



Memorandum

To: Board of Selectmen
Finance Committee

From: Martha White, Town Administrator
Michael Walters Young, Deputy Town Administrator

Date: Thursday, March 17, 2011

Re: Final Updates to the Capital Budget as Proposed Under Articles 12 & 13

After a couple of meetings with the Finance Committee Capital Sub-Committee, there have been several additional (and hopefully final) adjustments to the Capital as proposed under Articles 12 and 13 for the upcoming 2011 Spring Annual Town Meeting. Those adjustments are:

Article 12:

Reduction to Morse Institute Library Furniture

Old Request:	\$30,000
New Request:	\$24,000

The reduction was discovered as part of the Finance Committee review process. The total furniture replacement request is for a two-year replacement - \$24,000 in FY 2012 and \$24,000 in FY 2013 for a total of \$48,000.

Elimination of Chemical Breath Testing Equipment

Old Request:	\$10,000
New Request:	\$0

After subsequent review and analysis, the Commonwealth of Massachusetts is supplying the necessary equipment. No purchase is required by Natick at this time.

Elimination of Motor Vehicle Crash Diagramming Equipment

Old Request:	\$18,500
New Request:	\$0

After subsequent review and analysis, the requested equipment has already been purchased via alternative funding sources. No purchase is required by Natick at this time.

Article 13:

Change in Bacon Free Library Boiler Funding Source

Old Funding Source: Borrowing

New Funding Source: Free Cash

Given the ownership status of the land and building of the Bacon Free Library, borrowing for this project could be problematic.

Reduction to Cole Center Renovations

Old Request: \$175,000

New Request: \$155,000

The reduction was announced as part of the Finance Committee review process.

Capital Philosophy

The FY 2012 Capital Budget is larger than many in years past. This is due to two primary reasons:

- 1) A significant amount of one-time resources: The large certification of Free Cash (\$5,899 M) this year provides the Town with a source of funding for one-time expenditures. Capital Equipment & Improvements and the building of reserves are two of the most ideal uses of these resources.
- 2) The large backlog of capital from prior years has produced a series of projects worthy of funding that will improve efficiency, enhance the quality of service delivery and sustain vital operations to Natick citizens.

In evaluating the capital requests for FY 2012, administration has attempted to balance multiple factors. One of the approaches that has been employed has been to segregate capital requests into priority categories. We have evaluated departmental requests and scheduled them according to the following criteria, listed in their order of priority:

- a. Imminent threat to the health and safety of citizens or property
- b. Timely improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment
- c. Requirements of state or federal law or regulation
- d. Improvement of infrastructure
- e. Improvement of productivity/efficiency

Article 12 & 13 are requesting a total of \$3,304,560 of Capital Equipment and Improvements. The detailed motions are attached on pages 4 & 5 of this memo.

This amount can also be sub-divided into several categories summarizing their intended function and benefit:

Renewal & Replacement: \$1,454,560

This includes primarily equipment, everything from playgrounds to furniture, dump trucks to fire hose. So much of what the Town does is predictable month-to-month, year-to-year. Each capital request was carefully evaluated such that only equipment which has a compelling need for replacement is actually requested for funding; in addition, we comprehensively evaluate our equipment to ensure it is actually required to do our tasks. The tasks performed, the missions served and the services provided by the Town do not significantly change annually. We continue to strive for more cost effective approaches to how we deliver service and present opportunities for service change is applicable.

Enhancement & efficiency improvements: \$624,000

This includes both equipment and improvements designed to make employees more efficient, provide a better service and make our services more accessible to the general public. It includes everything from road planer attachments to technology improvements, codification of the Town’s Charter & By-laws to developing a flushing model to aide in Fire Prevention and Suppression.

Infrastructure Maintenance & Renovation: \$1,226,000

This includes renovation of major town assets – such as the Water system, Cole Recreation Center, and other Town facilities. This renovation is necessary to ensure the sustainability of our facilities, the quality of our drinking water, and extend the life of our assets.

As has been shown in other presentations, capital requests have been planned for the duration of Fiscal 2012 – both the Spring and the Fall Town Meetings. That summary (revised) is shown below:

Department/Division	Project	Spring		Fall	
		Equipment	Improvement	Equipment	Improvement
General Fund					
Sub-total Natick Public Schools		-	-	22,000	509,000
Sub-total Morse Institute Library		24,000	-	-	-
Sub-total Morse Institute Library		-	90,000	-	-
Sub-total Police Department		119,560	-	107,340	100,000
Sub-total Fire Department		53,000	-	70,000	-
Sub-total Public Works - Building Maintenance		30,000	256,000	-	205,000
Sub-total Public Works - Engineering		-	117,000		
Sub-total Public Works - Highway		541,000	-	20,000	-
Sub-total Public Works - Land, Facilities & Natural Resources		225,000	15,000	25,000	-
Sub-total Council on Aging		120,000	-	-	-
Sub-total Board of Health		-	-	26,000	-
Sub-total Recreation		130,000	235,000	-	-
Sub-total Board of Selectmen		14,000	25,000	-	-
Sub-total Information Technology		-	100,000	-	400,000
Sub-total Town Clerk		-	30,000	-	100,000
Sub-total Community Development		-	-	26,000	-
Total General Fund		1,256,560	868,000	296,340	1,314,000
Total Water Sewer Enterprise Fund		395,000	785,000	-	600,000
Total Sassamon Trace Golf Course Enterprise Fund		-	-	-	75,000
Total All Capital Requests, All Funds		1,651,560	1,653,000	296,340	1,989,000

Article 12 - Capital Equipment - 2011 Spring Annual Town Meeting

<u>Item #</u>	<u>Department</u>	<u>Item</u>	<u>Funding Source</u>	<u>Amount</u>
1	Morse Library	Replacement of Furniture	Free Cash	\$ 24,000
2	Police	Replacement of Police Cruisers	Free Cash	\$ 71,560
3	Police	Replacement of Radio Equipment	Free Cash	\$ 48,000
4	Fire	Fire Hose	Free Cash	\$ 25,000
5	Fire	Electrically Powered Stretchers	Free Cash	\$ 28,000
6	DPW	Replace B-3	Free Cash	\$ 30,000
7	DPW	Replace H-45	Tax Levy Borrowing	\$ 190,000
8	DPW	Replace Sidewalk Machine	Tax Levy Borrowing	\$ 142,000
9	DPW	Replace H-59	Tax Levy Borrowing	\$ 125,000
10	DPW	Replace H-40	Tax Levy Borrowing	\$ 60,000
11	DPW	Road Planer Attachment	Free Cash	\$ 24,000
12	DPW	Replace LF-6	Tax Levy Borrowing	\$ 130,000
13	DPW	Replace LF-14 & LF-15	Tax Levy Borrowing	\$ 70,000
14	DPW	Core Aerator	Free Cash	\$ 25,000
15	Council on Aging	Generator - Community/Senior Center	Tax Levy Borrowing	\$ 120,000
16	Recreation	Replace Recreation Bus #2	Tax Levy Borrowing	\$ 70,000
17	Recreation	East School Playground Replacement	Free Cash	\$ 60,000
18	Selectmen	Replace TH-1	Free Cash	\$ 14,000
19	Water/Sewer	Water Meter Radio Transmitters	W/S Debt	\$ 150,000
20	Water/Sewer	Chlorine Upgrade Elm Bank/Pine Oaks/Morse Pond	W/S Retained Earn.	\$ 90,000
21	Water/Sewer	Replace W-20	W/S Retained Earn.	\$ 60,000
22	Water/Sewer	Replace W-13	W/S Retained Earn.	\$ 45,000
23	Water/Sewer	GPS Base Station	W/S Retained Earn.	\$ 25,000
24	Water/Sewer	Replace W-3	W/S Retained Earn.	\$ 25,000
Total Appropriation under Article 12				\$ 1,651,560
Funding Sources				
Free Cash				\$ 349,560
Tax Levy Borrowing				\$ 907,000
Water & Sewer Borrowing				\$ 150,000
Water/Sewer Retained Earnings				\$ 245,000
Total Funding for Appropriations under Article 12				\$ 1,651,560

Article 13 - Capital Improvements - 2011 Spring Annual Town Meeting

<u>Item #</u>	<u>Department</u>	<u>Item</u>	<u>Funding Source</u>	<u>Amount</u>
1	Bacon	Boiler Replacement	Free Cash	\$ 90,000
2	DPW	Replacement of Carpets in Municipal Buildings	Free Cash	\$ 16,000
3	DPW	Exterior Painting (Eliot School)	Free Cash	\$ 75,000
4	DPW	Reroof DPW Vehicle Storage Garage	Borrowing	\$ 165,000
5	DPW	Pedestrian Sidewalk - Speen Street	Free Cash	\$ 12,000
6	DPW	Eliot & South Street Intersection	Borrowing	\$ 105,000
7	DPW	Replacement of Backstops at Memorial School	Free Cash	\$ 15,000
8	Recreation	Interior Renovations (Cole)	Borrowing	\$ 155,000
9	Recreation	Cole North Field Renovations	Borrowing	\$ 80,000
10	Selectmen	Town Hall Meeting Room Technology Upgrades	Free Cash	\$ 25,000
11	Info. Tech.	Electronic Permitting	Free Cash	\$ 100,000
12	Town Clerk	Codification of Charter & By-Laws	Free Cash	\$ 30,000
14	Water/Sewer	Replace Ground Water Wells	W/S Debt	\$ 300,000
15	Water/Sewer	VFD Installs & Controls	W/S Debt	\$ 260,000
16	Water/Sewer	Sewer Main Relining	I & I Fund	\$ 150,000
17	Water/Sewer	Water System Model	W/S Retained Earn.	\$ 75,000
Total Appropriation under Article 13				\$ 1,653,000
Funding Sources				
Free Cash				\$ 363,000
Tax Levy Borrowing				\$ 505,000
Water/Sewer Retained Earnings				\$ 75,000
Water & Sewer Debt				\$ 560,000
Inflow & Infiltration Fund				\$ 150,000
Total Funding for Appropriations under Article 13				\$ 1,653,000

Note: The re-write of the Zoning By-Law is appropriated under Article 15.