

Capital
Improvement
Planning
Committee

FY10 CIPC Report to Finance Committee

1/15/09

What is in the CIPC budget?

- Single year cost assets over \$10K
- Multi-year cost assets of more than \$100K
- Assets with short useful life are part of the departments operating budget
 - Police cruisers
- Assets over \$100K are acquired through Lease/Purchase
- The CIPC requests that the department managers avoid bundling small items together to make a “Various projects” item of \$10k or more. Those smaller items should be financed within the department operating budget.

Recommendations for 5 year plan (from 2009 Presentation)

- ✓ Move all Capital leases into the CIPC budget and adjust operating and CIPC budgets accordingly
- ✓ Allocate enough funds to maintain the fleet of trucks
- ✓ Allocate enough funds for normal maintenance and known projects
- ✓ Budget exceptional projects as needed

Changes to FY10 Budgeting Process:

- Move misclassified capital items from operating into capital budget
 - Years 2-5 of DPW vehicle leases
 - Other departmental vehicles (besides police cruisers)
 - Sudbury Public School leases (if any) still need to be moved to capital
- Move misclassified operating items from capital into operating budget
 - Walkway maintenance

FY10 Capital Budgeting Process

- Calculation of FY10 capital budget amount:
 - Adjusted FY09 budget = \$513,042
 - FY10 capital budget targets
 - Non-override (2.1% growth from FY09): \$523,816
 - Override (4.5% growth from FY09): \$536,129
 - FY10 requested capital projects: \$622,108
 - CIPC to eliminate ~\$99K from requests (\$84K for override)
- List of projects is prepared and prioritized by the town department managers across departments
- CIPC had 3 hearings:
 - 11/19/08, 11/20/08 (with representatives from departments)
 - 12/3/08 (deliberations)

FY10 Capital Budget Overview

- Non-override target budget: \$523,816
- Non-override approved budget: \$523,383
- Override target budget: \$536,129
- Override approved budget: \$535,383

Department	Item	Requested	Approved (non-override)	Approved (override)	Priority
Building	Various Building Improvements	\$35,000	\$25,000	\$30,000	5
	Town Hall Handicap Entrance	\$14,000	\$12,000	\$14,000	6
	Fire Station HQ Paint/Trim	\$38,000	\$33,000	\$38,000	8
	Building Subtotal	\$87,000	\$70,000	\$82,000	
Fire	Outstations Window Replacement	\$20,000	\$0	\$0	N/A
	Station 2 Light	\$25,000	\$25,000	\$25,000	9
DPW / Parks & Grounds	Lease payments (years 2-5)	\$246,761	\$246,761	\$246,761	1
	One-ton dump truck - unit 14 (purchase)	\$50,000	\$79,000	\$79,000	\$3
	Six wheel dump truck - unit 20 (lease)	\$29,000			
	Loader 3.5 yard - unit 8 (lease)	\$34,500			
	Utility Tractor (lease)	\$7,225			
DPW Sub-Total	\$367,486	\$325,761	\$325,761		
Library	RFID self check-out (Phase 1)	\$80,000	\$80,000	\$80,000	7
ATM	ADA Compliance Study	\$20,000	\$0	\$0	N/A
Selectman	Muni Tax Software Lease Payment	\$12,000	\$12,000	\$12,000	2
	Ricoh MP6000 B&W copier	\$10,622	\$10,622	\$10,622	4
Total		\$622,108	\$523,383	\$535,383	
Target			\$523,816	\$536,129	
Δ from Target			-\$433	-\$746	

FY10 Capital Budget: Building Department

Requests	Requested	Approved (non-override)	Approved override)	Notes
Various Building Improvements	\$35,000	\$25,000	\$30,000	<ul style="list-style-type: none"> • Approved \$52.5K in 2009 • Must be used for the following: <ul style="list-style-type: none"> - Senior Center roof replacement (\$33,800) - Replace Town Hall boiler (\$25,000) - Replace Town Hall generator (\$7,000) - Replace police station windows (\$7,000)
Town Hall Handicap Entrance	\$14,000	\$12,000	\$14,000	<ul style="list-style-type: none"> • Public bids tend to come in at (or above) the amount budgeted (available to the public)
Fire Station HQ Paint/Trim	\$38,000	\$33,000	\$38,000	<ul style="list-style-type: none"> • The expectation is that building will be able to get bids at the budgeted amounts for these projects, or “borrow” from the “various building improvements” fund
Total	\$87,000	\$70,000	\$82,000	

FY10 Capital Budget: Fire Department

Requests	Requested	Approved (non-override)	Approved override)	Notes
Outstations Window Replacement	\$20,000	\$0	\$0	<ul style="list-style-type: none"> • Not clear what is the status of station #3 • Wait for results of 2009 study to renovate/upgrade outstations; bundle all the work into a single project.
Station 2 Light	\$25,000	\$25,000	\$25,000	<ul style="list-style-type: none"> • State to pay for engineering/design costs
Total	\$45,000	\$25,000	\$25,000	

- Looking ahead to FY11/12:
 - \$240K in FY11 for improvements to outstations (including \$20K for window replacements that was not approved for 2011)
 - \$1.5MM proposal for HQ Emergency Operations Center in FY12

FY10 Capital Budget: DPW / Parks & Grounds

Requests	Requested	Approved (non-override)	Approved override)	Notes
Lease payments (years 2-5)	\$246,761	\$246,761	\$246,761	<ul style="list-style-type: none"> • Moved from FY10 DPW operating budget to FY10 capital budget • Unanimous approval, 1st priority
One-ton dump truck - unit 14 (purchase)	\$50,000	\$79,000	\$79,000	<ul style="list-style-type: none"> • Moving lease payments from years 2-5 from the DPW operating budget to the capital budget results in an increase in ~\$100K for DPW in FY10 • Some of new budget could be used for additional truck maintenance • CIPC voted to allot \$79K of new purchases (vs. \$121K requested) • Rather than determine which trucks DPW should purchase/lease, CIPC preferred to leave it to DPW's discretion
Six wheel dump truck - unit 20 (lease)	\$29,000			
Loader 3.5 yard - unit 8 (lease)	\$34,500			
Utility Tractor (lease)	\$7,225			
Total	\$367,486	\$325,761	\$325,761	<ul style="list-style-type: none"> • \$20K walkway reconstruction project moved from capital to DPW operating budget

DPW / Parks & Grounds: Lease Payment Schedule

Unit	Description	Purchase Year	Lease Type	Lease Payment	Lease Year
FY10 New leases		FY10*	5 year	\$79,000	1/5
22	John Deere backhoe	FY09*	5 year	\$27,000	2/5
27	10-wheel dump truck	FY09*	5 year	\$28,000	2/5
33	Multi-purpose tractor	FY09*	5 year	\$24,400	2/5
5	Volvo 10 wheel dump truck	FY08	5 year	\$23,980	3/5
24	International 6-Wheel Dump Truck	FY08	5 year	\$28,054	3/5
23	International 6-Wheel Chip/Dump	FY08	5 year	\$18,535	3/5
3	Mack 6-Wheel Dump	FY07	5 year	\$23,000	4/5
44	Mack Dump 10-Wheel	FY06	5 year	\$26,684	5/5
13	Mack 6-Wheel Dump	FY06	5 year	\$23,724	5/5
46	Multipurpose Tractor	FY06	5 year	\$23,384	5/5
Total				\$325,761	

* FY09 and FY10 as budgeted

- \$247K in FY10 lease payments are from previous years
- Looking ahead to FY11:
 - \$74K in FY10 lease payments will be off the books for FY11
 - \$106K proposed new lease payments for FY11
 - \$106K in purchases (plus \$42K from FY10 that was not approved)

FY10 Capital Budget: Other (Library, ATM, Selectman)

Requests	Requested	Approved (non-override)	Approved override)	Notes
Library: RFID self check-out (Phase 1)	\$80,000	\$80,000	\$80,000	<ul style="list-style-type: none"> • Phase 1 costs must be fully functional and not depend on phase 2 • Goodnow library to finance \$70K of \$190K project total (phase 1 & 2) • Phase 2 to cost town \$40K in 2011
As. Town Mgr: ADA Compliance Study	\$20,000	\$0	\$0	<ul style="list-style-type: none"> • Not a capital item • Not clear if this protects the town from or exposes the town to litigations
Selectman: Muni Tax Software Lease Pmt	\$12,000	\$12,000	\$12,000	<ul style="list-style-type: none"> • Moved from FY10 operating budget to FY10 capital budget • Unanimous approval, 2nd priority
Selectman: Ricoh MP6000 B&W copier	\$10,622	\$10,622	\$10,622	<ul style="list-style-type: none"> • Selectman initially requested 2 copiers; revised request for 1 copier
Total	\$122,622	\$102,622	\$102,622	

FY10 Capital Budget: Sudbury Public Schools

- No capital requests in FY10
- Unclear if there are no capital needs for SPS in FY10 or if capital requests are running through the SPS operating budget
- Also unclear if there are outstanding leases (years 2-5) currently in the SPS operating budget
- \$345K in capital budget requests in FY11 and \$315K in FY12
- CIPC requests more transparency and visibility into the SPS capital budgeting and spending process for FY11 deliberations

FY10 Capital Budget Summary

- CIPC unanimously agreed to accept the total proposed budget after debating the merits of each item and collectively determining the items and amounts for approval.
- CIPC determined priority of capital projects; if actual budget comes in less than target amounts, CIPC would recommend removing projects starting with the lowest priority to stay within budget

Department	Item	Requested	Approved (non-override)	Approved (override)	Priority
Building	Various Building Improvements	\$35,000	\$25,000	\$30,000	5
	Town Hall Handicap Entrance	\$14,000	\$12,000	\$14,000	6
	Fire Station HQ Paint/Trim	\$38,000	\$33,000	\$38,000	8
	Building Subtotal	\$87,000	\$70,000	\$82,000	
Fire	Outstations Window Replacement	\$20,000	\$0	\$0	N/A
	Station 2 Light	\$25,000	\$25,000	\$25,000	9
DPW / Parks & Grounds	Lease payments (years 2-5)	\$246,761	\$246,761	\$246,761	1
	One-ton dump truck - unit 14 (purchase)	\$50,000	\$79,000	\$79,000	3
	Six wheel dump truck - unit 20 (lease)	\$29,000			
	Loader 3.5 yard - unit 8 (lease)	\$34,500			
	Utility Tractor (lease)	\$7,225			
DPW Sub-Total	\$367,486	\$325,761	\$325,761		
Library	RFID self check-out (Phase 1)	\$80,000	\$80,000	\$80,000	7
ATM	ADA Compliance Study	\$20,000	\$0	\$0	N/A
Selectman	Muni Tax Software Lease Payment	\$12,000	\$12,000	\$12,000	2
	Ricoh MP6000 B&W copier	\$10,622	\$10,622	\$10,622	4
Total		\$622,108	\$523,383	\$535,383	
Target			\$523,816	\$536,129	
Δ from Target			-\$433	-\$746	

Looking forward to FY11

- CIPC recommends that the new classification of items as capital vs. operating continue to be followed in FY11
- CIPC recommends that the town manager thoroughly review each item in each department's operating budget that should be classified as capital, and reclassify as appropriate
- The ballooning situation with lease payments for DPW trucks and equipment should start to stabilize in FY11 as payments from FY06 come off the books