

**MINUTES**  
**CAPITAL OUTLAY COMMITTEE**  
*November 8, 2018*

The meeting of the Capital Outlay Committee was called to order in the Town Hearing Room at Sharon Community Center at 7:00 pm by Chair, Paul Linehan.

*Members Present*

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

*Members Absent*

School Committee:	Mena Mesiha, Heather Zelevinsky
Board of Selectmen:	William Heitin, Emily Smith-Lee
Planning Board:	Kai Richard Yu

*Others Present*

Fire Department:	James Wright, Fire Chief
Civil Defense:	Michael Polimer, Director

**Administrative Items**

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

**MOTION:** (Gladstone-Roach) To approve the regular session minutes of February 8, 2018.  
**VOTED:** 7-0-0 **PASSES**

**Capital Outlay Funding Benchmark Model Discussion**

Mr. Linehan explained the Capital Outlay Committee mission which is to consider applications for funding capital requests for items with value of \$10,000 or more and a minimum life span of five (5) years with the following objectives:

- To prioritize the allocation of resources on a Town-wide basis,
- To coordinate long term capital planning,
- To help maintain the Town's fiscal wellbeing,
- To help maintain the Town's capital assets and municipal services, and
- To provide recommendations to the Town for the allocation of limited funds for capital purchase, recognizing there are competing fiscal needs of the Town that need to be taken into account.

To meet the following specific goals:

- To use a guideline of 6% of the Town's corresponding year's annual budget (less overrides, debt exclusions and water appropriations) for the "capital budget." However, that being said, when borrowing for the Town Hall project, the 6% was exceeded, and
- To gradually shift funding from a debt-based model to a direct purchase to avoid incurring interest and issuance expense.

Mr. Linehan also explained terms such as debt exclusion, and bundling, which members should be aware of when considering Department requests.

A copy of the Town's latest bond rating was included in the agenda package. Rating agencies review the Town's credit worthiness and management practices, policies and procedures among a number of other factors. The Town presently has the second or third highest bond rating.

Historically, the committee has been very aggressive with borrowing to manage debt and obtaining advantageous interest rates. For example, if a capital item's life expectancy is 20 years, the committee would recommend borrowing for ten.

## Review Draft Capital Outlay Spreadsheet

### Capital Projects Recommendations - FY2020 @ 5% w/variable terms

Draft last updated: 11/14/2018

		<u>Request Amount</u>	<u>Funding Source</u>	<u>Terms (years)</u>	<u>Est 1st Year Principle FY2020</u>	<u>Est 1st Year Int @5% FY2020</u>	<u>Est 1st Year Cost FY2020</u>
<b>Civil Defense</b>	Generator	11,000.00	CASH				
		11,000.00			0.00	0.00	0.00
<b>Police</b>	Vehicle replacement - 3 Cruisers	120,000.00	CASH		0.00	0.00	0.00
	Handguns (50)	35,000.00	CASH		0.00	0.00	0.00
	Training Range	46,000.00	BORROW	15	3,066.67	2,300.00	5,366.67
		201,000.00			3,066.67	2,300.00	5,366.67
<b>Fire</b>	Ambulance	350,000.00	ARF				
	Quick Response Vehicle	70,000.00	ARF				
	Chief's Vehicle	55,000.00	BORROW	5	11,000.00	2,750.00	13,750.00
	EMS Training Mannequin	50,000.00	ARF				
		525,000.00			11,000.00	2,750.00	13,750.00
<b>Recreation</b>	Veterans Memorial Beach Playground	167,580.00	CPA		0.00	0.00	0.00
	Ames St Bleachers	35,539.00	CPA		0.00	0.00	0.00
	Ezra Pavillion	20,000.00	CASH				
	Ames St Fence	39,000.00	BORROW	5	7,800.00	1,950.00	9,750.00
	Tennis Court Lights	55,800.00	CPA		0.00	0.00	0.00
		317,919.00			7,800.00	1,950.00	9,750.00

**Library**

Roof Resurfacing - Middle Roof	29,989.00	CPA		0.00	0.00	0.00
	29,989.00			0.00	0.00	0.00

**Public Works**

Roads - Sidewalks	680,000.00	BORROW	20	34,000.00	34,000.00	68,000.00
Equipment - Dump Truck, Excavator	370,000.00	BORROW	15	24,666.67	18,500.00	43,166.67
Building Improvements/ Maintenance	69,970.00	BORROW	15	4,664.67	3,498.50	8,163.17
Admin/GIS	-	CASH	CASH			
	1,119,970.00			63,331.33	55,998.50	119,329.83

**SUB-TOTAL - TOWN  
BORROWING**

<b>1,259,970.00</b>	<b>85,198.00</b>	<b>62,998.50</b>	<b>148,196.50</b>
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**School****District Technology**

Wireless access points to improve wireless	21,000.00	BORROW	5	4,200.00	1,050.00	5,250.00
Renewal 1:1 Program 300 Chromebooks	120,000.00	CASH				
Small teacher replacement	16,000.00	BORROW	5	3,200.00	800.00	4,000.00
Projectors/monitors to replace old/broken	25,200.00	BORROW	5	5,040.00	1,260.00	6,300.00
Replace 603 2D/3D Animation Lab	20,000.00	BORROW	5	4,000.00	1,000.00	5,000.00
Replace VM services with 2 server/storage all-in-one	85,000.00	BORROW	5	17,000.00	4,250.00	21,250.00
Beginning of cycle replacement of 8 year old switches	60,000.00	BORROW	5	12,000.00	3,000.00	15,000.00
Replace SMS labs circa 2011	67,500.00	BORROW	5	13,500.00	3,375.00	16,875.00
Security Cameras	88,440.00	BORROW	10	8,844.00	4,422.00	13,266.00
	383,140.00			67,784.00	19,157.00	86,941.00

**School****Acoustics**

DW - Acoustics	16,200.00	BORROW	10	1,620.00	810.00	2,430.00
	16,200.00			1,620.00	810.00	2,430.00

**School****Furniture**

DW - Replacement furniture - classrooms	85,000.00	BORROW	15	5,666.67	4,250.00	9,916.67
	85,000.00			5,666.67	4,250.00	9,916.67

**School****District Projects**

DW - Add impact resistant security film	50,875.00	BORROW	15	3,391.67	2,543.75	5,935.42
EC - Playground retractable cover	20,000.00	BORROW	10	2,000.00	1,000.00	3,000.00
East- Guard rail Kennedy Entrance	20,800.00	BORROW	15	1,386.67	1,040.00	2,426.67
Heights - VRF (AC) installation	66,000.00	BORROW	15	4,400.00	3,300.00	7,700.00
Heights Em Generator Additional Funding Request	533,500.00	BORROW	15	26,216.67	19,662.50	45,879.17
Heights Parking Lot Repalcement	1,182,500.00	BORROW	20	59,125.00	59,125.00	118,250.00
Middle - Updated HVAC system controls	50,000.00	BORROW	10	5,000.00	2,500.00	7,500.00
	1,783,425.00			101,520.00	89,171.25	190,691.25

**School****School Vehicles**

Replacement Vans - Special Ed Fleet (3)	112,500.00	BORROW	10	11,250.00	5,625.00	16,875.00
	112,500.00			11,250.00	5,625.00	16,875.00

<b>SUB-TOTAL - SCHOOL BORROWING</b>	<b>2,380,265.00</b>		<b>187,840.67</b>	<b>119,013.25</b>	<b>306,853.92</b>
	-				
<b>TOTAL - TOWN &amp; SCHOOL BORROWING</b>	<b>3,640,235.00</b>		<b>273,038.67</b>	<b>182,011.75</b>	<b>455,050.42</b>
Total - 5 Year	388,700.00	5	77,740.00	19,435.00	97,175.00
Total - 10 Year	287,140.00	10	28,714.00	14,357.00	43,071.00
Total - 15 Year	1,101,895.00	15	73,459.67	55,094.75	128,554.42
Total - 20 Year	1,862,500.00	20	93,125.00	93,125.00	186,250.00
	3,640,235.00		273,038.67	182,011.75	455,050.42
	-				

<b>Water</b>					
Main Replacement	1,290,000.00				
System Improvement	735,000.00				
<b>TOTAL - WATER</b>	<b>2,025,000.00</b>				

**Other Financing Sources:**

<b>Cash</b>	Cash Projects (Cruisers/computers; 1:1 initiative & teacher laptops)	306,000.00	-		
<b>ARF</b>	Ambulance Reserve Fund (Ambulance, Quick Resp Veh, EMS Training Manne)	470,000.00			
<b>UCP</b>	Unexpended Capital Project funds	140,250.00			
<b>CPA Funds</b>	Community Preservation (Recreation, Library)	288,908.00			
<b>Green Communities</b>		-			
<b>Water</b>	Water Main Replacement, System Improvement				
<b>Chapter 90</b>	Various Road Projects (not shown above)				
<b>Total Other Financing Sources</b>		<b>1,205,158.00</b>			
<b>TOTAL - ALL CAPITAL PROJECTS</b>		<b>4,845,393.00</b>			

## Department Presentations

### Fire Department – Chief Wright

Chief Wright presented an update on Fiscal Year 2019 capital purchases. The department has expended all funds except \$30,000. A pumper was purchased in the amount of \$680,000 and Jaws of Life for \$38,000. The pumper is anticipated to be in within six months.

There was some EMS funding set aside from Fiscal Year 2018 and IV pumps haven't yet purchased. The state is still debating whether IV pumps will be required on EMS vehicles. If they aren't required, the Chief would not recommend purchasing them. Chief Wright confirmed that the money would be returned if the equipment is not required to be purchased.

Chief Wright explained that there are few “cooperative” items in the five year plan such as a rescue boat which will be purchased jointly with the Recreation Department and radio repeaters which is equipment that is shared between Police and Fire. There was a brief discussion about communication between all departments.

Mr. Linehan asked about the helmet communication devices. Chief Wright explained that the everyday use of the microphone doesn’t seem to be a high quality component. He has found that communication is better with the newer style masks.

The number one item on the 2020 capital cycle is an ambulance. It was explained that this is to replace the 2006 ambulance. There is a fleet of three ambulances, two are “front line” paramedic level and one is basic life support equipped. The basic life support apparatus is used to transport if there are three calls back-to-back. This ambulance is also used as a shared ambulance between five neighboring communities. Each community contributes a small amount of money each year for maintenance of this shared commodity.

Ms. Bernier asked whether the new ambulance would be used as the shared ambulance. It was explained that it would not. The remaining two ambulances would be rotated down so the two newest pieces would be used exclusively by the Department and the oldest would become the shared piece of equipment.

The next item is a new item which wasn’t on the list previously. It is referred to as a “quick response vehicle.” The need for this item is dependent on staffing and tied to operational changes. There are six firefighters on duty 24/7. If an ambulance call comes in, two firefighters respond in an ambulance and two respond in a truck. This leaves two firefighters at the station to cover another call. Multiple ambulance calls have been trending up. Chief Wright is hoping to increase the daily staff by two firefighters, at least one to start. If this is the case, having a quick response vehicle will allow greater versatility and will keep from taking a truck out to many of the ambulance calls thus keeping wear and tear down on an expensive piece of apparatus.

The vehicle itself is roughly \$45,000 but it will be equipped with radios, emergency lighting and minimal gear. It is believed that this will be a net savings to the town by saving on wear and tear.

Ms. Bernier asked about the increase in calls. With the addition of the assisted living facility, the increase amounts to about 20% but since other neighboring town Fire Departments have increased their staffing levels, Sharon’s mutual aid calls have decreased resulting in a net increase of about 10% in calls.

Ms. Bernier also asked whether there has been any analysis between the tax revenue benefit and the added cost of the assisted living facility. Chief Wright stated that the facility is meeting the Fire Department’s forecasted projection. Mr. Turkington stated that tax revenue from the property is pretty significant but it has created a tipping point with respect to staffing. Again, this purchase is dependent on added staffing.

The next item is replacement of the Chief’s car. There are currently two vehicles, one of which is the Fire Prevention car, a former cruiser. The present Chief’s car would become the new inspection car but the Department would hold onto the former cruiser to use as a staff vehicle.

Mr. Linehan asked about a vehicle inventory and whether the Committee could review it. Mr. Turkington advised that there is a list which was evaluated a few years ago for potential of rotating older, adequate vehicles for other departments, much like the one for Council on Aging whose request was pulled as they will be receiving a cruiser being replaced by the Police Department. It is not believed that leasing a vehicle would be cost effective.

Ms. Bernier asked whether vehicles across all departments are monitored so that purchases could be coordinated. Mr. Turkington stated that with state procurement contracts there is no benefit to volume purchasing.

The last item is an EMS training mannequin. This piece of equipment is utilized for advanced life support training. This was researched and the item selected was selected because it best suited the needs of the Department. It will allow the department to practice a variety of different skills. There will be interactive ability to change situations based on appropriate responses.

Mr. Maidman asked about the potential for purchasing this item collaboratively with other neighboring departments. Chief Wright explained that there is some possibility, however he feels that as this would be used quite frequently, sharing a resource of this nature would present challenges due to the frequent use and the level of knowledge required for its operation. He further explained that there is a mask fit testing device which is used annually that was purchased between Sharon, Canton and Stoughton. Because it is only used annually, sharing the cost of the one item was feasible because its rotation could be easily scheduled.

Mr. Maidman also asked about the longevity projection of the item. Chief Wright explained that he expects it to be about eight years, however is uncertain more about where the technology will go in the future. Many of the wear parts are replaceable.

Mr. Gladstone asked whether this was a replacement item and what the Department has been doing for training. Chief Wright explained that it is a new item as well as about the piecemeal equipment presently used.

Mr. Linehan asked about the statutory borrowing limits on these items. The ambulance would be cash but borrowing for ten years would be allowed. The quick response and Chief's vehicles would be five years.

Mr. Gladstone asked which items would be coming from the Ambulance Reserve Fund. Mr. Turkington advised that it would be the ambulance and the training mannequin.

### **Civil Defense – Michael Pollimer**

The 2020 Civil Defense Department Capital Equipment request is for a portable, 12 kilowatt, three-phase generator and associated accessories.

Currently the Department has two large 100 kilowatt mobile three phase generators in inventory. In time of a wide-spread emergency when utility power is out for any length of time, these two generators would be placed into service at locations where up to 100 kilowatt of power is required; typically at two emergency shelters. The CAT machine would be dispatched to the Community Center to power up the lower level where we have manual switch gear for this purpose. A 100 kilowatt Magnum would be used to augment the small stand-by generator at the High School, the primary large scale location.

With few exceptions, every Town building and private business locations utilize three-phase power as it is much more efficient than residential single phase service. For instance both gas stations in Town require three phase power to operate. While the Town is not chartered to power private businesses as such, providing fuel to residents could be crucial after a wide area, large scale emergency, hence powering up fuel pumps would be a priority. A medium-sized, 12 kilowatt unit would allow us to do this without wasting one of our larger machines.

A condition called “wet stacking” plagues large diesel generators which are run under about 10% load. This condition eventually yields the machine useless as the exhaust system becomes clogged with diesel soot and unburned fuel. A 12 kilowatt machine solves that problem for light loads.

The request contains \$8,800 for the generator itself and another \$2,200 to cover shipping charges, a wheel kit, starting battery and the required three-phase cables & connectors to allow various connections that may be encountered. It is expected that the machine will have at least a 25 year service life. Civil Defense volunteers would take care of all the required maintenance.

Mr. Linehan asked whether there are any municipal buildings that could be powered with the generator. Mr. Pollimer stated that all of the buildings are three-phase, it's a matter of how much could be powered. The High School has a 100 kilowatt generator which powers some heat and some of the refrigeration. The Middle School Administration Building has a large generator. There's a new generator at Town Hall which presumably will be transferred to the new building.

Ms. Bernier asked if the Town has other generators of this size. Mr. Pollimer stated that there are, but not three-phase. Mr. Gladstone asked about the wet stacking. He inferred from the narrative that it would ruin the generator but it's a repairable item? Mr. Pollimer stated that it is.

Mr. Turkington provided a brief overview of the 2019 capital status. Chief Wright has been invaluable in providing staff support for Mr. Pollimer and plan the procurement process. The land swap involved approval from National Park Service. There was additional grant money that was used to purchase a portion of the park. There's an expected two to three month response period. An architect was brought in to help with building design. Mr. Pollimer has worked with DPW to design a tight tank for the floor drains. It is hoped that construction will start in the spring. It is believed that the bulk of the work, the shell and foundation, can be done within the funding allocation. Having enough to finish the project is questionable. The architect is expected to give an opinion of probable cost which is essentially a best guess. From there, it will be decided how to proceed.

Ms. Bernier asked about the reason for the possible budget insufficiency. One of the major factors is that the price of steel has skyrocketed over the past several months. The latest quote received by the architect for erection and building package, which doesn't include any site work.

The budget was just under \$100,000. The estimate that was received is \$150,000. The erection cost was just what was budgeted but the building cost was twice the price anticipated. Just the steel is expected to be \$50,000. The additional need won't be fully known until the opinion of probable cost is received. There is some in house work being done.

Mr. Blaszkowsky stated that the tariffs are only 25%, there's no way you get to \$50,000 on a \$100,000 project for steel. Mr. Maidman explained that this is a public entity so US content steel must be used. The tariffs drive the price up. Mr. Maidman is more interested in how many companies will be bidding.

The architect went through a company that they are familiar with. The Department is aware of two or three local contractors that do this type of construction and the bid packages will be sent to them in addition to others through the normal procurement channels. Chief Wright is hoping that the bidding will be much more competitive.

Mr. Maidman asked if there is an estimate on how much steel is required. Chief Wright stated that it is not known at this time.

Mr. Pollimer stated that there are no outstanding capital items and there is no surplus. He did further state however that construction is booming right now and contractors are busy which also drives up cost.

### **Adjournment**

**VOTED: Roach-Bernier (7-0-0)** To adjourn the meeting at 8:17 pm - unanimous