

## **Report of the Capital Improvements Planning Committee**

### **Introduction**

The Capital Improvements Planning Committee is charged with studying “proposed capital outlays, projects and improvements involving major tangible assets and projects” with a view to recommending those capital improvement projects which should be undertaken over the next five years. These assets and projects are defined as those costing over \$25,000 and having a useful life of five years or more. Our charge is to prepare a capital budget for the next fiscal year, considering the relative need, impact, timing and cost of the various requested expenditures, as well as to project a capital program for the next five years. The following narrative and the chart at the end of this report outline the FY2016 capital budget, as well as projections for the capital program for the next five years, through FY2020.

### **Summary**

If all of the FY2016 requests are approved, we will spend a total of \$1,381,215 on new and existing capital expenditures (including regionally assessed debt), continuing to meet our goal of maintaining level capital spending. For FY2016, this spending breaks down as follows:

- \$843,715 in general fund debt payments
- \$40,000 on Town projects funded by CPA
- \$35,000 in debt on Town projects funded by lease income
- \$462,500 in free cash, redirected prior appropriations or other general funds.

### **Policy**

- The Town and the Board of Selectmen shall adhere to the Capital Improvement by-law, by ensuring that all capital spending requests are placed on a Town Meeting warrant only after they have been evaluated and prioritized by the Capital Improvements Planning Committee.
- Town departments shall take responsibility for maintenance of the buildings and other physical assets under their control in their annual budgets, and shall consult with the Board of Selectmen or their designee before undertaking repairs, to ensure that the work undertaken is in line with both facilities management and energy goals of the Town.
- The Town’s capital improvement program shall provide for consistent debt service and capital spending that is as close to level as possible over time, so that taxes do not fluctuate excessively due to capital spending.

### **Recommendations**

- That the Board of Selectmen continue the process that will result in a formal Facilities Management Program, including the drafting and implementation of a three-to-five-year management plan for each Town building. Further, that the program evaluate the relative merits of town-

wide vs. building-by-building facilities management, and work in concert with the Energy Committee for the purpose of making the town buildings more energy efficient over time.

- That the Town and the Finance Committee support the need for maintenance budget lines adequate to maintain the value and condition of the Town's buildings and equipment and ensure that relevant systems are as energy efficient as possible.

#### **Recent Capital Events**

- The Library expansion/renovation project was completed and the building was reopened in March 2014.
- The new Police Station was completed on time and on budget; the police department moved in April 2014.

#### **Requested Capital Projects FY2016 – FY2020**

Following is a chart with accompanying notes for the FY2016 items. The Committee has prioritized the capital requests using the following coding:

<u>Priority Code</u>	<u>Meaning</u>
1	This project <b>must be completed</b> , as it is necessary for public health and safety, to meet our legal obligations or for reasons of fiscal prudence.
2	This project <b>should be completed</b> to maintain or expand our existing assets.
3	This project is <b>useful but not essential</b> at this time.

(Please note that projects are rated according to their present priority, so may get a higher priority as time goes by.)

Cemetery. The Cemetery Commissioners (Selectmen) applied for and received a \$75,000 CPA historic preservation grant in 2014 to replace the cemetery fence at the West Tisbury Cemetery. When bids for the job were received, this amount was found to be insufficient. There will, therefore, be a request at the 2015 town meeting to allow the grant to be spent on as much of the work as can be completed.

County Building. The county proposes to purchase an existing building in Tisbury for \$1,600,000. A portion of the building will be used to house the Island Senior Center and an expanded Senior Day Program with the MV Center for Living; the County intends to lease out the remainder of the building. They will request a bond authorization and funds to pay for the Town's share of the first year's debt at the April 2015 town meeting.

Energy Committee. In FY 2013, the Town accepted a Green Communities \$143,000 grant from the State. The State has now approved projects budgeted at \$128,000 to include new windows, heating and insulation at the Howes House, a new heat pump system at Fire Station 1, and new air conditioning and truck bay heat systems for the fire station portion of the

Public Safety Building. The town purchased street lights from NStar in the spring of 2014 for \$1.00, and the conversion of those street lights outside the historic district to LED fixtures was completed in the fall of 2014; this was paid for by the Cape Light Compact.

Fire Department. The department forecasts the need for a new pumper truck in FY2016 to replace a 1988 truck. The FY2016 funds requested are for the final portion required for the truck. These funds, together with the funds already set aside in the Fire Equipment Stabilization Fund, will be requested at the 2015 town meeting.

Highways. With major road resurfacing now complete, the Town plans to continue to accumulate Ch. 90 state grant funds, and to begin to set aside funds beginning in FY2017 toward future road repairs in a stabilization fund that was set up for that purpose in the fall of 2013. In addition, the department will need to replace its 2006 heavy dump truck in FY2017. See also the section on Town Buildings, below.

Mill Pond. The Selectmen appointed a new Mill Brook Watershed Study Planning Committee to build on and broaden the work of the Mill Pond Committee. At year's end the new committee was close to recommending that the Town award a contract to the ESS Group to do a portion of an environmental assessment of the larger watershed area using available funds. The committee is requesting \$25,000 to complete the scope of work for this baseline assessment.

Police. The police have adopted a program of replacing one vehicle each year.

Refuse District. The MVRRD has developed a design for a revised layout of the central facility. This design separates residential and commercial traffic, to relieve congestion and improve safety and processing efficiency. The Refuse District will request the town's approval to move forward with the project at the 2015 town meeting; two of the four towns have already approved this request. The project will be funded by new debt, scheduled to begin as old debt is retired, through the regional budget/assessment.

Schools. The regional school system is continuing to work on a design study for a new facility for the Superintendent's/ Shared Office, to be located on the high school property. The Up-Island district plans a three-year replacement/upgrade of the West Tisbury School playground and outdoor classroom areas. They will be requesting \$80,000 for West Tisbury's share of the first year of an estimated \$300,000 total project cost at the April 2015 town meeting.

Town Buildings. Now that most of the town buildings have been built or renovated, the Town has begun to set aside funds annually toward future

building repairs and maintenance in a stabilization fund. The first use of these funds will be the Howes House, where the roof and most of the windows will need to be replaced within the next one to three years. The funds for this work will come from a combination of Green Communities grant funding, Cape Light Compact, the new town Building Maintenance Stabilization fund, and possibly CPA funds for historic preservation.

Exploratory work took place on the structure of the highway department building on Old Courthouse Road in the summer and fall of 2014 and the building was found to have substantial structural problems. The Selectmen have appointed a committee to complete a Highway Department building and equipment needs assessment for a 10-15 year time frame; it is expected to make a preliminary report to the 2015 town meeting. A request for building design/planning funds will also be made at that meeting.

The building by the Mill Pond (formerly the Police Station) was leased to two local artists as studio space for a 6-year period in January 2015.

Tri-Town Ambulance. There are three Tri-Town ambulances, one stationed in each town. One ambulance was replaced in FY2014; a second is scheduled to be replaced in FY2017. Since the ambulance service began charging insurance companies, it has reserved a portion of the receipts for such capital expenditures; to date, those reserves are sufficient to purchase a major portion of two ambulances. In addition, the Town has set aside \$15,000/year in an ambulance stabilization fund; this should keep up with future needs for ambulances and other capital equipment.

The Committee thanks the Town departments and regional entities for their assistance and input.

Respectfully submitted,

Greg Orcutt (Finance Committee)

Sue Hruby (At-Large)

Kathy Logue (Treasurer)

Michael Colaneri (Assessors)

Cynthia Mitchell (Selectmen)

Leah Smith (Planning Board)

Bruce Stone (Town Accountant)

**FY2016 CAPITAL BUDGET AND PROJECTED CAPITAL PROGRAM FY2017-2020**

Department.	Capital Item	Total Amount	Priority	Funding Method <sup>(1)</sup>	Voted FY2015	Proposed FY2016	FY2017	FY2018	FY2019	FY2020	PAYOFF
<b>Projected Capital Program:</b>											
Cemetery	Replace Cemetery Fence	\$75,000	1	CPA	75,000						
County Building	Center for Living County Bldg	\$1,600,000	3	Bond		33,670	32,160	31,320	30,480	29,580	2025
Fire	Fire Trucks	375,000	1	Taxes	70,000	200,000		100,000	100,000	100,000	
Highway	Highway Building	500,000	1	Taxes/Bond	0	50,000	120,000	116,000	112,000	108,000	2021
Highway <sup>(2)</sup>	Highway Repair/Maintenance	Ongoing	2	Taxes	0		50,000	30,000	30,000	30,000	
Library	Complete building expansion	40,000	1	Taxes	40,000						
Mill Brook	Watershed Study	50,000	2	CPA/Taxes	30,030	25,000					
MVRHS	Admin. Bldg. Design	173,075	1	Taxes	0						
Police	Vehicles	Ongoing	1	Taxes	0	39,500	37,000	37,000	37,000	37,000	
Refuse District	Redesign/expansion	2,500,000	1	Reg. Assess		0	36,813	35,941	35,069	34,197	2036
Schools	New Playground	300,000	2	Taxes		80,000	80,000	80,000			
Town Buildings <sup>(2)</sup>	Town Building Maintenance	Ongoing	2	Taxes	25,000	25,000	25,000	50,000	50,000	50,000	
Town Hall	Town Hall Accoustic Upgrade	43,000	2	Taxes		43,000					
TriTown Ambulance <sup>(3)</sup>	Ambulance (WT 1/3 share)	Ongoing	2	Taxes	0		15,000	15,000	15,000	15,000	
<b>Existing Projects:</b>											
Chilmark School <sup>(4)</sup>	Construction	\$338,500	1	Reg. Assess	21,569	20,663	19,744	18,826	16,933		2019
Field Gallery <sup>(5)</sup>	Land & building acquired	625,000	1	Bond & CPA	66,688	65,456	24,420				2017
Highway	Road resurfacing	2,588,800	1	Bond/St. Grant	207,283	204,083	200,883	197,683	194,483	191,283	2028
Lambert's Cove	Land acquired	325,000	1	Bond	30,563						2015
Library	Expand building	1,500,000	1	Bond	133,275	131,275	129,275	127,275	125,275	123,275	2035
MVRHS (2013) <sup>(4)</sup>	Roof/Exterior Repairs	304,000	1	Reg. Assess	37,440	36,576	35,712	34,848	33,984	33,120	2024
Police	New station	2,495,000	1	Taxes/Bond	196,350	193,850	191,350	187,600	183,850	180,725	2035
Public Safety Bldg.	Construction	1,745,355	1	Bond	152,813						2015
Town Hall	Construction/Expansion	4,450,000	1	Bond	337,806	332,813	327,525	321,944	315,481	308,431	2028
WT School (1995) <sup>(4)</sup>	1995 Expansion	5,274,400	1	Reg. Assess	(236,920)	(236,920)					2014
WT School (2011)	Repair/renovate exterior	1,200,000	1	Reg. Assess	139,650	137,250	134,850	132,450	130,050	127,500	2022
<b>Total</b>					\$1,326,546	\$1,381,215	\$1,459,731	\$1,515,886	\$1,409,605	\$1,368,111	

(1) For projects that are funded by a bond issue, note that the cost/fiscal year includes interest as well as principal on the debt service payments.

The actual cost of issuing the bond is NOT included.

(2) Two Stabilization Funds were authorized in April 2013, to begin funding ongoing repairs/maintenance of town buildings and roads, as major construction/renovation projects were nearing completion. In addition, State Ch. 90 funds of approximately \$120,000 should also be available annually; these funds are not shown the chart above.

(3) \$39,000 was withdrawn from the funds previously set aside in the Ambulance Stabilization Fund, for the purchase of a new ambulance in FY 2014; funds are already set aside for a FY 2017 purchase

(4) School debt assessments are tied to percentage enrolled per town, so these figures will fluctuate annually with enrollment; the total amounts shown are that portion

(approx.) of the total that the Town of West Tisbury will be assessed over the life of the bond. The final year for West Tisbury School reflects state reimbursement funds lagging behind debt payoff.

(5) The Field Gallery purchase was funded with a combination of CPA funds in hand, together with borrowed funds that will be fully reimbursed by future annual

CPA appropriations and lease income.