

# Town of Lunenburg



*JHS* *JM*

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Capital Planning Committee:  
Jamie Toale, Chairman  
Dennis Mannone, Jr., Vice-Chairman  
John Henshaw, Clerk  
Joanna Bilotta-Simeone, Member  
Heather Sroka, Member

*JPT* RECEIVED & FILED

## Minutes January 13, 2015 Meeting

MAR 31 2015

LUNENBURG TOWN  
CLERK OFFICE

Meeting Posted: Yes  
Location: Bilotta Meeting Room, 2<sup>nd</sup> Floor, Town Hall  
Present: Kerry Speidel, Dennis Mannone, Jr., Joanna Bilotta-Simeone, Heather Sroka, Jamie Toale, John Henshaw

1. Meeting called to order by Jamie Toale at 4:35 pm.
2. No public comment.
3. The Committee discussed the Asbestos Abatement Projects at Turkey Hill Middle School requested by the School Department:
  - a. The FY 2016 request is for \$34,500 to augment the \$138,000 that the Capital Planning Committee (CPC) recommended and the Town Approved at last May's Annual Town Meeting.
    - The \$34,500 was necessary when the schools found out that the \$138,000 was insufficient to cover the scope of work required per their FY2015 request.
  - b. The documentation that accompanied the FY2016 request for \$34,500 also notified the CPC that this was the initial phase of a multi-phase, multi-year asbestos abatement project.
    - This represented a change in the scope, cost, and duration of the project from the CPC's original understanding.
    - That the original understanding--that the initial \$138,000 was for a one time abatement of asbestos at THMS--was substantiated on a capital request submission by the school department dated Sept. 2013.
    - Action: Jamie will locate and review the B-1 form submitted by the school in the FY 2014 capital project request process.
  - c. However, seven phases (covered by eight requests) with an estimated total cost of \$1,092,500 comprise this project.
    - These phases would be completed during the summer vacation breaks of 2015-2022.
    - This table summarizes the proposed project:

Fiscal Year	Phase	Requested Amount
FY 2015 (Approved)	1	\$138,000
FY 2016 (Low Priority)		\$34,500
FY 2017	2	\$182,000
FY 2018	3	\$203,000
FY 2019	4	\$183,000
FY 2020	5	\$142,000
FY 2021	6	\$196,000
FY 2022	7	\$114,000
Total:		\$1,192,500

Note: If the Town approves replacing the windows at THMS that will necessitate abating the asbestos used in the caulking that seals the windows. That process and expense is not included in this table.

- d. Kerry stated that the Town has never tried to fund a project of this size within the levy limit.

- e. As Town Meeting in May, 2015 approved the \$138,000 for the initial phase of asbestos abatement project, the school committee has approval to spend the \$138,000 to abate asbestos at THMS per their original capital request.
  - f. If they decide not to expend the \$138,000 for this purpose, then the CPC would like to propose alternative uses for these funds, which would be taken up at Town Meeting.
4. Implications of the scope of the asbestos abatement project:
- a. The estimated cost of this project would take up a significant amount of the current and projected capital budget for the next several years.
  - b. As a result, this would constrain the Town's ability to fund other requested capital projects, especially in a timely manner. The table below lists most of the high cost capital requests through FY 2020.

<u>Request</u>	<u>Fiscal Year</u>	<u>Amount</u>
Fire Engine #4	2017	\$600,000
Police Vehicle, Spcl. Svc.	2017	\$144,000
Ladder 1 Truck Replacement	2018	\$850,000
10 Wheel Dump Truck, Plow/Sndr	2018	\$210,000
Rescue 1 Replacement	2019	\$300,000

5. The Library Carpet replacement:
- a. Jamie notified the Library of the low priority of their request for an added \$28,476 to move and store the books while the carpet was replaced and that as a consequence it will likely not be funded. The original quote to replace the carpet did not include the cost of moving and storing the books so the old carpet could be taken up and the new carpet installed.
  - b. This means that the \$36,524 they requested to replace the carpet and that was approved at the May ATM cannot be used as authorized, which means it will not be expended now.
  - c. The Board of Trustees will meet on Thursday, January 15 and will discuss this situation and respond.

6. Borrowing and Prioritizing Capital Requests:

*Please refer to PRIORITY WORKSHEET Third Pass for TM discussion.xlsx distributed by Jamie to the committee on January 7 as a follow up to our January 6 meeting. This is especially germane to points 6.b. and 6.c. below. As described in point 6 b., the priority changed as a result of this meeting.*

- a. The CPC agreed that borrowing is an option when funding large capital requests, provided borrowing adheres to the following guidelines:
  - The Town may Borrow to fund projects costing \$100,000 or more.
  - The term of the loan will not exceed the projected useful life of the asset.
  - Total debt service costs are less than 4% of the tax levy or 3% of the total omnibus budget, whichever is lower.
  - The Town Manager will determine the term of borrowing, whether to make a down payment, and if so what amount the down payment should be.
- b. Regarding the priority of funding capital requests, based on the current list, John moved to raise the priority of \$34,000 for upgraded technology for Town Departments from 11 to priority 9. Joanna seconded his motion. This would dramatically increase the probability that the upgrade to Town technology is funded. The motion was approved 5-0.
  - The priority of the street sweeper and the police speed sign dropped from 9 to 10 and 10 to 11 respectively.
- c. After a discussion on funding, Jamie moved that the CPC recommend that the Town fund the ten highest priority items with a total estimated cost of \$1,028,778, and that the CPC recommend the Town Manager consider borrowing to pay for one, two or all three of the capital purchases that cost \$100,000 or more—the dump truck, the backhoe, and the street sweeper. Heather seconded his motion and the committee voted 5-0 in favor.
  - Kerry stated that as this exceeded the capital budget by \$178,778 she needed to determine whether the Town could afford this in FY2016, or in the case of borrowing, whether the debt service costs in future years would affect the Town's ability to fund requested capital purchases in those years.

7. Action item:
  - a. Jamie will respond to the email from Superintendent Loxi Calmes regarding the CPC decision to assign a low priority to their request for additional funds for Phase 1 of the asbestos abatement project. (See points 3 and 4 above for details).
8. The committee approved the minutes of the Tuesday, January 6 CPC meeting as corrected, 5-0.
9. Jamie will present the priority and borrowing recommendation to the Finance Committee on Thursday, January 22 at 7:00 in the Bilotta Meeting Room. All CPC members are welcome to attend. The date and time and agenda for the next CPC meeting will be decided then or subsequent the meeting and presentation with the Finance Committee.
10. Joanna made a motion to adjourn the meeting. Heather seconded the motion and the committee voted 5-0 to adjourn at 6:36 pm.

Minutes Respectfully Submitted on January 14, 2015 by John Henshaw

c. Marjorie Boggio