



October 5, 2022

To: Town Meeting

From: Roger McPeck, Chair, and Members of the Capital Planning Committee

cc: Select Board
Finance Committee
Heather Von Mering, Town Moderator
Beth Rudolph, Acting Town Manager

We are pleased to submit our Fiscal Year 2024 (FY 24) report of the Capital Planning Committee (CPC). We are less sanguine about the outlook of capital funding for the town. The CPC has completed its evaluation of capital project requests submitted by Town Departments for the next 5 years and the outlook is sobering. It should be noted that in addition to the anticipated Department requests that we have reviewed, in most years unanticipated emergent requests are also brought forward to the CPC by various Departments, Committees, and Boards.

First, the good news. The town has benefited greatly this year due to the availability of grants and one time use funds. The CPC would like to thank Representative Day who was instrumental in securing a grant from the State that will help fund the purchase a new sidewalk plow. The CPC would like to thank the Select Board for funding a number of projects (that were originally presented to the CPC) through the use of American Recovery Plan Act (ARPA) funds. The Winchester Sports Foundation also contributed funds assisting in the replacement of the Manchester field turf. Winchester Public Schools provided supplemental funds from the Elementary and Secondary School Emergency Relief (ESSER) act to assist in the conversion of McCall middle school ventilation controls. CPC is requesting funds this cycle to complete that conversion.

The projects that were funded through these one-time use funds likely would not or could not have been funded through the normal capital process and the town cannot count on seeing anything like this good fortune again.

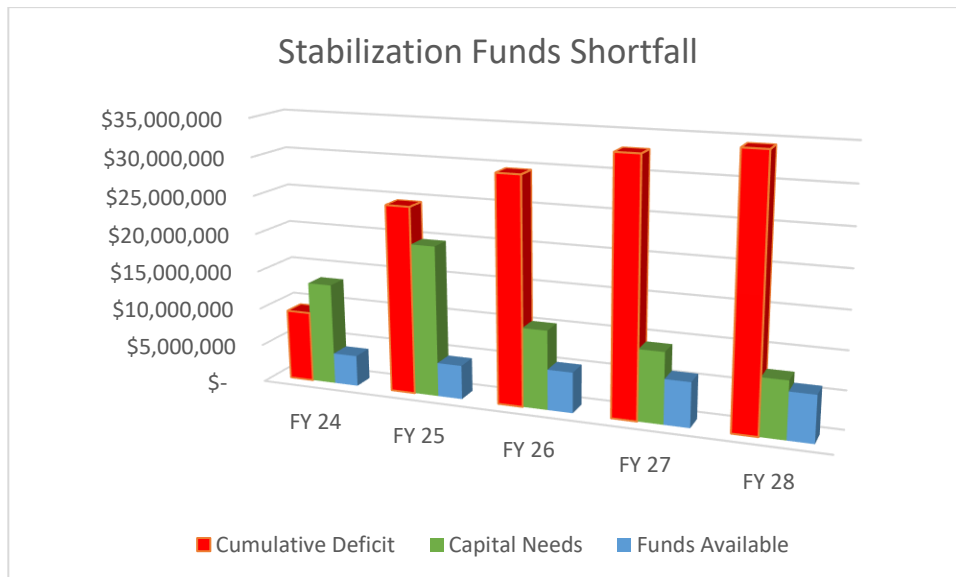
In addition to these projects, with the funds generated by the stabilization funds, the retained earnings of the Water & Sewer Enterprise fund and the Cemetery Permanent Care fund, the CPC is recommending funding over \$2.5M in capital projects, nearly \$1.7M in building projects, \$1.6M in Water & Sewer requests, and \$70K in capital requests for the Wildwood cemetery. These projects include (among others) repair of the historic McCall entryway; replacement of the Town Hall fire alarm system; repair of 2 bridges; road and pedestrian improvements on Highland Ave., Woodside Rd., and Washington St.; replacement of 3 major DPW vehicles and the acquisition of a Vactor truck; improvements to the drainage system along Nelson St.; water quality projects for Winter and Wedge ponds; and once again fully funding the Roads and Sidewalks budget.

Now, the bad news. Even with this one-time assistance and the stabilization funds, we continue to fail to meet our capital needs. The stabilization funds at current funding levels cannot meet the building repair and capital equipment needs of the town. This cycle has been characterized by the funding of several larger building projects, the

routine replacement of DPW heavy equipment, and the stark realization that the Town is faced with several very large capital projects that cannot be accomplished through the stabilization funds alone. There were \$9.6M in building requests this year and \$3.5M in capital requests. Total requests including the Water & Sewer Enterprise fund and the Recreation Department exceeded \$15.2M. Using the funding guidelines adopted by the CPC, the BSF had approximately \$1.5M in funds available for use and the CSF had approximately \$2.6M in funds available. **This gap between needs and funding will result in the aggressive degradation of town assets including DPW and Fire vehicles, schools, roads, and municipal buildings.**

Delay is very costly. Ten projects that went unfunded in FY 23 due to lack of funding, but have been recommended for funding in FY 24, increased in aggregate estimated costs by over \$449K – an average increase of 21% spread over those projects. The Lake Street bridge repair – delayed over a year by permitting – increased in anticipated costs by \$600,000. CPC fears that permitting delays may result in cost increases for the Muraco flood mitigation project as well.

The sheer number of high dollar value projects is simply too great for the stabilization funds to handle. While the additional funding provided by the town in the 2019 override has been helpful in meeting small to midsize capital demands, it has not been sufficient to address the larger capital projects the town faces. These large projects are routine, predictable and recurring. Field turf lasts about 10 years, ambulances about 6 years, fire engines about 20 years and roofs about 20 years. Other examples abound. While we may stretch these timeframes, these capital items need to be periodically replaced or renewed. This year the shortfall between the funds and needs have been made abundantly clear. Last year the CPC was presented with the need to replace the 30 years old Town Hall HVAC system and engineering work was funded by Town Meeting. Estimates for this project are in the range of \$6M – which is far beyond the ability of these funds to meet. The DPW Buildings department has also been reporting to the CPC the need to repair the slate roofs on the Town Hall and the Library. Repair/replacement of the roofs at Ambrose and older portions of McCall middle school roof are also required. Funds external to the Stabilization Funds will be required to meet these needs and the CPC has been working with the Select Board toward that end.



Note: This does not include Water & Sewer or Cemetery needs which are funded via other sources
 Projection of needs in the later years are less precise and it is anticipated they will grow as requirements become clear.

The future is no brighter. The 5 year unaccelerated projected capital needs of the town exceed \$57.9M During this same period of time if no further debt is imposed on the funds, the funds are projected to generate \$12.57M in the BSF and \$13.2M in the CSF. While it is clear that some of these projects will not get funded, it is equally clear that a large quantity of projects that are not known at this time and not included in this projection will “pop up” over that time frame. And things seem likely to get worse than these gross figures represent. With inflation running around 8% and the stabilization funds growing at 2.5% the ability to fund projects is declining at a significant rate.

We would like to thank the Department Heads, Select Board, and especially Mark Twogood, Assistant Town Manager and Margaret White, Special Projects Manager for all your hard work in preparing the FY 24 Capital Plan.

The members of the Capital Planning Committee would also like to acknowledge Jay Gill for his 39 years of outstanding service to the Town of Winchester. We wish you well Jay on your life after DPW!

Roger McPeek, Chairman

James A. Johnson III, Vice Chairman

Hafiz Adamjee, Member

Stefan Carp, Member

Diab Jerius, Member

Christian Nixon, Member

Helen S. Philliou, Member

This year the CPC is recommending use of the following funds for the FY24 Capital Projects:

Capital Stabilization Fund	\$2,571,358
Building Stabilization Fund	\$1,695,000
Borrowing (Water & Sewer)	\$1,150,000
W&S Retained Earnings	\$485,000
Cemetery Trust Fund	<u>\$70,000</u>
Total	\$5,971,358

This year alone there were in excess of \$15.2 million in Capital Stabilization Fund, Building Stabilization Fund and Water Sewer requests. The table below summarizes the FY 24-28 request totals.

Capital Planning Five Year Summary Table			
Department	FY 24	FY 25-28	5-Year Total
ADA	\$ 125,000	\$ 500,000	\$ 625,000
DPW Buldings	\$ 7,026,000	\$ 3,220,000	\$ 10,246,000
DPW Cemetery	\$ 70,000	\$ 520,000	\$ 590,000
DPW Roads and Sidewalks	\$ 500,000	\$ 2,000,000	\$ 2,500,000
DPW Vehicles/Equipment	\$ 700,688	\$ 1,113,330	\$ 1,814,018
DPW Water Sewer	\$ 1,750,000	\$ 6,170,000	\$ 7,920,000
Engineering Stormwater	\$ 185,000	\$ 3,250,000	\$ 3,435,000
Engineering Bridges	\$ 990,000	\$ 875,000	\$ 1,865,000
Engineering Transportation	\$ 1,225,000	\$ 8,000,000	\$ 9,225,000
Fire Department	\$ 124,000	\$ 13,063,000	\$ 13,187,000
Police Department	\$ -	\$ 2,257,000	\$ 2,257,000
Recreation	\$ 350,000	\$ 1,650,000	\$ 2,000,000
Schools	\$ 2,270,000	\$ 13,600,000	\$ 15,870,000
Total FY 24 Requests	\$ 15,315,688		
Total FY 25-28 Requests		\$ 56,218,330	
Total Five Year Requets			\$ 71,534,018

The Building Stabilization Fund (BSF) is used for building maintenance, repairs and new construction. The Capital Stabilization Fund (CSF) is used for fields and playgrounds, roads and sidewalks, equipment, flood mitigation and bridge repair. After the funds available for the FY 24 capital budget were allocated, there remain critical unfunded projects which include in no particular order:

- Town Hall HVAC Replacement Project
- DPW Vehicle Storage Garage Replacement
- Implementation of Town Risk Assessment study
- Library Window Replacement
- Digitizing Records and Investing in a Town Digital Record Management system
- Roadway/Intersection Improvement Projects
- Additional Parkhurst School Improvements
- Recreation Building (Mystic School) Improvements
- Renovation/Replacement of several Tennis Courts, Baseball/Softball Dugouts and Playground Areas
- Numerous Athletic Field Projects
- Replacement of Town Hall Windows
- Roof Replacement at Ambrose Elementary School
- Drainage and Hardscape Replacement/Improvements at Lincoln Elementary School
- McCall Middle School Roof Replacement
- Sewer System Projects
- South Reservoir Dam
- Various Drainage System Improvements
- Wedge Pond Water Quality Improvements
- Routine replacement of Town Vehicles
- Raw Water Pump Station at Water Treatment Plant

FY 24 CPC Recommended Projects

Fall Town Meeting Building Stabilization Fund

Schematic Package for Roof Design & Replacement - Engineering	\$ 150,000
Town Hall Fire Alarm Replacement – Construction	\$ 500,000
McCall Middle School Masonry Repairs - Construction	\$ 825,000
McCall Middle School Controls Conversion Completion – Construction	<u>\$ 186,000</u>
Total	\$ 1,661,000

Fall Town Meeting Capital Stabilization Fund

Sidewalk Plow – Equipment	\$ 118,170
Cross Street Bridge Repairs – Construction	\$ 140,000
Washington Street Bridge Repairs – Construction	\$ 250,000
Ambrose Fire Sprinkler – Construction	\$ 70,000
Highland Avenue Median Islands – Construction	\$ 250,000
RRFB/Curb Extension Leonard Field – Construction	<u>\$ 150,000</u>
Total	\$ 978,170

Fall Town Meeting Water & Sewer Enterprise Fund

Vactor Truck – Vehicle (Borrowing Authorization)	\$ 600,500
Nelson Street/ WHS Drainage Improvements - Construction	\$ 220,000
Winter Pond Water Quality – Construction	<u>\$ 60,000</u>
Total	\$ 880,500

Total Fall Town Meeting Request: \$3,519,670

Spring Town Meeting Capital Stabilization Fund

ADA Projects – Engineering/Construction	\$ 125,000
DPW Roads and Sidewalks - Construction	\$ 500,000
Transfer Station Trash Trailer – Equipment	\$ 87,625
Wildland Fire Suppression/Rescue Vehicle – Vehicle	\$ 55,000
Street Sweeper – Equipment	\$ 281,255
Front End Loader	\$ 234,308
Wedge Pond Water Quality Improvements – Engineering	\$ 35,000
Woodside Road Corridor Improvements – Construction	<u>\$ 275,000</u>
Total	\$ 1,593,188

Spring Town Meeting Water & Sewer Enterprise Fund

MS4 Permit – Engineering	\$ 125,000
Lead Necks Removal Project – Construction	\$ <u>600,000</u>
Total	\$ 725,000

Spring Town Meeting Cemetery Trust Fund

Cemetery Capital Improvements – Building Improvements and Trees	<u>\$ 70,000</u>
Total	\$ 70,000

Total Spring Town Meeting Request: \$2,388,188

FY 24 Project Descriptions – Fall Funding

BUILDING STABILIZATION FUND

Schematic Package for Roof Design & Replacement

This request will fund the preparation of a schematic level design and preliminary cost estimate for repair and or replacement for the Town Hall, Public Library, McCall Middle School and Ambrose Elementary School roofs.

Town Hall Fire Alarm Replacement

This request will fund the installation of a new fire alarm system at Winchester Town Hall. The current system is over 30 years old and no longer functions properly and is not code compliant. If funded the project will be bid this winter and construction will occur while the building is occupied.

McCall Middle School Masonry Repairs

This project will fund the masonry repairs to the façade of the McCall Middle School. Town Meeting previously funded the engineering services, and the plan is to bid the project this winter for summer 2023 construction.

McCall Middle School Controls Conversion Completion

This project will fund the final phase of the pneumatic control replacement at McCall Middle School. Town Meeting has partially funded the two previous phases.

CAPITAL STABILIZATION FUND

Sidewalk Plow

This request is to fund the replacement of a 1987 sidewalk plow with a new 2023 Trackless sidewalk plow with a snow blower. The Town has been awarded a \$50,000 grant from the state and this request will cover the balance.

Cross Street Bridge Repairs

This project will fund the repairs identified in a MassDOT bridge inspection report and further detailed in an engineering study funded previously by Town Meeting.

Washington Street Bridge Repairs

This project will fund the repairs identified in a MassDOT bridge inspection report and further detailed in an engineering study funded previously by Town Meeting.

Ambrose Fire Sprinkler

This project will fund the replacement of the piping and sprinkler head drops identified as having significant corrosion on the Ambrose Elementary School sprinkler system.

Highland Avenue Median Islands

This project will fund the construction of 11 median islands along Highland Avenue. Town Meeting previously funded the corridor study as well as the engineering.

RRFB/Curb Extension Leonard Field

This project will fund the installation for a Rapid Flashing Beacon and curb bump-out at the existing crosswalk at Leonard Field on Washington Street.

WATER & SEWER ENTERPRISE FUND

Vactor Truck

This request is to fund a new Vactor truck which will be utilized to clean catch basins, manholes, and excavate all water leaks. This vehicle will aide the town in meeting our MS4 requirements and regulations set forth by the EPA.

Nelson Street/ WHS Drainage Improvements

This request is to fund drainage improvements to the area of Nelson Street near the Winchester High School parking lot as well as drain line repairs from Nelson Street to Skilling's Road.

Winter Pond Water Quality

This project will fund the construction of a water quality treatment device to be located at the intersection of Wildwood and Chesterford Road East. This device will reduce the sediment inputs into Little Winter Pond. The engineering was funded through an earmark from the state.

Capital Planning Process

The process for evaluating capital project requests is detailed and thorough. It begins in June of every year and culminates at Fall Town Meeting. Requests for potential capital planning projects for the next five years are distributed to all elected and appointed Boards and Committees and municipal and school departments in order to create a comprehensive five-year needs assessment for the Town. This year participation includes School Committee, Select Board, Town Manager, Energy Management Committee, Disabilities Access Commission, and department heads. These requests are prepared by Town staff and submitted to the CPC for review and prioritization.

The CPC consists of the following members per the Town's charter. Two members appointed by the Finance Committee, one member appointed by the Planning Board, one member appointed by the School Committee and three members appointed by the Select Board. The makeup of the CPC was designed to be inclusive of all Town agencies and relies on each member representing an appointed Board or Committee to report back to said Committee and also bring forward concerns and/or issues back to the CPC.

The CPC in evaluating each project relies on each Town entity submitting a proposal to take into consideration their immediate and long-term capital needs. A major tool that is used by the Town in developing our long-term immediate building repairs is the VFA/Accruent Building Envelope Program. This program helps to develop the expected life cycle and cost estimates for building system maintenance upgrade and replacement. This program allows for long term capital planning which helps the Town prioritize its five-year plan.

Additionally, the Department of Public Works and the Engineering Department have developed a comprehensive program for sewer, water, drainage, roads, traffic, sidewalks and flood mitigation projects. The Field Management Committee together with the DPW and School Department have developed a five-year field improvements plan. All of these tools utilized by the various Town agencies contribute to the development of a comprehensive plan for maintaining and improving the Town infrastructure and assets.

Project Evaluation Criteria

Fundamental to Capital Planning evaluation is a ranking process that allows the CPC to evaluate each individual project in a consistent manner. The ranking is based on the following criteria:

- Public Health and Safety
- Mandates by State or Federal Government
- Necessary for Maintenance of Town Assets
- Demonstrated Increased Efficiency and /or Cost Savings

Each project request is required to address the following items when submitting to the CPC.

- 1) Expected lifetime of the item/project.
- 2) Expected operating costs of and manpower available to complete or use the item or project.
- 3) Comparison of purchasing versus leasing or outside contracting of the service and, where relevant, the cost of multi-town sharing of resources or equipment.
- 4) Need for the item/project and its effect on the operating budget-what it might save in maintenance and repair.
- 5) Departmental priorities for the current year's projects/items.
- 6) Estimated cost estimates of the item/project, supported by bids or quotes whenever possible.
- 7) A plan detailing item/projects awarded during the past three (3) years and those to be requested over the next three (3) years.
- 8) A schedule of implementation for approved items and projects, including a timeline within the proposed FY.

One of the critical steps in completing the CPC's evaluation of each project is meeting individually with department representatives seeking project funding. In these meetings we discuss where the request fits into the overall goals for departmental long-range capital plans. In this process we make sure that alternative strategies for meeting their needs have been considered. We also require that each party submitting a request has looked at utilizing alternative funding sources as well.