

FY16-21 Capital Budget

Capital Budget Committee
February 19, 2015

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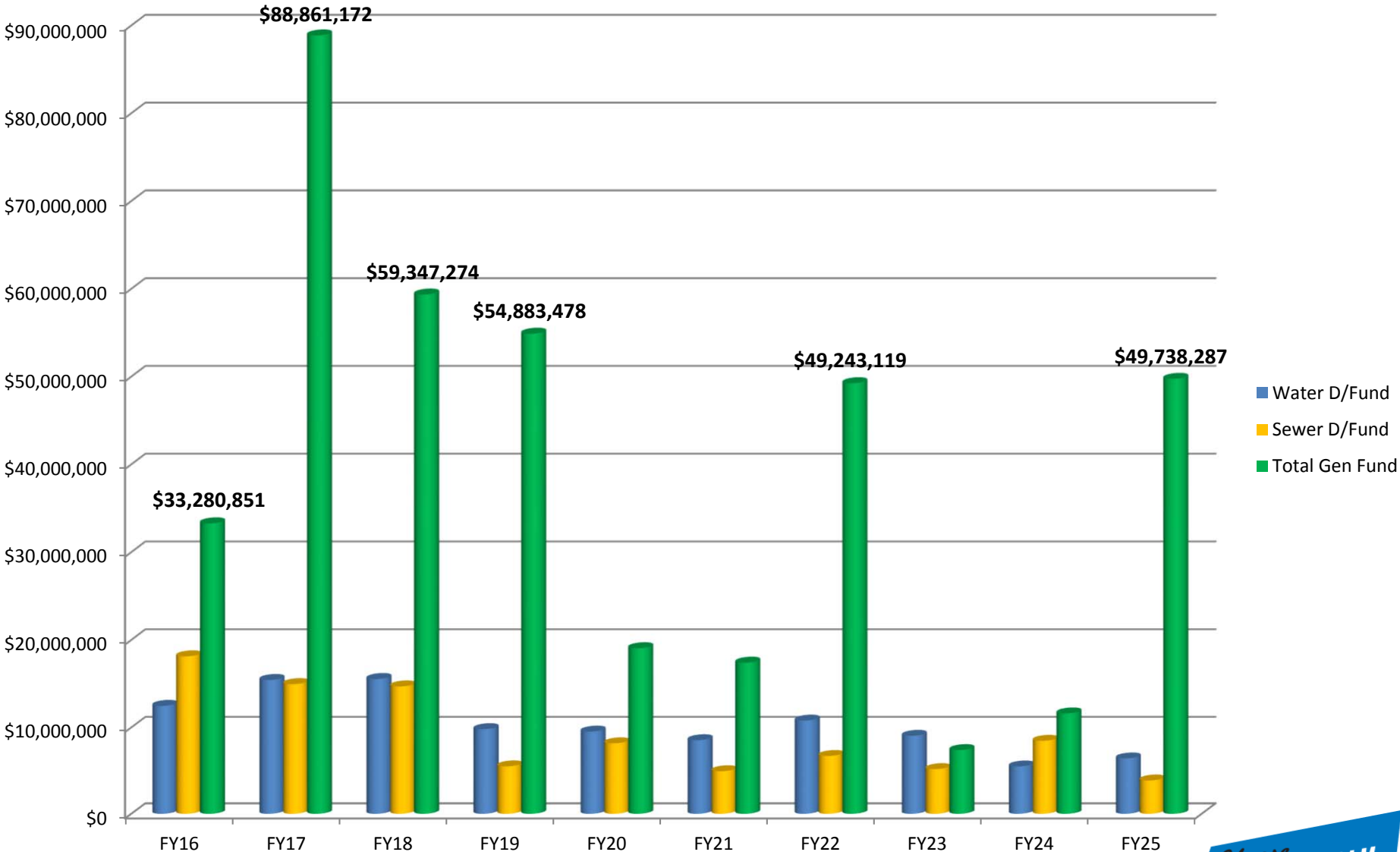
Global Decision-making Metrics

- Impact of the debt service on operating budget near term (not just current FY)
 - Property tax levy cap and impact of residential tax bills
 - Increase in water and sewer rates
- Risk if project not approved
- Management capacity to complete projects promptly
- Ability to obtain alternative sources of funding (grants, *no* interest loans)

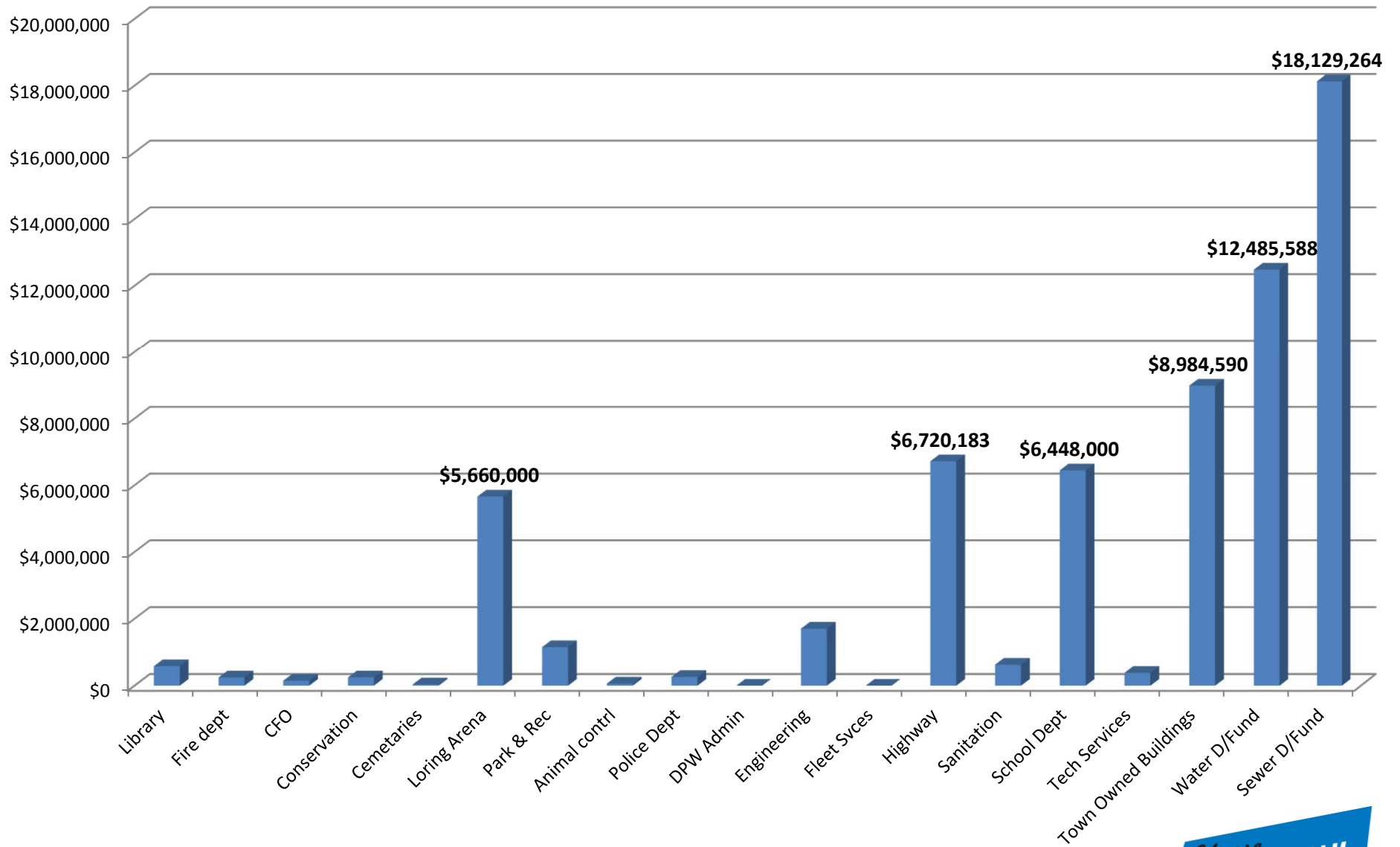
Capital Project Requests

- The core Town Building Long Range Plan is included in this plan
 - The ESCO project has been stripped out of the LRBP
 - Core Town buildings are Fire stations, Police station, Callahan Senior Center and the Main Library
 - Core buildings do NOT include Memorial Building, Danforth Building or Pearl St Garage
- School building projects do assume MSBA funding for FY17 but not in the future

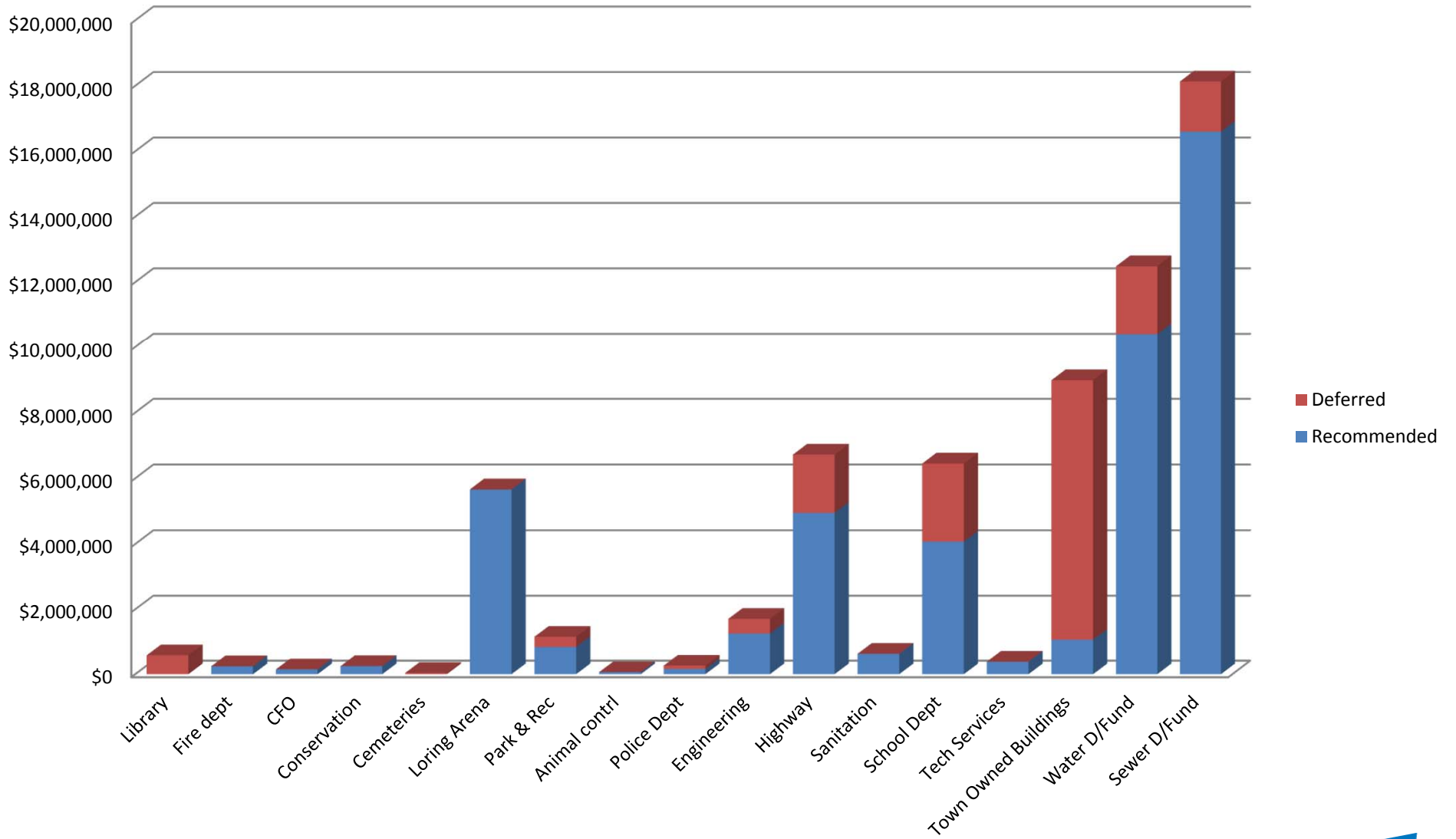
Capital Requests by Fund



FY16 Requests by Department



Recommended/Deferred by Department



Capital Breakdown by Type

	Requested	Recommended	Deferred	% Rec	% Def
Equipment	\$2,643,356	\$2,159,178	\$484,178	82%	18%
School Buildings	\$3,185,000	\$2,372,388	\$812,612	74%	26%
School Equipment	\$3,263,000	\$1,700,000	\$1,563,000	52%	48%
Town Buildings	\$15,042,590	\$6,536,144	\$8,506,446	43%	57%
Infrastructure	\$9,146,905	\$6,955,000	\$2,191,905	76%	24%
Water Infrastructure	\$11,890,300	\$9,979,000	\$1,911,300	84%	16%
Water Equipment	\$634,588	\$428,393	\$206,195	68%	32%
Sewer Infrastructure	\$17,061,500	\$9,979,000	\$7,082,500	58%	42%
Sewer Equipment	\$1,205,764	\$974,391	\$231,373	81%	19%
Total	\$64,073,003	\$41,083,494	\$22,989,509	64%	36%
General Fund	\$33,280,851	\$19,722,710	\$13,558,141	59%	41%
Sewer Fund	\$18,267,264	\$10,953,391	\$7,313,873	60%	40%
Water Fund	\$12,524,888	\$10,407,393	\$2,117,495	83%	17%

GF - Major Projects Recommended

- Loring Arena: \$5.6 mill renovation
- Mary Dennison Park: \$800,000
- Landham Pond Dam Removal: \$230,000 design only, defer construction
- Union Ave roadway improvements: \$510,000
- Annual Roadway Improvements: \$4.5 million
- 2 Refuse packers: \$629,000 (in house recycle)
- School Technology: \$1.16 million
- Farley flat and copper roofs: \$1.2 million
- Callahan Sr Center Roof: \$575,000
- Main Library Fire Alarm system: \$225,250

GF - Major Projects Deferred

- Pearl St Ramp: \$583,000 design & build
- Landham Pond Dam Removal: \$360,000
- Annual Roadway Improvements: \$1.5 million
- Coburn St Area Roadway Improvements: \$575,000 - moved to Ch. 90
- Stapleton repointing: \$970,000
- School paving: \$1.4 million
- Athenaeum Hall: \$3.76M
- Village Hall: \$1.7M
- Comprehensive Building Plan: \$2.3M

W/S Major projects

- Worcester Road Area Sewer Improvements - Design \$1,245,000
- Shawmut Terrace/John McQuinn Pump Stations/Woodland Force Main Improvements - Design \$1,100,000
- Interchange 12 Railway Sewer Alignment - Design and Construction \$9,810,000
- Water Meter Replacement Program - Sewer \$1,004,000
- Speen Street Area Sewer Force Main Abandonment - Design and Construction \$1,410,000
- Evergreen Street Area Sewer Improvements - Design and Construction \$648,000
- Water Meter Replacement Program - Water \$1,004,000
- Evergreen Street Area Water Main Improvements - Design and Construction \$3,160,000
- Speen Street and Cochituate Road Water Main Replacement - Construction \$3,980,000

W/S Deferrals

- Replacement of 33,000 GVW Cab and Chassis with Construction Body #744: \$1,250,823
- Replacement of 15,000 GVW 4WD Cab and Chassis with Dump Body and Plow #726: \$80,550
- SCADA Improvements (Sewer)-Design: \$138,000
- Water Meter Replacement Program-Sewer: \$502,000
- Edgell Road Sewer Improvements-Design: \$800,000
- Replacement of 70,000 GVW Cab and Chassis with Dump Body and Plow #635: \$206,195
- SCADA Improvements (Water)-Design: \$39,300
- Water Meter Replacement Program-Water: \$502,000
- Edgell Rd Water Pumping Station Improvements-Design: \$770,000
- Edgell Rd Water Main Improvements-Design: \$600,000

Debt Service

- The annual amounts needed to “pay down” the bonds
 - aka Loan payments
- This is an operating budget expense
 - Competes with other budget priorities like police, school, fire, DPW, Park & Rec and Economic Development
 - Impacts our ability to manage the increase in the tax levy
 - Effects the increase in water and sewer rates

Mapping out Debt Service

				FY16 Projected Debt Service	FY17 Projected Debt Service	FY18 Projected Debt Service	FY19 Projected Debt Service	FY20 Projected Debt Service
Finance Division	\$150,000	5	3.7%	\$ 2,775	\$ 35,550	\$ 33,330	\$ 32,220	\$ 31,110
Cypress Street Woodland Improvement	\$250,000	5	3.7%	\$ 4,625	\$ 59,250	\$ 55,550	\$ 53,700	\$ 51,850
Cemetery Tomb Repairs Phase 1 - Main Street Cemetery	\$0	20	3.7%	\$ -	\$ -	\$ -	\$ -	\$ -
Loring Arena Renovations (phased borrowing)	\$2,264,000	20	3.7%	\$ 41,884	\$ 196,968	\$ 188,591	\$ 184,403	\$ 180,214
Loring Arena Renovations (phased borrowing)	\$3,396,000	20	3.7%		\$ 62,826	\$ 295,452	\$ 282,887	\$ 276,604
Mary Dennison Park Remediation and General Improvements	\$800,000	20	3.7%	\$ 14,800	\$ 69,600	\$ 66,640	\$ 65,160	\$ 63,680

Debt Service Based on Requests

FY2016-2021 General Fund Debt Service Impact

General Fund	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund Estimated Revenue	\$ 253,806,803	\$ 259,185,674	\$ 265,985,425	\$ 275,222,948	\$ 285,223,638	\$ 295,206,465
Debt Service Policy Limit of 5%	\$ 12,690,340	\$ 12,959,284	\$ 13,299,271	\$ 13,761,147	\$ 14,261,182	\$ 14,760,323
Existing General Fund Debt Service Total	\$ 10,238,054	\$ 9,267,754	\$ 8,145,599	\$ 6,783,891	\$ 5,234,462	\$ 4,050,791
Authorized but Unissued Total	\$ 1,274,026	\$ 3,525,508	\$ 3,325,162	\$ 3,227,143	\$ 3,129,130	\$ 3,031,111
Total Debt Service on Existing General Fund Debt	\$ 11,512,080	\$12,793,262	\$11,470,761	\$ 10,011,034	\$ 8,363,592	\$ 7,081,902
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Available Debt Service	\$ 9,001,085	\$10,282,267	\$ 9,341,090	\$ 7,881,363	\$ 6,233,921	\$ 4,952,235
Debt Service for FY2016 Capital Plan Projects*	\$ 633,467	\$ 3,785,805	\$ 4,129,619	\$ 4,429,332	\$ 4,306,936	\$ 4,195,649
Debt Service for FY2017 Capital Plan Projects*		\$ 662,365	\$ 4,387,130	\$ 4,154,390	\$ 4,038,017	\$ 3,921,645
Debt Service for FY2018 Capital Plan Projects*			\$ 1,013,597	\$ 5,423,259	\$ 5,165,160	\$ 5,036,105
Debt Service for FY2019 Capital Plan Projects*				\$ 823,233	\$ 4,182,326	\$ 4,557,830
Debt Service for FY2020 Capital Plan Projects*					\$ 381,141	\$ 2,351,206
Debt Service for FY2021 Capital Plan Projects*						\$ 348,189
Subtotal Future Debt Service:	\$ 633,467	\$ 4,448,170	\$ 9,530,346	\$ 14,830,214	\$ 18,073,580	\$ 20,062,435
New (Gross) Debt Service	\$ 12,145,547	\$17,241,432	\$21,001,107	\$ 24,841,248	\$ 26,437,172	\$ 27,144,337
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Debt Service Calculation for Policy Limit	\$ 9,634,552	\$14,730,437	\$18,871,436	\$ 22,711,577	\$ 24,307,501	\$ 25,014,670
Percentage of Operating Budget	3.8%	5.7%	7.1%	8.3%	8.5%	8.5%

*Assumes all projects requested in FY17 to FY21 are authorized and debt service is calculated. Each year is evaluated as they are authorized and reduced by vote of Town Meeting to not exceed available budget. Assumes MA School Building Authority funding for FY17 only.

Debt Service after Deferrals

FY2016-2021 General Fund Debt Service Impact (exclude FY17 School)

General Fund		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund Estimated Revenue		\$ 253,806,803	\$ 259,185,674	\$ 265,985,425	\$ 275,222,948	\$ 285,223,638	\$ 295,206,465
Debt Service Policy Limit of 5%		\$ 12,690,340	\$ 12,959,284	\$ 13,299,271	\$ 13,761,147	\$ 14,261,182	\$ 14,760,323
Existing General Fund Debt Service Total		\$ 10,238,054	\$ 9,267,754	\$ 8,145,599	\$ 6,783,891	\$ 5,234,462	\$ 4,050,791
Authorized but Unissued Total		\$ 1,067,800	\$ 3,160,212	\$ 3,132,850	\$ 3,246,140	\$ 3,141,870	\$ 3,043,960
Total Debt Service on Existing General Fund Debt		\$ 11,305,854	\$12,427,966	\$11,278,449	\$ 10,030,031	\$ 8,376,332	\$ 7,094,751
LESS State Debt Service Reimbursements		\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Available Debt Service		\$ 8,794,859	\$ 9,916,971	\$ 9,148,778	\$ 7,900,360	\$ 6,246,661	\$ 4,965,084
Debt Service for FY2016 Capital Budget Projects*		\$ 302,050	\$ 2,103,473	\$ 2,229,791	\$ 2,164,079	\$ 2,104,639	\$ 2,045,209
Debt Service for FY2017 Capital Plan Projects*			\$ 775,552	\$ 4,909,225	\$ 4,654,010	\$ 4,526,400	\$ 4,398,790
Debt Service for FY2018 Capital Plan Projects*				\$ 1,127,597	\$ 5,951,259	\$ 5,670,360	\$ 5,529,905
Debt Service for FY2019 Capital Plan Projects*					\$ 823,233	\$ 4,182,326	\$ 4,557,830
Debt Service for FY2020 Capital Plan Projects*						\$ 381,141	\$ 2,351,206
Debt Service for FY2021 Capital Plan Projects*							\$ 348,189
Subtotal Future Debt Service:		\$ 302,050	\$ 2,879,025	\$ 8,266,613	\$ 13,592,581	\$ 16,864,866	\$ 18,882,940
New (Gross) Debt Service		\$ 11,607,904	\$15,306,991	\$19,545,062	\$ 23,622,612	\$ 25,241,198	\$ 25,977,691
LESS State Debt Service Reimbursements		\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Debt Service Calculation for Policy Limit		\$ 9,096,909	\$12,795,996	\$17,415,391	\$ 21,492,941	\$ 23,111,527	\$ 23,848,024
Percentage of Operating Budget		3.6%	4.9%	6.5%	7.8%	8.1%	8.1%

*Assumes all projects requested in FY17 to FY21 are authorized and debt service is calculated. Each year is evaluated as they are authorized and reduced by vote of Town Meeting to not exceed available budget. Assumes MA School Building Authority funding for FY17 only.

Enterprise Fund Debt Service

		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	
WATER ENTERPRISE FUND	Estimated Water Enterprise Budget							
	Excluding Indirect Costs	\$ 18,734,356	\$ 20,233,104	\$ 21,851,753	\$ 23,599,893	\$ 25,487,885	\$ 27,526,915	
	<i>Uniform increase assumed per year:</i>	8%						
	Debt Service Benchmark*	20%	\$ 3,746,871	\$ 4,046,621	\$ 4,370,351	\$ 4,719,979	\$ 5,097,577	\$ 5,505,383
	Existing Fund Debt	\$ 4,748,730	\$ 4,383,377	\$ 4,228,822	\$ 4,088,373	\$ 3,850,435	\$ 3,666,868	
	Authorized but Unissued	\$ 541,011	\$ 2,195,894	\$ 2,897,028	\$ 2,816,099	\$ 2,761,050	\$ 2,694,458	
	Total Existing Fund Debt	\$ 5,289,741	\$ 6,579,271	\$ 7,125,850	\$ 6,904,472	\$ 6,611,485	\$ 6,361,326	
	Current Available Debt within Debt Target*	\$ (1,542,870)	\$ (2,532,650)	\$ (2,755,499)	\$ (2,184,493)	\$ (1,513,908)	\$ (855,943)	
	Debt Service for FY2016 Capital Budget Projects	\$ 153,368	\$ 1,060,014	\$ 1,131,025	\$ 1,098,338	\$ 1,068,781	\$ 1,039,227	
	Debt Service for FY2017 Capital Plan Projects		\$ 293,288	\$ 1,311,942	\$ 1,256,814	\$ 1,229,251	\$ 1,201,686	
	Debt Service for FY2018 Capital Plan Projects			\$ 295,387	\$ 1,472,885	\$ 1,405,841	\$ 1,372,323	
	Debt Service for FY2019 Capital Plan Projects				\$ 191,090	\$ 888,580	\$ 849,082	
	Debt Service for FY2020 Capital Plan Projects					\$ 190,364	\$ 955,791	
	Debt Service for FY2021 Capital Plan Projects						\$ 170,419	
	Subtotal Future Debt Service:	\$ 153,368	\$ 1,353,302	\$ 2,738,354	\$ 4,019,127	\$ 4,782,817	\$ 5,588,528	
New Debt Service	\$ 5,443,109	\$ 7,932,573	\$ 9,864,204	\$ 10,923,599	\$ 11,394,302	\$ 11,949,854		

Enterprise Fund Debt Service

		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	
SEWER ENTERPRISE FUND	Estimated Sewer Enterprise Budget							
	Excluding Indirect Costs	\$ 23,425,744	\$ 25,299,804	\$ 27,323,788	\$ 29,509,691	\$ 31,870,466	\$ 34,420,103	
	<i>Uniform increase assumed per year:</i>	8%						
	Debt Service Benchmark*	20%	\$ 4,685,149	\$ 5,059,961	\$ 5,464,758	\$ 5,901,938	\$ 6,374,093	\$ 6,884,021
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	Existing Fund Debt	\$ 6,461,191	\$ 6,278,976	\$ 6,102,981	\$ 6,016,920	\$ 5,932,744	\$ 5,839,481	
	Authorized but Unissued	\$ 1,099,066	\$ 4,170,343	\$ 5,091,441	\$ 4,959,672	\$ 4,853,719	\$ 4,747,773	
	Herbert St Debt Service Pmnt from Ashland	(\$94,747)	(\$94,636)	(\$94,523)	(\$94,407)	(\$94,289)	(\$94,170)	
	Total Existing Fund Debt	\$ 7,465,510	\$ 10,354,683	\$ 11,099,899	\$ 10,882,185	\$ 10,692,174	\$ 10,493,084	
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	Current Available Debt within Debt Target*	\$ (2,780,361)	\$ (5,294,723)	\$ (5,635,142)	\$ (4,980,247)	\$ (4,318,081)	\$ (3,609,064)	
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	Debt Service for FY2016 Capital Budget Projects	\$ 185,429	\$ 1,463,456	\$ 1,841,831	\$ 1,781,585	\$ 1,733,498	\$ 1,685,413	
	Debt Service for FY2017 Capital Plan Projects		\$ 284,302	\$ 1,371,275	\$ 1,310,272	\$ 1,279,772	\$ 1,249,270	
	Debt Service for FY2018 Capital Plan Projects			\$ 279,335	\$ 1,239,295	\$ 1,187,567	\$ 1,161,704	
Debt Service for FY2019 Capital Plan Projects				\$ 107,135	\$ 575,191	\$ 547,039		
Debt Service for FY2020 Capital Plan Projects					\$ 163,245	\$ 732,352		
Debt Service for FY2021 Capital Plan Projects						\$ 98,607		
Subtotal Future Debt Service:	\$ 185,429	\$ 1,747,758	\$ 3,492,441	\$ 4,438,287	\$ 4,939,273	\$ 5,474,385		
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New Debt Service	\$ 7,650,939	\$ 12,102,441	\$ 14,592,340	\$ 15,320,472	\$ 15,631,447	\$ 15,967,469		



Deferral Effect on Debt Service

General Fund	FY16	FY17	FY18	FY19	FY20	FY21
Reduced impact on operating budget	-\$313,656	-\$1,534,799	-\$1,230,368	-\$1,207,032	-\$1,177,413	-\$1,147,793
Water Fund	FY16	FY17	FY18	FY19	FY20	FY21
Reduced impact on operating budget	-\$78,342	-\$554,883	-\$398,661	-\$388,747	-\$375,698	-\$362,647
Sewer Fund	FY16	FY17	FY18	FY19	FY20	FY21
Reduced impact on operating budget	-\$152,515	-\$781,063	-\$286,609	-\$288,816	-\$278,864	-\$268,911