

To: North Reading Select Board

From: Capital Improvement Planning Committee

Date: May 18,2020

RE: F/Y 2021 Capital Acquisition Recommendation

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The Capital Improvement Planning Committee (CIPC) received \$6.4 million in capital requests from school and municipal departments, \$2.3 million from the Water Enterprise and \$220,000 from the Hill view Enterprise. We conducted our usual review with department heads and conducted a field trip to look at vehicles and facilities recommended for upgrade. In normal times we would likely be recommending to the Select Board about one third of the school and municipal requests and virtually all of the Enterprise items. But, as we are painfully aware, these are not normal times. With the uncertainty of the level of state funding and local receipts in the next fiscal year, and perhaps even longer, we concluded that it would not be prudent to recommend committing to a significant capital program at this time. Although there are many requests we collectively determined were important and necessary for the efficient departmental functioning, we asked the departments to go back review their requests and tell us which items were critical to effectively carrying out their mission. The schools and municipal departments came up with four items:

Replace the boiler at Town Hall. The boiler is original to the building and although it has been maintained well, we have been advised that it could fail at any time and should be replaced. This item has been highlighted as an emerging need for several years, but at a cost of nearly \$900,000. Pat Bower and Marc Hamel proposed a solution where we would encapsulate the old boiler and avoid the costly removal and replace its function with multiple smaller boilers at a cost of \$350,000.

Replace two aging vehicles with Ford F-350 trucks at a total cost of \$100,000. Both the school department and DPW would reach receive one of these trucks.

The Fire Department has requested a Stretcher Load System Retrofit for what will be Ambulance 2 when the new ambulance arrives. The new ambulance will be equipped with this technology and upgrading the other ambulance will make it compatible and allow emergency personnel to operate on a single system for loading and unloading patients. The \$36,560 will be paid from the Ambulance Fund.

Hillview Enterprise has requested five pieces of equipment at a total cost of \$220,000. The Hillview Commission has demonstrated over time that it is careful in spending funds. These acquisitions will only be approved by the Town Administrator if there are adequate funds available in the enterprise.

Water Enterprise critical items: Water Distribution System Upgrades (\$200,000) and replacing a 2009 Excavator (\$110,000) and a 2007 Ford F-350 (\$53,500). The total (\$363,500) would be paid for by the enterprise.

Over the last few years we have appropriately put an emphasis on improving the deteriorating road system in town. The DPW has developed a multi-year plan to upgrade the condition of roadways, which the CIPC fully supports. The plan for 2021 was to recommend construction spending of approximately \$1.68 million with \$520,000 of that amount coming from state Chapter 90 funds and nearly \$200,000 of unspent funds from last year. We would have recommended the balance of \$960,000 be funded by a combination of bonding and free cash. For the reasons noted above, we are not comfortable recommending the additional \$960,000 and suggest that DPW do as much as they can on this years planned streets with the Chapter 90 and unexpended funds and we delay the rest of the 2021 plan until funds are available.

The Committee plans to stay active with the hope that the COVID-19 crisis abates and the economic situation improves enough that we can make a fuller recommendation for the October Town Meeting. We recognize that this may be wishful thinking, but we want to be prepared to act whenever it is appropriate to do so.

We would like to thank all the municipal and school departments and the enterprise managers for working with us to formulate this recommendation.

North Reading Capital Improvement Planning Committee

Donald Kelliher, Chair

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