

Capital Program Committee

In 2019, the Capital Program Committee (CPC) was re-energized with a completely new team. The members are as follows:

- Jennifer Gill, Chair
- David Dunne, Vice-Chair
- Joshua Poznanski, Secretary
- Peter Caruso, Town Administrator
- Erica Blake, Board of Selectmen Representative and Chair, Board of Selectmen
- Chris Drew, Planning Board Representative
- Ken Tubman, Finance Committee Representative

Additionally, the Committee found themselves in a position unlike previous committees as there was significant funding across our stabilization accounts. At the time of this writing (Feb 2020), the balances were as follows:

Account	Balance as of Feb. 2020
General Stabilization	\$400,639.00
Capital Stabilization	\$100,000.00
Public Safety Stabilization	\$245,732.00
Other Post-employment Benefits Trust (OPEB)	\$42,500.01

Please note: These balances are subject to change. The CPC wanted to provide at least a point in time reference for the town. The expectation is most of these accounts will increase once free cash is certified and deposits to the appropriate accounts are complete.

Overview

The Capital Program Committee has defined a Capital Project to be a specified item or activity with a cost of at least \$10,000. The CPC is forward looking, at a minimum of 5 years, continually evaluating needs and improvements to capital interests in the Town of Millville.

Typical Capital Projects include; and not limited to:

- Purchasing vehicles or other equipment
- Purchasing land or buildings
- Constructing, expanding, or renovating a building
- Maintaining or upgrading infrastructure
- Contracting for services

There are a number of benefits to managing a capital program and developing a discipline associated with long-range planning culture. For example, the work done by the CPC:

- Anticipates future expenses for the town
- Supports Town officials with capital planning
- Informs residents of future projects and expenses
- Encourages departments and committees to plan for the future

Approach

As the CPC is made up of new members, and previous capital plans were no longer relevant, we started from the beginning, reviewing department requests and weighing these against the funding that the town had allocated. In order to ensure we thoroughly reviewed all the asks; the CPC took a two-prong approach:

1. Evaluated immediate needs with a full financial analysis
2. Researched local best practices for replacement of key capital items.

The Spring 2020 version of the capital plan will largely focus on these items with mentions and reviews of longer-term investments (e.g. Buildings).

The committee will continue to revise and evaluate the capital plan through the spring and summer months to evaluate and make informed recommendations on longer-term investments. The CPC plans to have two revisions of the capital plan annually, one in the spring and one in the fall. The CPC will provide the spring version of the plan in March every year to ensure the Finance Committee has ample time to review and consider the capital plan in the town budget.

There were key areas this committee was focused on for the Spring 2020 Plan and they are as follows:

Long term Funding and other funding options

The CPC recommends that 100% of available free cash is distributed across the stabilization accounts above. The committee does recognize that this might not always be possible. The minimum recommendation is 50% of available free cash is distributed across the accounts above. Additional accounts are being investigated to ensure there is funding when needed for road, bridge, and building repairs.

Additionally, the CPC has found both Senator Fattman and Representative Soter are receptive to partnering with us to see if it is possible to get any of our requests funded through an earmark in the Governor's budget. The request is not guaranteed to be fulfilled through this method but we do have the full support of our representatives which is very encouraging.

Central Street Expansion

Millville was very fortunate to receive state and federal funding for the Central Street Expansion project. This project was completed in 2021. This project was initiated by the Board of Selectmen and previous CPC. The current CPC although not involved did want to recognize the efforts and work of this project and its positive contributions to the community.

Millville Elementary School Boiler Project

The CPC recommends that the town utilize the MSBC program to subsidize the replacement of the school's boiler. The School Committee made a compelling case regarding the age and risks associated with the current boiler. The CPC voted to unanimously support this project. The estimated cost of the project is \$1.8 million and will be reimbursed to the town at a rate of 59.21%.

Millville Elementary School Water Utilization

At the time of this writing, the CPC is working to get more information regarding the quality of the water at the school. The CPC looks forward to partnering with the School Committee to get accurate reporting information regarding the quality of the water to determine what actions are required, if any.

Millville Elementary School Building Utilization

Since the town approved the boiler project, the MSBC program used to fund this project requires that the building continues to be used as a school. The total project is estimated at \$1.8 million and it is to be reimbursed at 59.21%.

Impact of BMR Agreement Amendments

The MSBC program ensures that the Millville Elementary School Building continues to be used as an elementary school. The impact of any agreement could potentially change the grades that attend the school.

Public Safety Requests – Fire Department

Adequately funding public safety requests from the Fire Department is crucial to ensuring the safety of the town. The Public Safety Stabilization Fund was set up to fund approved requests. The requests that the CPC considered are:

- New heating system for the Fire Department: \$36,000.00
- Jaws of Life: \$34,100.00
- Replacement Forestry Truck: \$175,000
 - The town is applying for a grant to fund this
- The capital planning committee continues to investigate options regarding ambulance services to ensure the safety of the citizens of Millville and optimizing our budgets.

Public Safety Requests – Police Department

The Police Department has items, such as police cruisers, that need to be replaced on an ongoing basis. We have to work together to ensure these items are replaced in a timely manner along with working within the financial constraints of Millville's budget.

The recommendation of this committee is that we replace a police cruiser every two years starting with the spring 2020 Annual Town Budget. Several police departments were contacted to research best practices regarding the replacement of a cruiser. Across these police departments, cruisers were replaced or moved into a lesser role when the odometer read 100,000 miles. A biennial replacement of a Millville cruiser coincides with Millville's utilization of the 100,000 miles best practice.

Other items that require replacement such as tasers will be replaced in accordance with the manufacturer's recommendation.

Old Town Hall Repurposing

Several options are being investigated regarding the use of the Longfellow Building:

1. Repair the building and use it as the town hall. This option is being considered however the financial feasibility could be beyond a tolerable budget.
2. Sell the building for another use. This option is the most likely, the town has received several offers to purchase the building. The committee is working to get more information on:
 - a. What caused the building to be condemned
 - b. Inspection costs
 - c. Other environment inspections
3. Do nothing. We could continue to wait and see

Longer Town Hall Solution

The town was very fortunate to be able to partner with Blackstone Valley Technical High School and the American Legion to renovate the current town hall for use. However, the lease expires in 2026 and the town needs a permanent home. Several options have been discussed by the CPC including repairing the old town hall building for use, purchasing a building, and others. It is important to note that we are in early phases of envisioning and planning a long-term solution. All options are up for consideration.

Veterans Memorial Park PARC Grant

During 2019 the town was awarded approximately \$51,000 from a State PARC Grant for major improvements to Veterans Memorial Park. Combined with approximately \$24,000 from the Town's Centennial Memorial Fund, the Trustees of Veterans Memorial Park commenced the project of adding a gazebo, benches, lighting, fencing,

walkways, landscaping, and other improvements to the Park. The project will be completed in the Spring of 2020.

Storm Drain and Roadway repair/rebuilding and other Chapter 90 Spending

The town of Millville received State Chapter 90 funds in the amount of \$110,541 for FY 2019 and \$109,569 for FY 2020. Utilizing these funds the Highway Department was able to repave Chestnut Hill to Kempton Rd house #372 in the Fall of 2019.

The town was awarded a \$1 million grant from MassWorks for re-pavement of Central Street, including sidewalks and signage. In addition, \$200 thousand was awarded from Complete Streets for this project. The Central Street project began in May of 2019 and was completed by the target date of December 2019. The proceeds from these two state grants, plus use of some available Chapter 90 funds enabled the Town to have this project completed at no direct cost to Millville taxpayers.

Other routine roadway repairs, including repair/replacement of storm drains, are performed using operating budget appropriations. Please refer to the Highway Department Section of this Annual Report for additional information.

Septic Betterment Loans

The Board of Health submitted a warrant article at the November 28, 2018 Town Meeting to appropriate the sum of \$300,000 to be expended at the direction of the Board of Health for the purpose of financing repair, replacement and/or upgrade of residential septic systems. The motion for the article was carried by a 2/3rd vote by the Town Moderator. The Town then entered into a loan agreement with the Massachusetts Water Abatement Trust and the Department of Environmental Protection. The Mass. Clean Water Trust approved a loan commitment as the Town being the "Borrower" to finance septic related repair projects. Funds for each project will be drawn down from the Trust on an as needed basis. The funds will be loaned to the Town at a 2% interest rate and loaned to the applicants at a 4% interest rate. The difference in interest will be applied to costs to administer the program.

The Board of Health processed (3) Septic Betterment Loans in 2019 totaling \$72,700.

- | | | | |
|----|--|------------|----------|
| 1. | 257 Thayer Street entered into agreement | 08/29/2019 | \$23,050 |
| 2. | 19 Albee Road entered into agreement | 09/11/2019 | \$26,475 |
| 3. | 10 Oak Street entered into agreement | 09/16/2019 | \$23,175 |

Each loan extends over a twenty-year period and will be payable February 1st of each year.

Highway Department Requests

The Highway Department has done a great job of supporting the needs of the town; however, the town could be reducing this budget with some strategic investments. For this year, the town is looking at investing in a Backhoe/Front Loader. We have also received a request for a new Ford F550 truck, to replace a 2007 pickup truck, which is beyond repair.

At some point, the town will need to consider investing in a building to house the equipment for the highway department. At this time, equipment and supplies are stored in portable trailers, at employee's homes, and in other ways that is not ideal to preserve the usage of the equipment.

Other Building Needs

The town needs to investigate the building requirements across several departments. The town hall itself as mentioned needs a permanent home. The Police Station also needs to be re-evaluated. Finally, the Highway

Department needs a building which can store the equipment for summer and winter requirements. This is a longer-term discussion that the CPC is investigating.

- The highway department's building would be a minimum of \$850,000

Recommended Spending for Spring 2020

The Capital Planning Committee was fortunate enough to have Representative Soter and Senator Fattman attend one of our meetings in January. They will be requesting earmarks in the state budget to reimburse Millville for these expenses. This is not a guarantee and we may not get any of these items funded through an earmark. Regardless if we fund this out of our own accounts or an earmark, the committee agrees these are the most important items and we are recommending these to be purchased.

DEPARTMENT	AMOUNT	FUND
POLICE DEPARTMENT		
Police Car	\$45,000.00	Public Safety
Computers and Tech Equipment	\$10,000.00	Public Safety
Taser Replacement	\$10,000.00	Public Safety
TOTAL REQUEST POLICE DEPT	\$65,000.00	
HIGHWAY DEPARTMENT		
Front Loader/Backhoe	\$45,000.00	General
Truck with 10 ft plow	\$100,000.00	General
TOTAL REQUESTS HIGHWAY DEPT	\$145,000.00	
Total Requests	\$210,000.00	

For our initial requests, the Capital Planning Committee was conservative in our spending. We pushed off our spending for the fire department as they are not urgent requests.

Best Case Scenario

The best-case scenario assumes \$300,000 of free cash deposited across the general stabilization, capital stabilization, and OPEB. The public safety stabilization will be funded from ambulance receipts, \$35,000 annually.

Requests from Departments as of December 17, 2019

Starting Balances						
General Stabilization	\$624,620.06					
Capital Stabilization	\$100,000.00					
Public Safety Stabilization	\$40,410.85					
Other Post-employment Benefits Trust (OPEB)	\$42,500.01					
	2021	2022	2023	2024	2025	Comments
POLICE DEPARTMENT						
Police Car	\$45,000.00		\$47,700.00		\$50,562.00	
Computers and Computer Equipment	\$10,000.00					
Taser replacement	\$10,000.00					
TOTAL REQUEST POLICE DEPT	\$65,000.00	\$0.00	\$47,700.00	\$0.00	\$50,562.00	
FIRE DEPARTMENT						
Turnout Gear		\$24,000.00			\$4,800.00	Replace expired turnout gear as required. NFPA 1971 10 year expiration.
Building Heating System					\$36,000.00	Replace current oil burner ,which is original to building. Approximately 50
Jaws of Life Pump Station		\$140,000.00			\$34,100.00	Replace heavy hydraulic powered jaws of life with newer lighter technology.
SCBA bottles				\$44,787.00	\$44,787.00	Replace archaic pumping station used to Replace air tanks 2009 vintage, NFPA 1981 require replacement after 15 years (30) needed. We will try for a grant in 2024. If
Replacement Forestry Truck					\$175,000.00	Need to add Forestry Truck 1996 - only piece of equipment to fight brush fires;
TOTAL REQUEST FIRE DEPT	\$0.00	\$164,000.00	\$0.00	\$44,787.00	\$294,687.00	
HIGHWAY DEPARTMENT						
Storage Building 50 ft X 80 Ft					\$850,000.00	
Mower F650			\$30,000.00	\$135,000.00		
Street sweeper		\$25,000.00				
Front Loader/Backho	\$45,000.00					
Truck with 10 ft plow	\$100,000.00					
TOTAL REQUESTS HIGHWAY DEPT	\$145,000.00	\$25,000.00	\$30,000.00	\$135,000.00	\$850,000.00	
LIBRARY						
			\$15,000.00			General building and maintenance repair
TOTAL LIBRARY ASKS	\$0.00	\$0.00	\$15,000.00	\$0.00	\$0.00	
TOTAL ASSESSOR ASKS						
Total Requests	\$210,000.00	\$189,000.00	\$92,700.00	\$179,787.00	\$1,195,249.00	
Annual Deposits						
Deposit General Stabilization	\$906,529.00	\$300,000.00	\$200,000.00	\$200,000.00	\$200,000.00	
Deposit Capital Stabilization	\$50,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	
Deposit Public Safety Stabilization	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	Deposits from Ambulance receipts
Deposit Other Post-employment Benefits Trust (OPEB)	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	
Ending Balances						
General Stabilization	\$1,386,149.06	\$1,661,149.06	\$1,831,149.06	\$1,896,149.06	\$1,246,149.06	
Capital Stabilization	\$150,000.00	\$175,000.00	\$200,000.00	\$225,000.00	\$250,000.00	
Public Safety Stabilization	\$10,410.85	-\$118,589.15	-\$131,289.15	-\$141,076.15	-\$451,325.15	
Net of stabilization	\$1,546,559.91	\$1,717,559.91	\$1,899,859.91	\$1,980,072.91	\$1,044,823.91	
Other Post-employment Benefits Trust (OPEB)	\$92,500.00	\$142,500.00	\$192,500.00	\$242,500.00	\$292,500.00	

Worst-case scenario

The worst-case scenario assumes \$150,000 of free cash deposited across the general stabilization, capital stabilization, and OPEB. The public safety stabilization will be funded from ambulance receipts, \$35,000 annually.

Requests from Departments as of December 17, 2019						
Starting Balances						
General Stabilization	\$400,639.00					
Capital Stabilization	\$100,000.00					
Public Safety Stabilization	\$245,732.00					
Other Post-employment Benefits Trust (OPEB)	\$42,500.01					
	2021	2022	2023	2024	2025	Comments
POLICE DEPARTMENT						
Police Car	\$45,000.00		\$47,700.00		\$50,562.00	
Computers and Computer Equipment	\$10,000.00					
Taser replacement	\$10,000.00					
TOTAL REQUEST POLICE DEPT	\$65,000.00	\$0.00	\$47,700.00	\$0.00	\$50,562.00	
FIRE DEPARTMENT						
Turnout Gear		\$24,000.00			\$0.00	Replace expired turnout gear as required. NFPA 1971 10 year expiration.
Building Heating System					\$0.00	Replace current oil burner ,which is original to building. Approximately 50 years old.
Jaws of Life					\$0.00	Replace heavy hydraulic powered jaws of life with newer lighter technology.
Pump Station						Replace archaic pumping station used to pump water to fire hydrants.
SCBA bottles				\$44,787.00	\$0.00	Replace air tanks 2009 vintage, NFPA 1981 require replacement after 15 years (30) needed. We will try for a grant in 2024. If we do not get the grant, then we will need to buy them the following year.
Replacement Forestry Truck					\$0.00	Need to add Forestry Truck 1996 - only piece of equipment to fight brush fires; funded through a grant
TOTAL REQUEST FIRE DEPT	\$0.00	\$24,000.00	\$0.00	\$44,787.00	\$0.00	
HIGHWAY DEPARTMENT						
Storage Building 50 ft X 80 Ft					\$0.00	
Mower			\$30,000.00			
F650				\$135,000.00		
Street sweeper		\$25,000.00				
Front Loader/Backho	\$45,000.00					
Truck with 10 ft plow	\$100,000.00					
TOTAL REQUESTS HIGHWAY DEPT	\$145,000.00	\$25,000.00	\$30,000.00	\$135,000.00	\$0.00	
LIBRARY						
			\$15,000.00			General building and maintenance repair
TOTAL LIBRARY ASKS	\$0.00	\$0.00	\$15,000.00	\$0.00	\$0.00	
TOTAL ASSESSOR ASKS						
Total Requests	\$210,000.00	\$49,000.00	\$92,700.00	\$179,787.00	\$50,562.00	
Annual Deposits						
We assume \$150,000 annually in free cash will be distributed amongst these accounts						
Deposit General Stabilization	\$350,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	We are assuming we will get \$250,000 from our land sales in 2021
Deposit Capital Stabilization	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	
Deposit Public Safety Stabilization	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	Deposits from Ambulance receipts
Deposit Other Post-employment Benefits Trust (OPEB)	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	
Ending Balances						
General Stabilization	\$605,639.00	\$680,639.00	\$750,639.00	\$715,639.00	\$815,639.00	
Capital Stabilization	\$125,000.00	\$150,000.00	\$175,000.00	\$200,000.00	\$225,000.00	
Public Safety Stabilization	\$215,732.00	\$226,732.00	\$214,032.00	\$204,245.00	\$188,683.00	
Net of stabilization funds lines 49 - 51	\$946,371.00	\$1,057,371.00	\$1,139,671.00	\$1,119,884.00	\$1,229,322.00	
Other Post-employment Benefits Trust (OPEB)	\$67,500.00	\$92,500.00	\$117,500.00	\$142,500.00	\$167,500.00	

Next Phase of Capital Plan

The CPC addressed critical purchases for 2021 and will investigate longer term investments in the next version of this plan. The primary goals will be to address the building needs of the town with a goal to have a proposal for 2022.

In closing

Although the CPC made great progress this year, but there is still a lot of work to do. The committee would like to thank the Fairhaven and Winchendon Police Departments who offered a significant amount of information which helped us reach a sound conclusion on the police car replacement. As always, we welcome any feedback or comments from anyone.

APPENDIX

Department: Highway

Need: New front loader

Justification:

At this time, the town is renting this piece of equipment and it is a significant cost. We could purchase a fully functional used piece of equipment and the town would see a tremendous savings. The financial analysis is as follows.

Purchase of a Used Front Loader

Cost	\$45,000					
2016 - Spring 2019 Spend	\$54,978					
Average usage annually	\$18,326.08					
Annual maintenance	\$2,000	Estimated by highway department				
Annual Fuel costs	\$1,000	Based on current use, it is estimated that we spend \$660 dollars on fuel annually. However, if we were to own this piece of equipment the use is expected to increase				
Total Maintenance and Operations	\$3,000					
	Year 1	Tear 2	Year 3	Year 4	Year 5	
Payback						
Usage Savings	\$18,326.08	\$18,326.08	\$18,326.08	\$18,326.08	\$18,326.08	
Capital expense	(\$45,000.00)	(\$23,673.92)	(\$8,347.83)			
Maint & Ops	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	
Savings	(\$23,673.92)	(\$8,347.83)	\$6,978.25	\$15,326.08	\$15,326.08	
Number of years for payback	2.94					

Department: Highway

Need: New Truck

Justification:

The F450 the town has is falling apart and needs to be replaced. The payback period is less than 1.5 years showing a tremendous value to the town. The financial analysis is as follows:

Monthly per hour usage	115.7				
Cost per hour	\$110				
Annual usage winter months	\$38,181				
Annual usage - other 9 months	\$37,799				
Purchase	\$100,000				
Annual Maintenance	free - under warranty				
Annual Fuel costs	\$1,200				
Assumption - full usage for 3 months as represented above at 115.7 hours per month					
Assumption - 1/3 usage for the other 9 months					
	Year 1	Year 2	Year 3	Year 4	Year 5
Payback	\$75,980	\$75,980	\$75,980	\$75,980	\$75,980
Usage Savings	(\$100,000)	(\$22,820)	\$54,360		
Capital expense	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Maint & Ops	(\$22,820)	\$54,360	\$131,541		
Savings					
Payback	1.316133				

Department: Public Safety

Need: Police Car Schedule of Replacement

Justification:

In order for the police department to function properly, the chief needs to be able to manage usage of the fleet of police cars. Based on research and information provided by other police departments, Fairhaven and Winchendon, the number of miles when the reliability of a police car comes into question is 100,000 miles. Based on these numbers, we recommend that purchase a new police car every 2 years. This enables the police chief to manage usage and plan for a new car every 2 years.

Year	2021	2022	2023	2024	2025
Expense	\$45,000.00		\$47,700.00		\$50,562.00