

MINUTES
CAPITAL OUTLAY COMMITTEE
February 8, 2018

The meeting of the Capital Outlay Committee was called to order in the Town Hearing Room at Sharon Community Center at 7:03 pm by Chair Paul Linehan.

Members Present

Chair:	Paul Linehan
Board of Selectmen:	Walter Roach, Jr., William Heitin
Finance Committee:	Gordon Gladstone, Anja Bernier
School Committee:	Marcy Kaplan, Katie Currul-Dykeman
Planning Board:	Rob Maidman, David Blaszkowsky
Town Administrator:	Frederic Turkington, Jr.
Finance Director:	Krishan Gupta

Members Absent

School Committee:	Emily Smith Lee
Finance Committee:	Alex Korin
Board of Selectmen:	John J. McGrath (alternate)

Others Present

Civil Defense:	Michael Polimer, Director Michael Corman, Deputy Director
Fire Department:	James Wright, Fire Chief
School Department:	Kenneth Wertz, Director of Maintenance & Operations
Public Works:	Eric Hooper, Superintendent

Administrative Items

Chair Paul Linehan asked the Capital Outlay Committee members to introduce themselves.

MOTION: (Heitin-Kaplan) To approve the regular session minutes of November 30, 2017 and December 7, 2017

VOTED: 7-0-1, November 30, 2017 minutes (Blaszkowsky abstained) **PASSES**

VOTED: 6-0-2, December 7, 2017 minutes (Kaplan, Bernier abstained) **PASSES**

Capital Outlay Funding Benchmark Model Discussion

Mr. Turkington introduced a new funding benchmark model to the Committee that will help the committee make decisions on funding sources and quantity borrowed for capital requests.

The current formula takes the projected budget for the coming fiscal year (even though the debt service payments begin in the next following fiscal year) and reduces the amount by the outside articles (retirement contribution, unemployment, audit services, stabilization contribution and OPEB contribution) and exempt debt to determine the "operating budget". The committee has used a ceiling of between 5.5% and 6% of this figure as a ceiling for projected new debt service. Because the Town has chosen to reduce use of exempt debt, as those payments decline each year, it doesn't accurately reflect the available amount of borrowing within a chosen percentage

target. A few years from now, the existing benchmark percentage model will no longer work as a result of lower exempt debt than non-exempt debt.

Mr. Turkington and Mr. Gupta looked at a formula that would place the debt service at a level the Town feels comfortable with, add the 2.5% delta for Proposition 2 ½, and use that as a ceiling against the borrowing. They modeled out a projection based on the upcoming borrowing of \$7 million for the Town Hall project plus last year's Capital Outlay vote that created a funding gap available for future borrowing. The numbers would result in a slight increase in debt service for next year if we were to adopt everything on the schedule for borrowing for FY2019. Interest rate assumptions were built in for the borrowing two weeks from now, if they come in lower than expected, it will free up availability.

Mr. Turkington explained that there is approximately \$180,000 in available debt service capacity with projected borrowing for this cycle at approximately \$350,000. He encouraged the committee to hold off on non-priority projects where possible as any amount over capacity could result in reduced operating budget capacity for next year.

Mr. Heitin noted that the borrowing level is very low compared to previous years. Mr. Turkington agreed noting that most years the Town borrows between 2-3 million with a debt payment anywhere from \$350,000-\$500,000. Currently, the overall debt including exempt debt is just under 10%. The borrowing is being kept low to set aside 7 million of the 10.8 million for the Town Hall project in the coming year. Some savings may be turned back following the audit for the Heights Elementary School Roof and Public Safety Building projects. Those funds will be re-appropriated to reduce the Town Hall project borrowing in the second phase of borrowing.

Mr. Roach asked about the Town's credit rating; Mr. Turkington noted it is currently Aa3. Mr. Heitin noted that the recent call with Moody's about the upcoming bond offering went well. They are pleased with the reserve levels and fiscal management of the Town. New growth, including the assisted living project and Sharon Commons, was favorable. The town is on upward trajectory and could see a potential upgrade which will help with the Sharon High School Project borrowing. Chairman Linehan asked about Moody's outlook on debt; Mr. Turkington explained that typically anything more than 10% sets off a red flag, but the Town's approach to paying off debt quickly has paid dividends in the improvement of the Town's rating.

Review Draft Capital Outlay Spreadsheet

Capital Projects Recommendations - FY2019 @ 4% w/variable terms

Draft last changed 2/8/18, 6:35pm

Civil Defense

Replacement quarters	340,000.00	20	17,000.00	13,600.00	30,600.00
	340,000.00		17,000.00	13,600.00	30,600.00

Police

Vehicle replacement - 3 Cruisers (\$100,000 Cash)	CASH	0.00	0.00	0.00
Cruiser computers (\$36,300 Cash)	CASH	0.00	0.00	0.00
	-	-	-	-

Fire

Engine replacement	750,000.00	20	37,500.00	30,000.00	67,500.00
	750,000.00		37,500.00	30,000.00	67,500.00

Recreation

Additional Dr. Walter A. Griffin Playground renovations (CPA \$123,000)	CPA	0.00	0.00	0.00
Cameras at Veterans Memorial Beach & playground (CPA \$21,928)	CPA	0.00	0.00	0.00
Gator for Veterans Memorial Beach	19,000.00 5	3,800.00	760.00	4,560.00
Veterans Memorial Beach improvements (CPA \$82,212)	CPA	0.00	0.00	0.00
	19,000.00	3,800.00	760.00	4,560.00

Animal Control

Request for van & crate was emergency funded via Reserve Fund Transfer (\$29,307)	-	0.00	0.00	0.00
	-	0.00	0.00	0.00

Public Works

Roads - Sidewalks

Mitchell/Laurel Street sidewalks	250,000.00 20	12,500.00	10,000.00	22,500.00
Williams Rd sidewalk, Bishop Rd sidewalk reconstruction,				
Community Center access road new sidewalk	430,000.00 20	21,500.00	17,200.00	38,700.00

Equipment - Vehicles

Dump Truck	214,000.00 10	21,400.00	8,560.00	29,960.00
Back hoe grapple bucket	16,500.00 5	3,300.00	660.00	3,960.00

Building Improvements/Maintenance

DPW Office Maintenance: replace siding/trim, windows,				
Supervisory double wide trailer backup generator	97,000.00 10	9,700.00	3,880.00	13,580.00

Administration

DPW computer & software: AutoCAD, GIS, WaterCAD, SeeClickFix, ViewPoint, iFormBuilder, iDataCollect, PlanGrid, Property file cloud drive (Cash \$35,161)	CASH	0.00	0.00	0.00
	1,007,500.00		40,300.00	108,700.00
		68,400.00		

SUB-TOTAL - TOWN BORROWING

2,116,500.00	126,700.00	84,660.00	211,360.00
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School

District Technology

MacBook Airls 1:1 - SMS 260 students, \$800/device (borrowing)	\$38,000.00 5	7,600.00	1,520.00	9,120.00
MacBook Airls 1:1 - SMS 260 students, \$800/device (\$150,000 Cash)	CASH			
Replacement computers for SMS (6th & 7th) Carts (2 yr cycle)	100,000.00 5	20,000.00	4,000.00	24,000.00
Teacher laptop repairs - hold on large purch./replac. (\$14,250 Cash)	CASH	0.00	0.00	0.00
Projectors - replace old/broken devices across district	25,000.00 5	5,000.00	1,000.00	6,000.00
Wireless access points, servers, etc.	25,000.00 5	5,000.00	1,000.00	6,000.00
	188,000.00	37,600.00	7,520.00	45,120.00

Acoustics

DW - Acoustics	40,000.00 5	8,000.00	1,600.00	9,600.00
	40,000.00	8,000.00	1,600.00	9,600.00

Furniture

DW - Replacement furniture - classrooms	23,000.00	5	4,600.00	920.00	5,520.00
	23,000.00		4,600.00	920.00	5,520.00

District Projects

Cottage - replace doors Kindergarten stairwell	30,360.00	5	6,072.00	1,214.40	7,286.40
DW - Painting projects (phase 1) (Cash \$36,000)		CASH	0.00	0.00	0.00
East - Upgrade lighting (design)	27,500.00	5	5,500.00	1,100.00	6,600.00
East - Upgrade lighting (energy eff.) (Green Communities \$148,740)		GC	0.00	0.00	0.00
High - Cafeteria fire doors	46,125.00	5	9,225.00	1,845.00	11,070.00
Heights - Library air conditioning	68,150.00	5	13,630.00	2,726.00	16,356.00
Heights - Parking lot repair (design)	70,500.00	5	14,100.00	2,820.00	16,920.00
	242,635.00		48,527.00	9,705.40	58,232.40

School Vehicles

Replacement Vans - Special Ed Fleet (3)	90,000.00	5	18,000.00	3,600.00	21,600.00
	90,000.00		18,000.00	3,600.00	21,600.00

SUB-TOTAL - SCHOOL BORROWING

583,635.00	116,727.00	23,345.40	140,072.40
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TOTAL - TOWN & SCHOOL BORROWING

2,700,135.00		243,427.00	108,005.40	351,432.40
619,135.00	5	123,827.00	24,765.40	148,592.40
311,000.00	10	31,100.00	12,440.00	43,540.00
1,770,000.00	20	8,500.00	70,800.00	159,300.00
2,700,135.00		243,427.00	108,005.40	351,432.40

Water

Water main replacement (S. Pleasant, Walnut, Edgewood, Ridge, Valley, Sylvan)	1,290,000.00
Emergency connection to MWRA via Tiot Street (build pump station; replace AC pipe on Edge Hill Road from Norwood St. to Tiot St, Tiot St to Norwood Town line)	735,000.00
Tank maintenance replacement	1,000,000.00
TOTAL - WATER	3,025,000.00

Other Financing Sources:

Cash	Cash Projects (Cruisers, Cruiser Computers, DPW software, Macbooks, DW School painting project, East Elementary Energy Eff. Lighting)	371,711.00
CPA Funds	Walter A. Griffin Playground upgrade/reno, Cameras at Veterans Memorial Park Beach, Veterans Memorial Park Beach improvements	227,140.00
Green Commun.	East Elementary upgrade lighting (energy efficient)	148,740.00
Water	Water main replacement; emergency MWRA connection, tank replacement	3,025,000.00
Chapter 90	Various Road Projects (not shown above)	510,000.00
	Total Other Financing Sources	4,282,591.00

TOTAL - ALL CAPITAL PROJECTS

6,982,726.00

Capital Outlay Deliberations and Voting

Civil Defense

- *Replacement quarters \$340,000 (borrowing)*

Gordon Gladstone asked the Board of Selectmen their views on the need Civil Defense building project and if they have considered putting the group under the purview of the Fire Department. Selectman Heitin believes there is a need to find the group space regardless of any changes to the group's structure to store their equipment and to do their work. Selectman Roach advocates for the group to remain intact.

Mr. Gladstone asked Chief Wright if there is room at the Public Safety Building to store the equipment now. Chief Wright responded that he has a small amount of expansion space, however, nowhere near enough to relocate Civil Defense. They could house some equipment temporarily, but do not have available office space for them to work from. Mr. Polimer explained that the group has eight registered pieces of equipment totally approximately 1,000 square feet of space. If they disappear as an organization, most of that equipment would need to be housed somewhere in town.

Mr. Gladstone feels that this request should be coming from the Board of Selectmen not Civil Defense.

The Department of Public Works Superintendent Eric Hooper has some concerns about the project's vetting; he feels his department was held to more stringent guidelines for the recent steel building project. He questioned who will be responsible for the operating budget of this building and if he will be expected to expand his budget to maintain it. Mr. Turkington noted that funds will be added to the DPW operating budget to cover the maintenance of the building, as they are the department responsible for maintaining public buildings.

Deputy Director of Civil Defense Michael Corman explained the process they have gone through in trying to develop this project. Three years ago the group proposed an auxiliary building as part of the new Public Safety Building project at a price of approximately \$370,000 and were turned down. Then, they were offered the old fire station as an alternative location, which they are losing to the Town Hall project in July or August this year. Now Civil Defense is faced with the need for a new building and additional moving costs related to the temporary relocation which were roughly \$25,000-\$30,000 the first time around.

There was a discussion about the details of the project and whether it has been fully developed. Mr. Turkington has been working closely with the group to identify their needs, which are for a sparse building with minimal septic and heat use. Alternative locations to Sandy Ridge Circle include: Farnham Road across from leaf collection operations or Deborah Sampson – combining a public restroom facility for the Recreation Department. Mr. Turkington noted that the key factor is that if Civil Defense ceases to exist, the building will be designed to serve an alternate purpose for another town department. He believes Mr. Polimer has done sufficient research in developing the budget. Mr. Polimer noted that there are some discretionary expenditures within the project's budget that could be trimmed, if necessary.

Mr. Heitin suggested that the Capital Outlay Committee approves the project and then turns it over to the Board of Selectmen and Civil Defense to solidify the details, identify a site, and to ensure a successful bidding process.

MOTION: To approve the \$340,000 request for replacement headquarters for Civil Defense
(Heitin-Roach) 8-0-0 PASSES

Police Department

- *Vehicle replacement - 3 cruisers \$100,000 (cash)*
- *Cruiser computers \$36,300 (cash)*

MOTION: To approve the request of Police Department for 3 cruisers and new cruiser computers (Heitin-Gladstone) 8-0-0 PASSES

Fire Department

- *Engine replacement \$750,000*

Mr. Linehan asked Chief Wright to briefly recap the need for a new engine. He explained they plan to replace a 1996 Pierce pumper with significant rot to the frame rails and carriage that holds the water tanks. They will keep their 1992 model which is in significantly better condition. Their newest model fire engine is a 2010 and the planned cycle for replacement is roughly every 8 years. The new fire engine will have a galvanized steel frame which should have a better life-span than one with a painted steel frame.

MOTION: To approve the request of Fire Department for a new Fire Engine (Gladstone-Heitin) 8-0-0 PASSES

Recreation Department

- *Additional Dr. Walter A. Griffin Playground renovations \$123,000 (CPA)*
- *Cameras at Veterans Memorial Beach & Playground \$21,928 (CPA)*
- *Gator for Veterans Memorial Beach \$19,000 (Borrowing)*
- *Veterans Memorial Beach improvements \$82,212 (CPA)*

Three of the four requests by the Recreation Department have been referred to the Community Preservation Committee (CPC) to be considered for Community Preservation Act funding. The request for security cameras at Veterans Memorial Beach and playground is being evaluated to see if it falls within their guidelines and could return to Capital Outlay if it does not meet their qualifications. Ms. Berger will find out at the next Community Preservation Committee meeting.

MOTION: To accept the Recreation Department request for \$19,000 (Heitin-Roach) 8-0-0 PASSES

Animal Control

- *Replacement Van and Crate \$29,307*

This request was fulfilled in FY2018 via Finance Committee Reserve Fund transfer.

Department of Public Works

- *Mitchell/Laurel Street sidewalks \$250,000*
- *William Road sidewalk, Bishop Road sidewalk reconstruction, Community Center access road new sidewalks \$430,000*

- *DPW Office maintenance, replace siding/trim, windows, Supervisory double wide trailer back-up generator \$110,000*
- *DPW computer & software: AutoCAD, GIS, WaterCAD, SeeClickFix, ViewPoint, iFormBuilder, iDataCollect, PlanGrid, Property file cloud drive \$35,161 (Shifted from cash request to DPW budget)*
- *Dump Truck \$214,000*
- *Backhoe grapple bucket \$16,500*

Mr. Turkington noted that the Mitchell and Laurel Streets sidewalks project is one that previously did not pass at Annual Town Meeting and was added back at the request of several residents.

Mr. Heitin made a motion to approve the Department of Public Works request. Before the vote could be taken, Mr. Linehan explained to the committee that the cash software request does meet all of the COC guidelines (5-year minimum useful life, \$10,000 threshold, bondable). The Committee went on to take a vote.

MOTION: To approve the Public Works request as presented
(Heitin-Roach) 8-0-0 PASSES

Mr. Linehan has concerns that the DPW's software request does not meet the COC guidelines and asked Mr. Turkington if the committee plans to make exemptions for cash projects. Mr. Turkington feels the committee should be careful in making exemptions, otherwise we will have all kinds of questionable requests. The committee discussed the project further and agreed that cash projects should meet COC's criteria in order to qualify for approval. It was noted that some software projects could potentially qualify for funding depending on the specs. Mr. Linehan recommended that the committee amend the vote to remove the DPW software.

MOTION: To remove from Capital and put into the operating budget the software request of the DPW with the corresponding cash capital number
(Heitin-Maidman) 8-0-0 PASSES

School Department

- *DW- Acoustics \$40,000*
- *DW - Replacement classroom furniture \$23,000*
- *Cottage Elementary - replace doors in Kindergarten stairwell \$30,360*
- *DW- painting projects (phase 1) \$36,000 (Removed from School Department's requests)*
- *East Elementary - Upgrade lighting (design) \$12,500*
 - *Upgrade lighting (energy efficient) \$165,000*
- *High School - Cafeteria fire doors \$46,125*
- *Heights Elementary - Library Air conditioning \$68,150*
- *Heights Elementary - Parking lot repair (design) \$100,000*
- *Replacement vans - SPED Fleet (3) \$90,000*
- *Projectors - replace old/broken devices across district \$25,000*
- *Wireless access points, servers, etc. \$25,000*
- *Replacement computers for SMS (6th & 7th) Carts (2yr cycle) \$100,000*
- *Teacher laptop repairs (hold on large purchase replacement) \$14,250*
- *MacBook Airs 1:1 - SMS 280 students, \$800/device (borrowing) \$38,000, (cash) \$150,000*

Mr. Wertz noted that the School Department's district-wide painting project that is shown on tonight's spreadsheet has been removed and shifted to their operating budget.

Mr. Wertz explained that the Height's Elementary School parking lot repair design cost went down following a peer review with Town Engineer Peter O'Cain.

Mr. Turkington asked the School Department if the Macbook Airs request is still accurate as to the type and amount of devices requested. Mr. Wertz noted that Dr. Marcus, Dr. Greer and Ms. Murphy have been meeting with their team leaders to see if there is an opportunity to change the type of devices; they are looking at it closely and are still in decisions. There are some new chrome books options but he does not have a definitive answer tonight.

Mr. Wertz noted that the teacher laptop repairs request needs to be verified with Dr. Marcus. It may be a case where they will be replacing a limited amount of laptops and not actually making repairs as the descriptions suggests. Mr. Wertz will verify and report back to the committee.

Mr. Blaszkowsky asked for further description of the Heights Elementary School library air conditioning project as the cost seemed high. Mr. Wertz explained that the price came from the existing conditions study performed. The number is to retrofit the existing air handler requiring new power, compressors, insulation, modification of the existing air handling equipment and labor at prevailing wage. He further explained that this is the only media center in the entire school district that is not air conditioned and that the space is used heavily in the summer months by the SPED summer program. Additionally, there are computers in the space that would benefit from air conditioning.

The committee took a vote holding out the district wide painting project and adding a conditional vote on the teacher laptop repairs request pending further evaluation.

MOTION: To approve the school committee budget of \$583,635 conditioned upon resolution of the teacher laptop repairs request and removal of district wide painting
(Gladstone-Heitin) 8-0-0 **PASSES**

Adjournment

VOTED: Heitin-Maidman (8-0-0) To adjourn the meeting at 8:28 pm - unanimous