

**Capital Improvements Committee
FY18 Report to the Finance Committee**

Final Draft - March 27, 2018

Effective July 1, 2017, the Capital Improvements Committee (CIC) became a five-member board—reduced from its previous six members—and welcomed in two new members with construction and renovation expertise. In September, the CIC adopted a new framework to guide the scheduling of its work in FY18 and in future budget cycles. The committee also developed and implemented a new Capital Article request form to help Department Heads understand what information the CIC needs in order to evaluate a proposed special article request. The new form streamlines the CIC’s preliminary information gathering process and focuses on the reasoning and relative urgency behind each request.

In addition to clarifying and enhancing committee processes, its members also adopted a preliminary 20-year capital plan that it will continue to refine in FY19 and took time to tour several town facilities including the Millers Falls and Montague Center libraries, the Water Pollution Control Facility, the Department of Public Works Facility at 500 Avenue A, the Hillcrest School, the Sheffield School/Administration Building, and the Town Hall annex and nearby metal “Butler building.” All of these visits were quite comprehensive and conducted in an effort to achieve a clearer understanding of needs as related to capital expenses.

Following receipt of capital project submissions in early January, the CIC met eight times to understand and evaluate departments’ presentations related to ten projects proposed for inclusion in the fiscal year 2019 (FY 19) Montague town budget. It considered these in light of a \$308,548 “pay as you go” (PAYGO) budget set aside in the annual budget, as presented by the Montague Finance Committee. In addition, the committee heard further presentation related to a major capital building project – a proposed Department of Public Works (DPW) Facility that would be funded through debt exclusion.

The committee enjoyed the very thoughtful and compelling presentations it received, which underscored the need to make strategic investments in ongoing capital equipment purchases and repairs, as well as the continued debate regarding larger capital building projects, with the proposed new DPW facility at the top of that list, followed by library and senior center and WPCF, all of which are anticipated to require renovation or replacement at some future point in time.

Following is a brief description of all items considered by the CIC during these eight meetings, including votes taken relative to whether to recommend them to the Finance Committee.

Major Building Project

New Department of Public Works Facility (\$11,146,000, debt exclusion expected)

Members of the CIC enjoyed a briefing and discussion of the proposed new DPW facility in Fall 2017 and again in February 2018. Some members also attended public forums by the DPW facility planning committee. The CIC closely examined the options available to the town as pertaining to the future of DPW operations in regards to the need for a safe and modern structure. The current building at 500 Avenue A is perhaps decades beyond its serviceable lifespan and even with a complete renovation it would still fail to meet the needs of the DPW in the twenty first century. Beyond a practical use standpoint there are obvious safety issues with the building that result in dangerous working conditions along with the risk for a complete shutdown of the building by the Occupational Safety and Health Administration.

Vote: Mr. Obear moves the following statement and recommendation: **the CIC believes the existing DPW facility is in need of immediate replacement, that a new building is the most appropriate approach**, that the site selected and proposed for the proposed project is ideal, and that the characteristics of the facility as proposed are appropriate to the Town's needs, for the foreseeable future, and recommends the Finance Committee and Select Board advances it for consideration by Special Town Meeting. Mr. Lively seconds. Committee votes to 3-0, with Mr. Ellis, as Town Administrator, abstaining but supportive.

Capital Improvements Articles

Summary of Submissions and Recommendations

FY19 Capital Article Submissions and Recommendations				Expected Source		
Department	Project	Cost	Recommendation	PAYGO	Borrowing	Reserves
COA	COA Front Stairs/Porch	\$ 30,000	\$ 30,000	\$ 30,000		
DPW	Discretionary Budget	\$ 100,000	\$ 100,000	\$ 100,000		
DPW	Town Hall Annex Roof	\$ 85,000	\$ -	\$ -		
GMRSD	Upgrade Building Mgmt Systems	\$ 72,000	\$ 72,000	\$ 72,000		
GMRSD	Admin Bldg Elevator Study	\$ 100,000	\$ -	\$ -		
GMRSD	Sheffield InterCom	\$ 30,000	\$ 30,000	\$ 30,000		
GMRSD	Hillcrest InterCom	\$ 25,000	\$ 25,000	\$ 25,000		
WPCF	WPCF Solar Array*	\$ 521,000	\$ 371,000		\$ 371,000	
WPCF	Control Panel and Alarm Repair	\$ 25,000	\$ 25,000	\$ 25,000		
BOS	Colle Building Renovation**	\$ 150,000	\$ 150,000			\$ 150,000
Totals		\$ 1,138,000	\$ 803,000	\$ 282,000	\$ 371,000	\$ 150,000
PAYGO Target	\$ 308,548		PAYGO Balance	\$ 26,548		
* Borrowing reflects assumption of \$150,000 in grant funding.						
** The Colle Reserve Fund has a balance of \$246,000. A 50% matching grant is being submitted to Mass. Historic						

The committee considered ten Capital Articles, which include items with an expected life of five or more years and a cost of \$25,000 or more. While all of the proposed projects have strong rationale, the committee prioritized funding of eight in the present budget cycle.

- ***Council on Aging: Building Front Entry Replacement***

This project includes replacement of the front entry of the COA building, which is currently out of code and hazardous. Project will include new foundation piers, framework, and stairs, as well as installing an adequate roof over the landing. This roof will be built so as to maintain reasonable visibility of the Turners Falls Athletic Club logo from across the street, though closer views will be obscured. Finish materials comprised of composite and/or PVC.

Mr. Obear moved to recommend funding for the Council on Aging’s “Front Entry Replacement” project at a cost of \$30,000, with Mr. Lively seconding. Motion passed 4-0.

- ***Department of Public Works: Discretionary Budget***

This budget allows the DPW flexibility to make emergency repairs and strategic investments in capital equipment each year. This account has been in place for 14 years and when unspent is rolled into the following fiscal year. The ability to roll resources ahead is an advantage of the special article approach to accounting for this expense. The goal is to ensure an ongoing balance of \$100,000 at the start of each year and planned expenses suggest a \$100,000 set aside is needed in FY19

Mr. Garrison moved to recommend funding the DPW “Discretionary Account” at a cost of \$100,000, with Mr. Lively seconding. Motion passed 4-0.

- ***Department of Public Works: Town Hall Annex Roof***

This project would replace entire roof system on Town Hall Annex with new underlayment, insulation, and rubber membrane. It would also include removal of unnecessary ventilation and chimney structures, as well as repair damaged soffit and fascia boards. Although the roof is currently leaking, it was believed that this leak would not result in substantial new costs in the future.

The committee had concerns regarding the quality and scope of the quote received for this project. CIC members felt it made more sense to see what happens with the DPW facility building project and learn what the project future of the annex might be before committing to this repair.

Mr. Ellis moved to NOT TO recommend funding for the Department of Public Works “Town Hall Annex Roof” project at a cost of \$85,000, with Mr. Lively seconding. Motion passed 4-0.

- ***Gill-Montague Regional School District: Building Management System Upgrades***

This project would update the network control units and related software for Building Management Systems at the Great Falls Middle School and Turners Falls High School. These are essential to maintenance of HVAC and related systems at the complex. Failure of these controllers would result in building closure. The current units were at the end of their product life cycle when the building was renovated and are no longer made or supported. Although OEM replacements can be found, the building is on borrowed time and support for installation and troubleshooting is limited. This project was the top priority for funding by the GMRSD. Montague will pay for approximately 90% of the total \$80,000 cost with Gill responsible for the remainder.

Mr. Garrison moved to recommend funding for the Gill-Montague Regional School District’s “Building Management System Upgrade” at a cost of \$72,000, with Mr. Ellis seconding. Motion passed 4-0.

- ***Gill-Montague Regional School District: Administrative Building Elevator Study***

This project would provide an architectural study for the design of an ADA compliant elevator to be added to the GMRSD Administrative Offices at 35 Crocker Ave. The committee agreed that accessibility improvements to this building are necessary; but articulated two major concerns with the proposed design project.

First, the cost quote for the design work was based on previous estimates for another Town building, and so was neither current nor appropriately detailed. Second, the committee did not feel it was wise to take a compartmentalized view of ADA improvements, as addressing the need for an elevator would obligate the Town to a much larger accessibility project. In effect, it would trigger a major school building project, which the committee feels requires far more study and planning before funding is considered.

Mr. Ellis moved to NOT TO recommend funding for the Gill-Montague Regional School District’s “Administration Building Elevator Study” at a cost of \$100,000, with Mr. Obear seconding. Motion passed 4-0.

- ***Gill-Montague Regional School District: Replacement of Sheffield and Hillcrest Intercoms***

Though proposed as separate articles, the committee considered these requests concurrently. These projects would replace outdated and in some places non-functioning hard wired intercom systems with new wireless intercoms throughout both buildings. In addition to the value of these projects to effective building-wide communication, the CIC views these as a public safety necessity.

Mr. Garrison moved to recommend funding for the Gill-Montague Regional School District’s “Sheffield and Hillcrest InterCom” projects at a cost of \$30,000 and \$25,000, respectively, with Mr. Lively seconding. Motion passed 4-0.

- ***Water Pollution Control Facility: 200 KW Solar Array***

The proposed project, to be funded through sewer borrowing and supported by an expected \$150,000 state grant, would result in the development of a 200 KW solar array on land adjacent to waste water treatment plant. This proposed project would reduce annual energy costs at the WPCF by between \$50,466 and \$85,536. The array would have an expected life of 25-30 years. If financed over 20 years, it would carry an annual cost of approximately \$25,000 per year. The project was estimated based on an engineering study by JK Muir paid for through a state technical assistance grant. It was acknowledged that estimates for solar projects often change as you move from plan to design and construction, but the committee believes it will generate positive revenues in a sustainable manner.

Mr. Garrison moved to recommend funding for the Water Pollution Control Facility's "Solar Array" at a cost of \$521,000, with Mr. Obear seconding. Motion passed 4-0.

- ***Water Pollution Control Facility: Control Panel and Alarm Repair***

This project would allow for replacement of the control panels and alarms in the Town's aging Denton Street and Montague Center Pump Stations. This would allow the Town to fully implement remote monitoring of pump stations under routine conditions. This will be essential when expected staff reductions take place at the WPCF in FY19.

Mr. Garrison moved to recommend funding for the Water Pollution Control Facility's "Control Panel and Alarm Repair" project at a cost of \$25,000, with Mr. Obear seconding. Motion passed 4-0.

- ***Montague Board of Selectmen/DPW: Repair of Colle Building Windows and Masonry***

This project would use resources available in the Town's Colle Building Reserve Fund (balance = \$346,000) and a possible matching grant from the Massachusetts Historic Preservation Projects fund to make timely repairs to the masonry and windows of the Colle Building, which are subject to historic preservation restrictions. Masonry pointing is in need of improvement on as much as 1/3 of the building and its windows are in danger of deterioration that would result in a far higher cost of repair than what is currently being contemplated. The project architect has emphasized that this work will be considerably more expensive if the Town delays.

Several of the building's existing first floor interior storm windows will be replaced through this project with high efficiency compression units. Others will be re-sealed and replaced at a later time. The CIC anticipates working with the Montague Energy Committee on this aspect of the project and expected to consider a long term replacement program focused on improved efficiency of windows throughout the building.

Mr. Lively moved to recommend funding for the “Colle Building Renovation” project at a cost of \$150,000, with Mr. Obear seconding. Motion passed 4-0.