



TOWN OF TEMPLETON
Capital Planning Committee

690 Patriots Road
Templeton, MA 01438

Telephone: 978-939-8801
Fax: 978-939-4065

From: Capital Planning Committee
To: Board of Selectman
Date: March 24, 2014
Subject: Capital Planning Recommendations

In late December the committee asked all departments, boards, commissions, and committees to submit a list of Capital Assets using our Form A. Capital Assets are defined as: *A Capital Asset is an item used in Town operations that have a useful life in excess of two years and a current acquisition cost in excess of \$5,000. This includes items such as, but not limited to; land, buildings, building improvements, infrastructure, vehicles, machinery, equipment, software, etc.*

The asset inventory asked for an estimated replacement schedule and cost which the committee then used to build a Master Capital Plan. It is the direction of the committee that this Master Capital Plan be used from year to year to manage capital asset acquisition. By using the Master Capital Plan it is clear what capital assets are needed and when. As well as making it possible to plan in advance for capital expenditures.

In the past the departments have had to complete and submit capital request forms for every capital item. It is the direction of the committee that rather than getting request forms year after year that we just meet with the departments to review the Master Capital Plan and adjust priorities, schedules, and cost estimations.

The committee would like to see the Town move in the direction of consolidated capital asset acquisition of commonly used items such as copiers and personal computers. This would allow for lower overall cost and keep common equipment, more up to date, and easier to manage. The committee sees opportunities for the town to replace some equipment with good used equipment at a lower cost. Perhaps partner with another town that replaces equipment regularly or look at government and military surplus.

The Mater Capital Plan allowed the committee to easily analyze the capital needs and cost for the whole Town. Based on the information in the Master Capital Plan the town should be funding 400,000 dollars a year towards capital improvement, see Charts 1&2.

In the Master Capital Plan there were 18 capital items slotted for FY2015, see Chart 3. The committee reviewed each item with the requesting department. The committee recommends deferring six of the items to a future fiscal year. We have ranked the remaining items and make the following comments.

Doug Morrison, Chairman
Board of Selectman Member

Charles Carroll
Planning Board Member

Wil Spring, Vice Chairman
Advisory Board Member

Lori Mattson
School Committee Member

Town Administrator, Clerk
Ex-officio Member

Vacant
Member at Large

NOTE: #5.1 is on the Warrant for the Special Town Meeting 3/29/14-the rest will be put on the Warrant for the Annual Town Meeting on May 14.

1 – Fire Dept – ALS Equipped Ambulance – No tax impact as requested

This item would be paid for through ambulance receipts so there would be no increase in taxes for this item.

2 – Cemetery – 2011 Ford Dump Truck – No tax impact as requested

This is the final lease payment on this item. There are available funds in the Capital Stabilization fund so there would be no increase in taxes for this item.

3 – Select Board – East Templeton School – No tax impact as requested

The two items requested are needed to preserve this building from any further deterioration. The CPC is supporting a request from the Select Board for CPC funding for these two items. If CPC funding is approved then there would be no increase in taxes for these items.

4 – Highway – New Ford F550 Dump Truck – Debt exclusion required

The highway department is in desperate need of new equipment and does a good job keeping their old equipment running. This truck would replace a 1997 truck that is no longer road worthy. The highway department is requesting a five year lease for this item. This item would require a debt exclusion which would increase taxes. The estimated tax rate increase for this item on a five year debt exclusion would be 0.02 per 1000.

5.1 – NRSD – Elementary School Building Design – Debt exclusion required

The NRSD has been working for several years on the new elementary school. There is a 60% reimbursement from the MSBA available for the entire school building project. The building designed is the next step in the process. The MSBA has been patient but will likely pull their reimbursement for the project if the design funding is not approved. This item would require a debt exclusion which would increase taxes. The amount of the item is 500,000 however with the 60% reimbursement the net increase to taxes would be 200,000. The estimated single year tax rate increase for this item would be 0.37 per 1000.

5.2 – Highway – New Loader – No tax impact as requested

As stated before the highway department is in desperate need of new equipment. This item is used in many of the department's operations. The current loader will not be road worthy much longer and will become a yard machine once replaced. The highway department is requesting funding for this item from the Chapter 90 funds. The department admits they do not like using Chapter 90 money for equipment purchases, but this item is critical to their operation and needs to be replaced as soon as possible. If approved to use Chapter 90 funds there would be no increase in taxes for this item.

6 – NRSD – Templeton Center Roof – Debt exclusion required

Building maintenance is important good roofs are key to longevity for buildings. We have known for a few years the roof on this building needs replacement. This item would require a debt exclusion which would increase taxes. The estimated single year tax increase for this item would be 0.23 per 1000.

7 – NRSD – Biomass Boiler – No tax impact as requested

The item was requested as a cost reduction project that would pay for itself. The committee agrees with the concept and applauds the move towards a greener environment. However there are reservations that the project will achieve the cost savings needed to fully fund the cost of the project and the operation of the system.

8 – NRSD – High School/Middle Schools Repairs – No tax impact as requested

This item is to be paid for from the savings of the Biomass project. The committee has reservations that enough savings can be achieved in the first year to fund this item.

9 – East Templeton Accessibility – No tax impact as requested

Both of these items are for handicap accessibility at the East Templeton School. The funding for these projects would come from the saving of not renting 690 Patriots Road. These projects would only be done provided the CPC funding us approved for the preservation projects.

Chart 1 - Five Year Capital Master Plan Totals

	2015	2016	2017	2018	2019
Total All Capital Requests:	336,669	1,453,911	493,411	614,911	707,911

Chart 2 - Projected Annual Capital Funding Requirements

5 Year Average:	721,363
10 Year Average:	422,506
15 Year Average:	282,537
20 Year Average:	212,153
Averaged Average:	409,639

Chart 3 - FY2015 Master Capital Plan

Requesting Department	Capital Item	Committee Ranking	Funding Source	Years to Borrow at 2.00%	Estimated Non-Taxpayer Funded Expense	Estimated Taxpayer Funded Expense	2015	2016	2017	2018	2019
Fire Dept	ALS Equipped Ambulance	1	Receipts	5	265,000						
Cemetery	2011 Ford Dump Truck	2	Capital Stab		11,041						
Selectman	East Templeton School Heating System	3.1	CPC		75,000						
Selectman	East Templeton School Roof	3.2	CPC		100,000						
Highway	New Ford F550 Dump	4	Debt Excl	5		55,000	11,669	11,669	11,669	11,669	11,669
NRSD	Elementary School Building Design - 500K MSBA-300K	5.1	Debt Excl			200,000	200,000				
Highway	New Loader - L90	5.2	Chp90		230,000						
NRSD	Elementary School Building Repairs - TC Roof	6	Debt Excl			125,000	125,000				
NRSD	Biomass Boiler - 2,350,000	7	Fuel Savings		2,350,000						
NRSD	High School/Middle School Repairs - 325,000	8	Fuel Savings		325,000						
Selectman	East Templeton School Plumbing	9.1	Rent Savings		15,000						
Selectman	East Templeton School Handicap Ramp	9.2	Rent Savings		10,000						
COA	Senior Center Fitness Room					50,000		50,000			
COA	Senior Center Kitchen					20,000		20,000			
Fire Dept	1986 Fire Engine			5		400,000		84,863	84,863	84,863	84,863
Highway	2001 Tracker MT Sedan					200,000		200,000			
Highway	New Purchase 2015 MT6 Tracker					180,000		180,000			
NRSD	Elementary School Building Repairs		Debt Excl			115,000		115,000			