPW Facility, Fire Stations 1 and 2, the Police Station and Town Hall.

B1. DPW Facility (\$24,942). Improvements to the DPW Building include asphalt paving, fueling station maintenance, security cameras and building mounted lighting.

B2. Firehouse 1 (\$118,283). Projects for Firehouse 1 include a garage door replacement, roof replacement, and flooring for \$61,343; and \$56,940 for security system upgrades at both stations. A specific quote has been obtained for the security system upgrades.

B3. Firehouse 2 (\$7,000). Projects for Firehouse 2 include gas-fired unit heater replacement and exterior trim repairs.

B4. Police Station (\$54,516). Plans call for installation of site lighting, replacement of interior vestibule doors, garage door opener replacement, exterior building envelope repairs, and sally port door replacement for \$29,228; and \$25,288 for security system upgrades. A specific quote has been obtained for the security system upgrades.

B5. Town Hall (\$107,989). Town Hall work encompasses exterior building envelope repairs including roof replacement, building mounted lighting, meeting room folding wall replacement, office cabinets & casework, and restroom fixture/accessories replacement.

We recommend favorable action for a total cost up to \$312,730.

c. Department of Public Works Equipment

c1. Non-Road Work Related Equipment.

Shelving, Cabinets, Racks, Toolboxes and Equipment for DPW building interior. The proponent has withdrawn the request and will revisit it at a future town meeting.

We recommend no action.

C2. Road Work Related Equipment.

Roadside mower attachment for large tractor: \$15,000

Vibroplate Compactor: \$10,900 – DPW currently does not have the equipment required to work in trenches. Any work below roadways requires use of a compactor and is necessary for all stormwater catchbasin and pipe repairs.

Vibroplate Drum Roller: \$17,500 – The current roller does not have vibration, which is required for proper compaction of base material and asphalt.

Drag Blade Grader attachment for large tractor: \$15,000 – Gravel roads and many of the rural road edges have suffered from neglect. Such roads build up significant debris including leaves, branches and sand, all of which has to be removed. This equipment allows the town to perform its own maintenance more efficiently and with less damage and save money in the process by avoiding costly repairs and/or expensive outsourcing.

The proponent has withdrawn the request and will revisit it at a future town meeting.

We recommend no action.

C3. Wheeled Excavator.

This equipment would replace two pieces of equipment: a 2004 John Deere 410 Backhoe and the “wacker,” both of which are past their useful lives. Like replacement cost of the backhoe would be approximately \$145,000 with no attachments. The new machine can perform the functions of the backhoe and would also

perform the “over-the-rail” roadside mowing currently required for over half the town’s roads previously done with the wacker. Currently the wacker is only able to function as a sidewalk snowblower without major repairs and costly downtime. The town currently must lease a wheeled excavator and mower attachment for roadside work every year, at a cost of approximately \$24,000 per year. The Wheeled Excavator has a useful life of 10-15 years. A quote has been obtained from a vendor for this equipment with a price from the MAPC bid sheet.

We recommend favorable action for a total cost up to \$175,000.

d. Department of Public Works Roadway Management

Monies requested this year are part of a five-year plan to address deteriorating road network infrastructure. It has been four years since a capital request for roadway management has been made. Funding sources also include annual state Chapter 90 funding, which has been level at \$260,000 for a number of years and is expected to remain so for the foreseeable future. FY21 Chapter 90 funding has already been committed. Given that the average yearly expenditure to maintain the roads at their current level of repair is approximately \$400,000, the town needs to fund the approximately \$140,000 shortfall annually. The current amount is requested to address the time lag between fiscal year funding and the construction season and is based on the Pavement Conditions Assessment and Five-Year Pavement Management Plan from Pavement Management Services dated January 28, 2020.

We recommend favorable action for a total cost up to \$350,000.

e. DPW Stormwater (MS4 Compliance) Consult & Improvements

This is a relatively new requirement mandated by the EPA, most of which cannot be covered in the town’s operating budget. Sherborn is currently in year 3 of the required permit. DPW plans to use requested funds for stormwater permitting consulting, which includes mapping improvements, increases in inspections within the regulated areas and plans for phosphorous reductions required in the Charles River Watershed areas. Other costs include engineering and legal easement work associated with structural improvements and outfalls, and structural improvements to comply with regulations and address flooding and water quality in various areas of the town. DPW expects to use a third of these funds in this fiscal year; the remainder will be used in FY22. The request amount is based on state requirements.

We recommend favorable action for a total cost up to \$200,000.

f. Pine Hill Access Road Engineering Only

Engineering work to produce documents and specifications for the Pine Hill Access Road to put out to bid was begun approximately eight months ago; the requested amount is based upon a quote for \$128,942, \$53,060 of which was spent in FY20. DPW expects to have a full design with bids to present at Town Meeting in the spring of 2021.

We recommend favorable action for a total cost up to \$80,000.

g. Sherborn School Committee – Pine Hill School

The capital request by Pine Hill School totals \$16,000 for one item: replacement of the rooftop HVAC unit for the computer room. The 1998 equipment is past its useful life of twenty years and has leaked into the computer room. The cost has been quoted by a vendor.

We recommend favorable action for a total cost up to \$16,000.