

FY14-18 Capital Budget Recommendation

Annual Town Meeting

May 2013

Draft

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FRAMINGHAM

Capital Budget Process

- Departments requests projects
 - in most cases based on a long term capital plan
 - Addresses all three funds: General, Water, Sewer
- Evaluate via financial, legal, maintenance, division priority and customer service criteria
- Review with Division Heads for final input regarding logistics and capacity
- Town Manager makes final decision

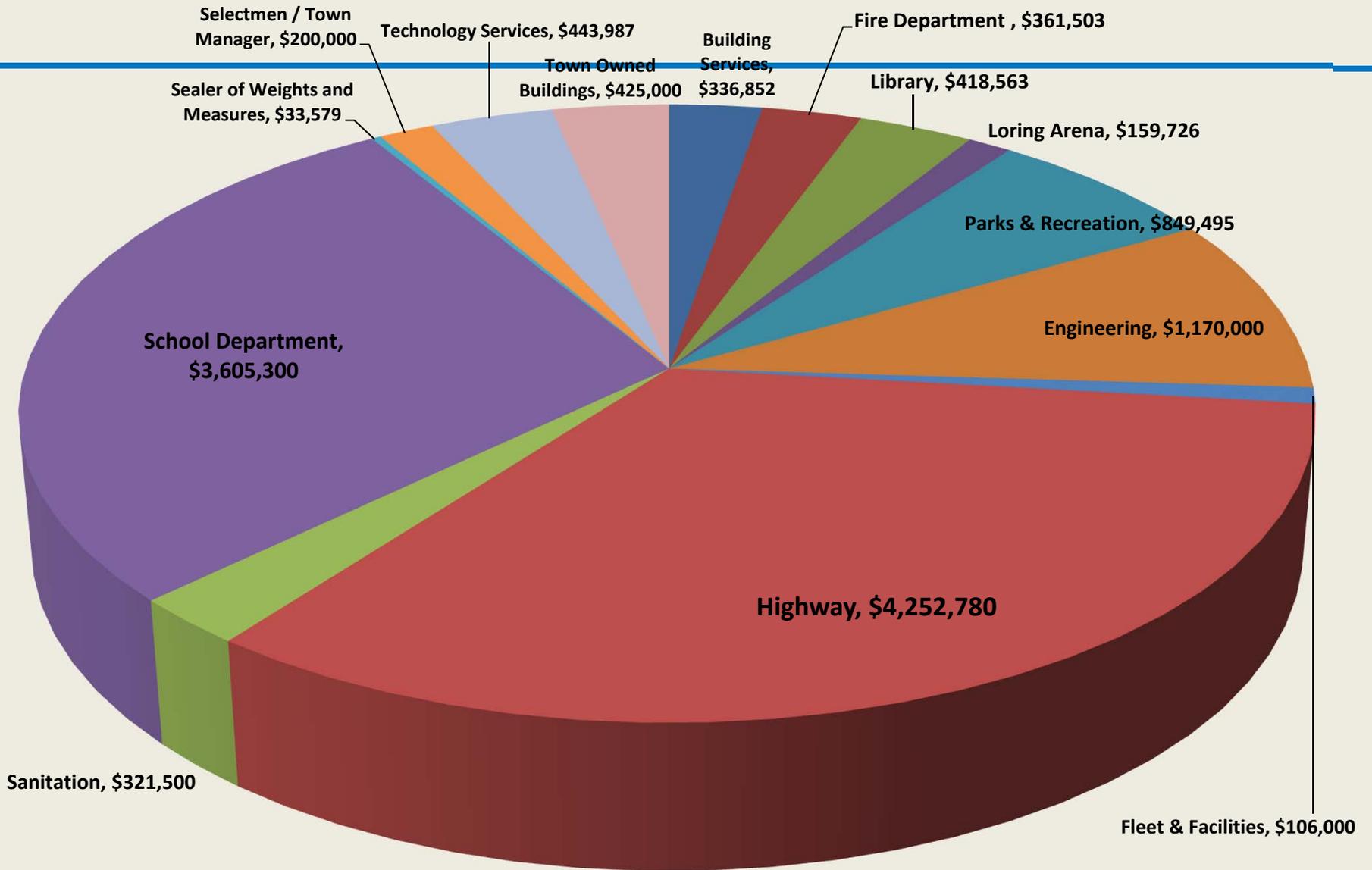
Major Decision Parameters

- Increase debt service amounts, near term
 - Effect on incremental increase on FY15 and FY16
 - Moderate the increased cost to reduce pressure for tax and utility rate increases
 - Long term there are three school buildings, a fire station, a major bridge, multiple school roofs, Loring Arena renovations, two major pump station eliminations and two major water main replacements
 - FY16 and FY19 schools are \$48 million and \$20 million

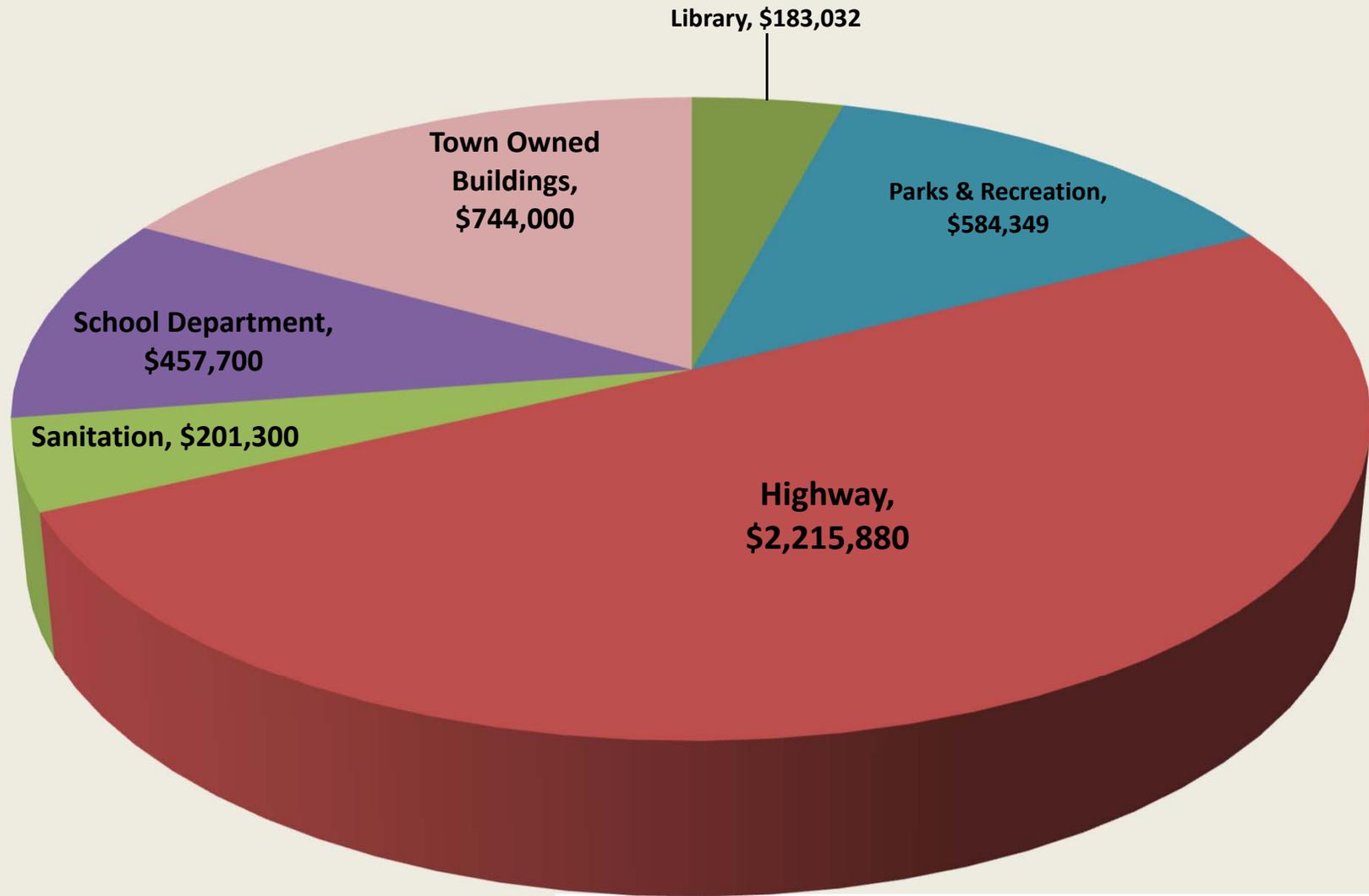
FY14 Capital Budget Recommendations

	Approved	Deferred	Requested
Facilities Management	\$336,852	\$0	\$336,852
Fire Department	\$361,503	\$0	\$361,503
Library	\$0	\$601,595	\$601,595
Loring Arena	\$159,726	\$0	\$159,726
Parks & Recreation	\$849,495	\$584,349	\$1,433,844
Engineering	\$1,170,000	\$0	\$1,170,000
Fleet & Facilities	\$106,000	\$0	\$106,000
Highway	\$4,252,780	\$2,215,880	\$6,468,660
Sanitation	\$321,500	\$201,300	\$522,800
School Department	\$3,605,300	\$457,700	\$4,063,000
Sealer of Weights and Measures	\$33,579	\$0	\$33,579
Selectmen / Town Manager	\$200,000	\$0	\$200,000
Technology Services	\$443,987	\$0	\$443,987
Town Owned Buildings	\$425,000	\$744,000	\$1,169,000
	\$12,265,722	\$4,804,824	\$17,070,546
	72%	28%	





Deferred Requests by Department



Recommended for FY14

Energy Management Software Upgrade, Phase 2	Building Services	\$28,975
Downtown Parking Meter Implementation Project	Building Services	\$89,877
Pearl Street Garage Repairs	Building Services	\$218,000
Replace Aerial Bucket Truck	Fire	\$198,553
Phase 1 - Protective Clothing Replacement	Fire	\$113,360
Replace Facilities Pick-Up	Fire	\$49,590
Loring Arena Zamboni	Loring Arena	\$124,609
Design Development-Loring Arena Renovations	Loring Arena	\$35,117
Toro Groundmaster 580-D 4x4	Parks and Recreation	\$101,223
F350 4x4 Crew Cab Pickup 10,000 GVW	Parks and Recreation	\$42,640
F250 4x4 Ext Cab Pickup 8,800 GVW	Parks and Recreation	\$40,632
Cushing Memorial Park Phase 5-Childrens Grove Play Area	Parks and Recreation	\$665,000

Recommended for FY14

Water Street Retaining Wall Construction Project	Public Works - Engineering	\$610,000
Saxonville Levee Pump Station Improvements - Design	Public Works - Engineering	\$150,000
Campello Road Drain Relief System and Cherry Street Headwall Repair	Public Works - Engineering	\$360,000
NPDES Permit - Planning/Preparation	Public Works - Engineering	\$50,000
Repair Shop Make-Up Air Unit	Public Works - Garage	\$26,000
Transfer Station Demolition Conceptual Design	Public Works - Garage	\$80,000
Replacement of a Log Loader Attachment	Public Works - Highway	\$68,000
Replacement of a 68,000 GVW Cab & Chassis with Rolloff Frame	Public Works - Highway	\$201,300
Replacement of a Sidewalk Tractor with Snow Plow - DPW Unit #463	Public Works - Highway	\$156,100
Replacement of a Front End Loader 3CY with Snow Plow # 453	Public Works - Highway	\$86,900
Sander Body with Compuspread and Calcium Controls #421a	Public Works - Highway	\$40,480
Roadway Improvements 2014	Public Works - Highway	\$3,200,000
Sidewalk/Accessibility Improvements 2014	Public Works - Highway	\$200,000

Recommended for FY14

Beaver Dam Brook/High Risk Structures Phase 2	Public Works - Highway	\$300,000
Replacement of a 2005 72,000 GVW Cab and Chassis with 31 CY Refuse Packer and Snow Plow #514	Public Works - Sanitation	\$321,500
MSBA Feasibility Study	School Department	\$400,000
Technology Upgrades Throughout District - Phased Project	School Department	\$500,000
DDC Energy Conservation Program - Phased Project	School Department	\$225,000
ADA Upgrades to Curbs, Sidewalks, Handicap Ramps, Railings, Door Hardware, Signage - Multiple Schools - Phased Project	School Department	\$300,000
Paving Replacement/Storm Water All Schools - Phased Project	School Department	\$740,000
Heating Ventilation Air Conditioning (HVAC) - Replace Rooftop Air Handling Units (AHU's) and Ventilation	School Department	\$340,000
Mechanical, Electrical, Plumbing Upgrades - All Schools - Multiple Systems - Phased Project	School Department	\$150,000
Grounds Equipment Replacement - Mower	School Department	\$96,000
Dump Truck With Plow - Vehicle Replacement	School Department	\$59,300

Recommended for FY14

Replace Deteriorated Floor Tile in Main Areas and in Corridors - Multiple Schools	School Department	\$745,000
Generator Replacement	School Department	\$50,000
Sealer of Weights and Measures Vehicle	Sealer of Weights and Measures	\$33,579
Traffic Calming Program	Selectmen / Town Manager	\$200,000
Public Safety Server Replacement	Technology Services	\$88,900
Network Data Storage and Connectivity	Technology Services	\$117,949
Archived Document Scanning - 2nd Phase	Technology Services	\$237,138
Service Delivery and Space Utilization Study - Memorial Building	Town Owned Buildings	\$45,000
Renovate Athenaeum Hall - Concord St. - Phase 1	Town Owned Buildings	\$180,000
Village Hall Base Building Improvements	Town Owned Buildings	\$200,000
Total General Fund Recommendation FY2014		\$12,265,722



Deferred

RFID and Collection Security	Library	\$183,032
Pearl Street Handicap Ramp	Library	\$418,563
Park & School Fence Replacement Phase 3	Parks and Recreation	\$427,785
Furber Park Retaining Wall and Irrigation	Parks and Recreation	\$126,875
Park Signage Phase I	Parks and Recreation	\$29,689
Roadway Improvements 2014	Public Works - Highway	\$2,000,000
Replacement of a 68,000 GVW Cab and Chassis with Rolloff Frame # 519	Public Works - Sanitation	\$201,300
Replacement of a Sidewalk Tractor with Snow Plow - DPW Unit #464	Public Works - Highway	\$175,400
Sander Body with Compuspread and Calcium Controls #426a	Public Works - Highway	\$40,480
Stake Body Truck with Liftgate - Vehicle Replacement	School Department	\$43,600
Utility Body Truck - Vehicle Replacement	School Department	\$39,100
Furnish New and Replace Outdated Furniture – Phased Project	School Department	\$300,000
Kitchen and Cafeteria Upgrades - Phased Project	School Department	\$46,000
Athletic Equipment	School Department	\$29,000
Stabilize Memorial Building - Exterior	Town Owned Buildings	\$225,000
Fire Station #5 (Concord St.) - Base Building Upgrades	Town Owned Buildings	\$519,000



FY14 Sewer Enterprise Fund

Recommended		
Water/Sewer Inventory Control Center	Wastewater - DPW Sewer	\$740,000
Repair Shop Make-Up Air Unit	Wastewater - DPW Sewer	\$26,000
Trailer Mounted Generators	Wastewater - DPW Sewer	\$131,000
Worcester Road Pumping Station Elimination Project - Construction	Wastewater - DPW Sewer	\$17,220,000
Baiting Brook Sewer Improvements	Wastewater - DPW Sewer	\$6,563,000
Bethany Road and Winthrop/Waverly Intersection Sewer Improvements	Wastewater - DPW Sewer	\$1,240,000
Sewer Main Replacement Various Locations 2014	Wastewater - DPW Sewer	\$300,000
Speen Street Force Main Decommissioning Project – Design	Wastewater - DPW Sewer	\$150,000
Total FY14 Recommended Wastewater Projects		\$26,370,000
Recommended to be Deferred		
Hemenway Gravity Sewer and Hop Brook / Railroad Sewer Crossing Project Construction	Wastewater - DPW Sewer	\$3,100,000
Brownlea Pump Station Elimination Project	Wastewater - DPW Sewer	\$1,245,000
Total FY14 Deferred Wastewater Projects		\$4,345,000

FY14 Water Enterprise Fund

Recommended		
Water/Sewer Inventory Control Center	Water - DPW Water	\$740,000
Repair Shop Make-Up Air Unit	Water - DPW Water	\$26,000
Replacement of a 15,000 GVW Two-Wheel Drive with Utility Body #607	Water - DPW Water	\$48,630
Bethany Road and Winthrop/Waverly Intersection Improvements	Water - DPW Water	\$855,000
Warren Road and Prindiville Water Main	Water - DPW Water	\$2,990,000
Central Street Bridge Water Main Installation	Water - DPW Water	\$110,000
Water Main Replacement Various Locations 2014	Water - DPW Water	\$300,000
Water Hydrant and Gate Valve Replacements 2014	Water - DPW Water	\$200,000
Total FY14 Recommended Water Projects		\$5,269,630
Recommended to be Deferred		
Evergreen, Learned, Myrtle Streets Water Main Replacement	Water - DPW Water	\$970,000

Use of Free Cash and Retained Earnings

- Policy allocation ranged from \$53,164 to \$362,687
- FY14 Policy Allocation would be \$393,710
- If phase out of free cash use in operating budget annual capital allocation would grow to \$500,000 by FY19
 - Setting aside to a capital reserve will have more impact when we hit the large school projects of \$30M to \$48M magnitude

Use of Free Cash and Retained Earnings

- While borrowing costs are low, reserve the capital allocation
 - Fund would grow to \$2.3M by FY19
 - Creates flexibility for extraordinary changes in other drivers of budget costs and taxation factors such as state aid cuts and extraordinary changes in property valuation
- Retained earnings should be set aside to mitigate rates while borrowing costs are low
 - Creates flexibility not just for increases in debt service but drop in usage or increases in MWRA assessment

New McAuliffe Branch Library

- Debt service amounts for this budget include debt service for this project bonded over 20 years
 - Net Cost to the Town: \$3.8 million
 - Average Cost per Taxpayer: \$249
 - includes principle and interest

Debt Service Impact on General Fund

FY2014-2019 General Fund Debt Service Impact

General Fund	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund Estimated Revenue	\$ 235,372,312	\$ 243,147,831	\$ 251,348,378	\$ 260,152,409	\$ 268,603,565	\$ 279,079,104
Debt Service Policy Limit of 5%	\$ 11,768,616	\$ 12,157,392	\$ 12,567,419	\$ 13,007,620	\$ 13,430,178	\$ 13,953,955
Existing General Fund Debt Service Total	\$ 10,181,758	\$ 8,960,099	\$ 7,000,962	\$ 6,268,036	\$ 5,388,556	\$ 5,041,873
Authorized but Unissued Total	\$ 272,108	\$ 1,876,750	\$ 1,893,993	\$ 1,834,975	\$ 1,779,370	\$ 1,723,763
Total Debt Service on Existing General Fund Debt	\$ 10,453,866	\$ 10,836,849	\$ 8,894,955	\$ 8,103,011	\$ 7,167,926	\$ 6,765,636
LESS State Debt Service Reimbursements	\$ (2,510,995)					
Net Available Debt Service	\$ 7,942,871	\$ 8,325,854	\$ 6,383,960	\$ 5,592,016	\$ 4,656,931	\$ 4,254,641
Debt Service for FY2014 Capital Plan Projects	\$ 238,178	\$ 1,658,355	\$ 1,695,181	\$ 1,570,246	\$ 1,808,698	\$ 1,748,707
Debt Service for FY2015 Capital Plan Projects*		\$ 444,837	\$ 2,635,962	\$ 2,557,720	\$ 2,487,152	\$ 2,416,742
Debt Service for FY2016 Capital Plan Projects*			\$ 937,101	\$ 4,683,804	\$ 4,464,655	\$ 4,355,082
Debt Service for FY2017 Capital Plan Projects*				\$ 387,722	\$ 2,522,339	\$ 2,382,588
Debt Service for FY2018 Capital Plan Projects*					\$ 605,333	\$ 3,213,188
Debt Service for FY2019 Capital Plan Projects*						\$ 490,674
Subtotal Future Debt Service:	\$ 238,178	\$ 2,103,192	\$ 5,268,244	\$ 9,199,492	\$ 11,888,177	\$ 14,116,307
New (Gross) Debt Service	\$ 10,692,044	\$ 12,940,041	\$ 14,163,199	\$ 17,302,503	\$ 19,056,103	\$ 20,881,943
LESS State Debt Service Reimbursements	\$ (2,510,995)					
Net Debt Service Calculation for Policy Limit	\$ 8,181,049	\$ 10,429,046	\$ 11,652,204	\$ 14,791,508	\$ 16,545,108	\$ 18,370,948
Percentage of Operating Budget	3.5%	4.3%	4.6%	5.7%	6.2%	6.6%

Water Enterprise Fund Debt Service

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Recommended Water Enterprise Budget							
Excluding Indirect Costs		\$ 16,864,776	\$ 18,213,958	\$ 19,671,074	\$ 21,244,760	\$ 22,944,341	\$ 24,779,888
<i>Uniform increase assumed per year:</i>	8%						
Debt Target*	10%	\$ 1,686,478	\$ 1,821,396	\$ 1,967,107	\$ 2,124,476	\$ 2,294,434	\$ 2,477,989
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Existing Fund Debt		\$ 4,914,999	\$ 4,764,112	\$ 3,831,745	\$ 3,831,745	\$ 3,713,690	\$ 3,594,116
Authorized but Unissued		\$ 434,873	\$ 2,242,720	\$ 2,149,336	\$ 2,102,663	\$ 2,055,989	\$ 2,009,315
Total Existing Fund Debt		\$ 5,349,872	\$ 7,006,832	\$ 5,981,081	\$ 5,934,408	\$ 5,769,679	\$ 5,603,431
Current Available Debt within Debt Target*		\$ (3,663,395)	\$ (5,185,436)	\$ (4,013,974)	\$ (3,809,932)	\$ (3,475,245)	\$ (3,125,443)
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Debt Service for FY2014 Capital Budget Projects		\$ 100,123	\$ 443,406	\$ 424,925	\$ 415,686	\$ 406,445	\$ 397,205
Debt Service for FY2015 Capital Budget Projects			\$ 346,105	\$ 1,723,154	\$ 1,642,739	\$ 1,602,532	\$ 1,562,324
Debt Service for FY2016 Capital Budget Projects				\$ 235,333	\$ 1,176,196	\$ 1,121,168	\$ 1,093,649
Debt Service for FY2017 Capital Budget Projects					\$ 147,189	\$ 675,549	\$ 645,054
Debt Service for FY2018 Capital Budget Projects						\$ 253,908	\$ 1,174,341
Debt Service for FY2019 Capital Budget Projects							\$ 129,754
Subtotal Future Debt Service:		\$ 100,123	\$ 789,511	\$ 2,383,412	\$ 3,381,810	\$ 4,059,602	\$ 5,002,327
New Debt Service		\$ 5,449,995	\$ 7,796,343	\$ 8,364,493	\$ 9,316,218	\$ 9,829,281	\$ 10,605,758

Sewer Enterprise Fund Debt Service

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	
SEWER ENTERPRISE FUND	Recommended Sewer Enterprise Budget							
	Excluding Indirect Costs	\$ 21,087,990	\$ 22,775,029	\$ 24,597,032	\$ 26,564,794	\$ 28,689,978	\$ 30,985,176	
	<i>Uniform increase assumed per year:</i>	8%						
	Debt Target*	10%	\$ 2,108,799	\$ 2,277,503	\$ 2,459,703	\$ 2,656,479	\$ 2,868,998	\$ 3,098,518
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	Existing Fund Debt	\$ 5,408,369	\$ 5,055,298	\$ 4,496,712	\$ 4,496,712	\$ 4,373,399	\$ 4,338,546	
	Authorized but Unissued	\$ 1,043,453	\$ 5,139,123	\$ 4,907,246	\$ 4,791,308	\$ 4,675,371	\$ 4,559,435	
	Herbert St Debt Service Payment from Ashland	(\$94,747)	(\$94,636)	(\$94,523)	(\$94,407)	(\$94,289)	(\$94,170)	
	Total Existing Fund Debt	\$ 6,357,075	\$ 10,099,785	\$ 9,309,435	\$ 9,193,613	\$ 8,954,481	\$ 8,803,811	
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	Current Available Debt within Debt Target*	\$ (4,248,276)	\$ (7,822,282)	\$ (6,849,731)	\$ (6,537,133)	\$ (6,085,483)	\$ (5,705,294)	
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	Debt Service for FY2014 Capital Budget Projects	\$ 501,030	\$ 1,948,360	\$ 1,876,440	\$ 1,840,482	\$ 1,804,523	\$ 1,768,563	
	Debt Service for FY2015 Capital Budget Projects		\$ 566,335	\$ 2,708,427	\$ 2,585,518	\$ 2,524,065	\$ 2,462,610	
	Debt Service for FY2016 Capital Budget Projects			\$ 95,840	\$ 518,166	\$ 492,700	\$ 479,967	
Debt Service for FY2017 Capital Budget Projects				\$ 28,018	\$ 163,402	\$ 154,811		
Debt Service for FY2018 Capital Budget Projects					\$ 321,000	\$ 1,444,500		
Debt Service for FY2019 Capital Budget Projects						\$ 242,000		
Subtotal Future Debt Service:	\$ 501,030	\$ 2,514,695	\$ 4,680,707	\$ 4,972,184	\$ 5,305,690	\$ 6,552,451		
New Debt Service	\$ 6,858,105	\$ 12,614,480	\$ 13,990,142	\$ 14,165,797	\$ 14,260,171	\$ 15,356,262		

Recommendation Effect on Debt Service

General Fund	FY14	FY15	FY16	FY17	FY18	FY19
Debt Service for all requests	\$305,068	\$2,099,520	\$1,986,330	\$1,929,733	\$1,873,134	\$1,816,538
Debt Service for recommended	\$238,178	\$1,658,355	\$1,695,181	\$1,570,246	\$1,808,698	\$1,748,707
Reduced impact on operating budget	-\$66,890	-\$441,165	-\$291,149	-\$359,487	-\$64,436	-\$67,831

Water Fund	FY14	FY15	FY16	FY17	FY18	FY19
Debt Service for all requests	\$118,553	\$594,682	\$567,506	\$553,919	\$540,331	\$526,743
Debt Service for recommended	\$100,123	\$509,322	\$485,832	\$474,088	\$462,343	\$450,598
Reduced impact on operating budget	-\$18,430	-\$85,360	-\$81,674	-\$79,831	-\$77,988	-\$76,145

Sewer Fund	FY14	FY15	FY16	FY17	FY18	FY19
Debt Service for all requests	\$618,260	\$2,908,370	\$2,781,309	\$2,717,781	\$2,654,249	\$2,590,720
Debt Service for recommended	\$501,030	\$2,365,410	\$2,261,795	\$2,209,989	\$2,158,181	\$2,106,374
Reduced impact on operating budget	-\$117,230	-\$542,960	-\$519,514	-\$507,792	-\$496,068	-\$484,346

Longer term borrowing

- Water pipe/treatment plant construction costs can be borrowed for up to 40 years (Ch 44 Sec 8 (5)(6))
- Sewer pipe/treatment plant construction costs can be borrowed for up to 30 years (Ch 44 Sec 8 (15))
- Longer borrowing has a mitigating effect on the annual incremental increase but increases the overall cost of the project

Longer term borrowing

FY14 Recommended Capital Project Debt Service

	FY14	FY15	FY16	FY17	FY18	FY19
Water 20	\$100,123	\$509,322	\$485,832	\$474,088	\$462,343	\$450,598
Water 30	\$100,123	\$443,406	\$424,925	\$415,686	\$406,445	\$397,205
Reduced Annual payments	\$0	-\$65,916	-\$60,907	-\$58,402	-\$55,898	-\$53,393

	FY14	FY15	FY16	FY17	FY18	FY19
Sewer 20	\$501,030	\$2,365,410	\$2,261,795	\$2,209,989	\$2,158,181	\$2,106,374
Sewer 30	\$501,030	\$1,948,360	\$1,876,440	\$1,840,482	\$1,804,523	\$1,768,563
Reduced Annual Payments	\$0	-\$417,050	-\$385,355	-\$369,507	-\$353,658	-\$337,811