

TOWN OF TEMPLETON
Capital Planning Committee

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From: Capital Planning Committee
To: Board of Selectman
Date: March 9, 2015
Subject: Capital Planning Recommendations

The Capital Planning committee started off the planning season in mid November. The committee continued to use the Master Capital Plan process that was instituted last year. Using the process is streamline and brings focus to the big picture of the Town's capital needs, and allowed us to complete the analysis and development our recommendations in much less time than in years past.

On November 25th the memo went out to all departments, boards, commissions, and committees. The memo defined a capital assets as: *An item used in Town operations that has 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 memo went on to reminded departments that ALL capital items need to be included in the Master Capital Plan regardless of the funding source. The purpose of the Master Capital Plan is to be able to see and analyze the entire capital requirements of the Town, not just the items paid for through taxation.

The memo also outlined the meeting schedule and when each department that had items in the Master Capital Plan would meet with the committee. Due to the snowy conditions and other conflicts several meetings had to be rescheduled. Nonetheless the meetings were productive a few items were removed from the Master Capital Plan and a few were added. Many updates were made to the Master Capital Plan regarding cost and timing of various items.

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

Doug Morrison, Chairman
Board of Selectman Member

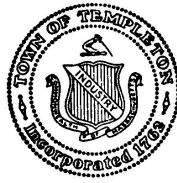
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There were 26 capital items already in the Master Capital Plan slotted for 2016. During the department meetings 7 additional capital items were added and 19 items were rescheduled to other fiscal years. Of the 14 remaining items the committee recommends deferring 3 items to a future fiscal year. There were also 3 additional items that were not included in the FY2015 capital plan but will be or have been acquired within FY2015.

This year the committee did not rank its recommendations because we felt the 4 items that need funding are all equally important.

Scott Air Packs – Free Cash

These air packs are a critical part of a fire fighters gear and could make the difference between life and death. The department is required to replace all of their air packs by 2020 with newer technology packs. The committee is recommending that the expense be spread over the next four years which would allow 15 air packs per year to be replaced. The committee cautions however that replacing these is required by 2020 and failure to fund this now will only increase expenses over the next few years. The committee is recommending that free cash be used for this item.

1989 Excavator – Debt Exclusion

This is a front line piece of equipment for the highway department and is used in almost every project or operation the department undertakes. This unit is in extremely poor condition, parts are very hard to find, and consequently very expensive. The committee recommends that a five year debt exclusion be used to replace this primary piece of equipment.

Ford F550 Dump Truck – Free Cash

The Highway Department requested this truck last year but it was not funded. The need for this vehicle is still there and the committee is still recommending this capital purchase. Considering the relatively low cost of this item, in comparison to other highway department equipment, the committee feels it would be better to make this purchase from free cash rather than taking on additional debt.

Doug Morrison, Chairman
Board of Selectman Member

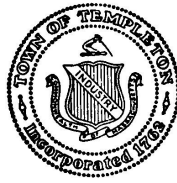
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Stainless Steel Sander – FY16 Snow and Ice

Over the years the highway department has replaced its sander bodies with stainless steel units. The stainless steel units last longer and operate better. The department has one metal sander left to replace and it is deteriorating rapidly. The committee understands the ramifications of purchasing equipment from the snow and ice account. However, a sander is only used for snow removal and it is our recommendation that this item be acquired through the snow and ice budget.

The remaining items are being funded through existing funds and would not have any tax impact. The committee recommends that departments be allowed to make these Capital acquisitions.

The following chart outlines the five year capital expense projection. Because of our lack of funding capital over at least the last decade we have a huge lump in 2017. This huge lump keeps rolling out year after year and makes it impossible to have a clear expense projection.

	2016	2017	2018	2019	2020
Total All Capital Requests	559,148	1,063,648	542,148	158,148	190,648

In order to forecast a more reasonable capital funding goal the committee calculates an averaged 20 year average. Last year the capital funding forecast was 409,639 and this year it is 444,131. The capital items that were not funded in 2015 drove the average up. Despite the increase the Town should be funding 400,000 a year in capital expenditures.

5 Year Average:	502,748
10 Year Average:	513,774
15 Year Average:	362,716
20 Year Average:	397,287
Averaged Average:	444,131

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Town of Templeton
FY 2016 Capital Plan

Requesting Department	Capital Item	Department Priority	Committee Ranking	Funding Source	Years to Borrow at 2.00%	Estimated Taxpayer Funded Expense	Estimated Taxpayer Funded Expense	2016	2017	2018	2019	2020
COA	Senior Center Construction			State Funding		300,000		0	0	0	0	0
Police	2004 Chevy Impala - Replace with Taurus			Gift		29,000		0	0	0	0	0
Police	2006 Ford Crown Victoria - Replace with Explorer			Gift		35,000		0	0	0	0	0
Police	2007 Ford Crown Victoria - Replace with Explorer			Gift		35,000		0	0	0	0	0
CableComm	East Templeton Town Hall Equipment			Cable Funds		70,000		0	0	0	0	0
CableComm	Kiva Equipment Upgrade			Cable Funds		15,000		0	0	0	0	0
CableComm	Middle School Auditorium Equipment			Cable Funds		30,000		0	0	0	0	0
CableComm	Studio Equipment			Cable Funds		50,000		0	0	0	0	0
COA	Senior Center Kitchen			Grant		20,000		0	0	0	0	0
Fire Dept	Fire Engine - Used	2		Gift		55,000		0	0	0	0	0
Selectman	East Templeton Town Hall Improvements			Rent Savings		50,000		0	0	0	0	0
Fire Dept	Scott Air Packs (15) - Required by 2020	1		Free Cash		13,500		0	0	0	0	0
Highway	1989 John Deere Excavator	1		5yr Debt Excl	5		300,000	63,648	63,648	63,648	63,648	63,648
Highway	New Ford F550 Dump	2		Free Cash		55,000		0	0	0	0	0
Highway	Stainless Steel Sander	3		FY16 Snow & Ice			40,000	40,000	0	0	0	0
Highway	MT6 Tracker - New Purchase	4	Defer				180,500	180,500	0	0	0	0
Highway	1996 Volvo Wheel Loader - L90C	5	Defer				240,000	240,000	0	0	0	0
Police	2010 Ford Crown Victoria - Replace with Explorer		Defer				35,000	35,000	0	0	0	0
Police	2003 Pont Bonneville - Replace with Explorer		Defer				35,000	35,000	0	0	0	0