

# Town of Hubbardston



## Capital Improvement Plan FY23-27

Capital Improvement Planning Committee  
February 2022



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## Capital Improvement Planning Committee

### Charge and Process

The Hubbardston Select Board charged the CIPC with submitting the town's capital plan to the Town Administrator for review. The Capital Plan will be completed in time to allow for consideration by the Select Board and Finance Committee in the annual budget process. The plan must include, at a minimum, suggested improvements for no less than five years, cost estimates, funding strategies and potential operating budget impacts. The Select Board also instructed the CIPC to produce recommendations that consider long-term debt considerations and larger-scale capital projects like addressing Hubbardston's failing municipal buildings.

The CIPC is appointed by the Board of Selectmen and is comprised of three members at-large and representatives from the Planning Board and Finance Committee for a total membership of five. There are two unfilled vacancies in the current CIPC. The Committee Members for Fiscal Year 2022-2023 are as follows:

Michael S. Stauder	Chairman
William Murray	Member
Francois Steiger	Planning Board Representative

### **FY23 Capital Budget Recommendations Timeline**

September	Goals and guidance sent to departments, boards and committees
November	Capital requests and revisions sent to CIPC
Nov/Dec/Jan	Fact finding and deliberations
January	Revised capital plan sent to the Town Administrator
February	Capital plan recommendations sent to the Select Board



## Policy and Goals

The Select Board and Finance Committee this fall agreed on budget goals that help shape the FY23-27 capital plan process. These stated goals are also found in the town’s published [financial management policies](#). These policies and goals include:

- a. Stabilization Fund                      maintain 5% of operating budget
- b. Capital Stabilization                    maintain 1% of operating budget
- c. Free Cash                                    generate 5% of operating budget annually
- d. Capital Expenditure                    6% of operating budget annually
- e. Operating Debt                            3% of operating budget annually
- f. Annual Town Reserves                10% of operating budget

Understanding these targets is important. The town relies on Free Cash and healthy reserves to fund capital. Here is a breakdown of the stated policies and goals as it relates to current budget estimates. The chart demonstrates what 6% of the projected operating budget would look like, and how the town would need to allocate debt and Free Cash to meet the capital expenditure goal. For FY22, it uses the actual numbers that lowered capital spending based on financial constraints. For FY23, it uses the numbers proposed in this plan. These numbers make up for lost FY22 spending. For FY24-27, it uses ideal numbers based on Hubbardston’s policies.

	FY22 (last year)	FY23 (this year)	FY24	FY25	FY26	FY27
Projected Operating Budget	\$9,622,260.00	\$9,910,927.80	\$10,208,255.63	\$10,514,503.30	\$10,829,938.40	\$11,154,836.55
Capital Expenditure Target (6%)	\$577,335.60	\$594,655.67	\$612,495.34	\$630,870.20	\$649,796.30	\$669,290.19
Projected Operating Debt for Capital	\$272,458.00	\$272,365.00	\$275,088.65	\$277,839.54	\$280,617.93	\$283,424.11
Proposed Capital Plan (CIPC)	\$193,000.00	\$427,000.00	\$337,406.69	\$353,030.66	\$369,178.37	\$385,866.08
Capital Total	\$465,458.00	\$699,365.00	\$612,495.34	\$630,870.20	\$649,796.30	\$669,290.19
Capital as % of budget	81%	118%	100%	100%	100%	100%
<b>Surplus/Deficit from Target</b>	<b>\$ (111,877.60)</b>	<b>\$ 104,709.33</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## FY22 Capital Expenditure Summary

This section contains a summary of FY22 capital expenditures approved at the 2021 Annual Town Meeting. These expenditures were lower than the town’s target capital spending goal based on fiscal constraints, mainly a lack of certified Free Cash. Several departments were asked to delay projects to limit spending and maintain adherence to the town’s financial policies. This limited spending allowed the town to maintain healthy reserves and fund an efficient operating budget. The Hubbardston Center School elevator project was also an unplanned capital expense, but one necessary for the safety of Hubbardston students. Ultimately, the project did not need the funding approved at the Annual Town Meeting. These unspent funds returned to Hubbardston and helped create the healthy Free Cash total available for FY23.

DEPT	Project Title	FY2022	Notes
DPW	DPW septic system replacement	\$ 1,500.00	Approved at Annual Town Meeting
DPW	Exhaust Mitigation System (DPW)	\$ 26,000.00	Approved at Annual Town Meeting
CEM	Stihl Trimmer	\$ 500.00	Approved at Annual Town Meeting
FD	Firefighter Turnout Gear	\$ 17,000.00	Approved at Annual Town Meeting
FD	Utility Pick Up Truck	\$ 46,000.00	Approved at Annual Town Meeting
PD	Police Cruiser (cycle)	\$ 47,000.00	Approved at Annual Town Meeting
Schools	Elevator Repairs (Center School)	\$ 50,000.00	Approved at Annual Town Meeting
Schools	Cafeteria Cabinets (Center School)	\$ 5,000.00	Approved at Annual Town Meeting
	<b>Total</b>	<b>\$ 193,000.00</b>	



## FY23-27 Capital Recommendations

The remaining sections of this report update the current [5-Year Capital Plan](#). The CIPC updated the plan by analyzing department requests and meeting with each department head to understand the long-term impact of capital decisions.

The CIPC believes the town must continue to invest in capital in order to address its backlog of outdated equipment and infrastructure. For this reason, the recommended FY23 capital plan is more than the target spending goal of 6%. FY23 Free Cash levels allow for additional pay-as-you-go capital expenditures. The CIPC recommends catching up with additional FY23 funding to overcome missed targets in FY22. While the Free Cash in FY23 resources make some decisions easier, the CIPC carefully weighed each requested project to make sure all fiscal dollars were allocated wisely.

Additionally, the CIPC carefully considered the Select Board's charge to recommend the next steps for using funds from expiring long-term debt and for repairing or replacing Hubbardston's failing municipal buildings.

A high-level summary of this year's recommendations are as follows:

- 1.) Retain Free Cash for use in FY24 and beyond
- 2.) Fully fund the FY23 capital plan as outlined in later sections
- 3.) Maximize alternative funding sources
- 4.) Use expiring operating budget debt (FY24) to fund future capital needs requiring borrowing. Borrowing targets should include the new fire truck, ambulance, and if possible, renovations to the Slade Building.
- 5.) Prioritize building a modest public safety complex and ask residents to support funding this project with a debt exclusion override



## Proposed FY23-27 Capital Plan

The following charts itemize the recommended annual plan. The first chart is listed as annual expenditures, or those normally funded through the Annual Town Meeting process. These items typically use funds from the Operating Budget, Free Cash or alternative sources. These types of expenditures are often called pay-as-you-go. The second chart is listed as multi-year projects or projects funded by alternative revenue sources. These initiatives use funding from debt, grants, or state/federal budget sources.

The capital recommendations in the following section include new requests (green), requested changes (yellow) and projects that remained the same (blue) as the previous year's capital plan.

# FY22-27 Proposed Capital Plan

## Annual Expenditures

DEPT	ASSET	Project Title	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Notes
DPW	Veh/Equip	Mini Excavator		\$ 65,000.00					Increase in estimate
DPW	Veh/Equip	Brush Mower				\$ 178,000.00			Increase in estimate
DPW	Veh	Dump Truck with Plow			\$ 210,000.00				Increase in estimate
DPW	Facilities	DPW septic system replacement	\$ 1,500.00				\$ 40,000.00		
DPW	Roadways	Additional Road Repair		\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	Added FY27
DPW	Facilities	Exhaust Mitigation System (DPW)	\$ 26,000.00						
DPW	Facilities	Trencher						\$ 10,000.00	New item
DPW	Facilities	DPW Garage Roof		\$ 100,000.00					
DPW	Veh/Equip	Ford F450 with Plow (Director)			\$ 60,000.00				
CEM	Veh/Equip	Backpack Blower		\$ 500.00					
CEM	Veh/Equip	Stihl Trimmer	\$ 500.00		\$ 500.00				
CEM	Veh/Equip	John Deere Z920M Mower				\$ 9,000.00			
FD	Veh/Equip	Firefighter Turnout Gear	\$ 17,000.00						
FD	Veh/Equip	Utility Pick Up Truck	\$ 46,000.00						
FD	Veh/Equip	FD Portable Radios		\$ 17,500.00					Increased # of radios
FD	Facilities	Fire Station One Roof			\$ 28,000.00				
LIB	Facilities	Windows Replacement			\$ 32,000.00				
LIB	Facilities	Basement Flooring Replacement		\$ 20,000.00					
LIB	Facilities	Repairing Library Foundation		\$ 20,000.00					
LIB	Facilities	Architect Assessment for Library				\$ 42,000.00			
PD	Veh/Equip	Police Cruiser (cycle)	\$ 47,000.00	\$ 71,000.00		\$ 75,000.00		\$ 75,000.00	Moved to FY'23, increase in estimate
PD	Facilities	Air Conditioning Repair		\$ 25,000.00					new item, repair needed in '23
Parks	Facilities	Curtis Field Basketball Court		\$ 8,000.00					
Parks	Facilities	Skate Park Renovation			\$ 20,000.00				
Parks	Facilities	Curtis Field Walking Track			\$ 50,000.00				
TA	IT	Town Office IT Replacements					\$ 15,000.00		
			\$ 138,000.00	\$ 427,000.00	\$ 500,500.00	\$ 404,000.00	\$ 155,000.00	\$ 185,000.00	



## FY22-27 Proposed Capital Plan

### Multi-Year or Alternative Funding Source Projects

DEPT	ASSET	Project Title	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Notes
DPW	Road	Culvert Replacement Plan			\$ 60,000.00				Seeking grant funding (MVP, DOER, CCC)
DPW	Road	Chapter 90 Road Repair	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	Estimated annual Chapter 90 funding
DPW	Road	Lombard Road Reconstruction		\$ 550,000.00					ARPA Application
FD	Veh/Equip	Fire Truck			\$ 550,000.00				Multi-year borrow; ARPA Application
FD	Veh/Equip	Ambulance					\$ 350,000.00		Multi-year borrow; ARPA Application
SB	Facilities	Public Safety and Slade Building Renovation Study		\$ 60,000.00					ARPA Application
DPW	Bridge	Williamsville Road Bridge (Burnshirt)	\$ 884,240.00						
LIB	Facilities	Boiler Replacement			\$ 60,000.00				Green Communities
VAR	Facilities	Lighting Upgrades	\$ 25,000.00						Green Communities
VAR	Facilities	Weatherization Upgrades	\$ 98,000.00						Green Communities
HCS	Facilities	Outside Air Reset Controls	\$ 8,000.00						Green Communities
TCC	Road	Town Center Project		\$ 5,500,000.00					
TCC	Road	Extension of Williamsville Sidewalk				\$ 150,000.00			Complete Streets funding
TCC	Road	Brigham Street Design			\$ 25,000.00				Capital/Grant
TCC	Road	Brigham Street Reconstruction						\$ 1,000,000.00	STIP
TCC	Road	High Street Design	\$ 25,000.00		\$ 175,000.00				Pending studies
TCC	Road	High Street Reconstruction				\$ 1,000,000.00			STIP/MassWorks
TCC	Road	Pedestrian Lighting on Main Street				\$ 50,000.00	\$ 50,000.00	\$ 25,000.00	Complete Streets funding
			\$ 1,390,240.00	\$ 6,460,000.00	\$ 1,220,000.00	\$ 1,550,000.00	\$ 750,000.00	\$ 1,375,000.00	



## Department Request Summaries

This section offers details at the department level about changes to the previously published capital plan. Anything not addressed in this section has not changed from the previous report and is found in the capital plan recommendations (blue).

### **Public Works**

Changes to the DPW's long-term capital plan include updating cost estimates for previously submitted equipment requests. These updates represent changes to equipment costs based on inflation and include the FY23 mini excavator, the FY24 dump truck with plow, and the FY25 brush mower.

The DPW's long-range capital plan also includes two new requests for FY27. The Select Board directed the DPW to prioritize road maintenance, resulting in an annual request for additional maintenance money extended through FY27. The DPW Director also submitted a request to purchase a trencher in FY27.

### **Fire Department**

The only change to last year's Fire Department plan is the Chief's request to amend his previous request for portable radios. Rather than split the request over multiple years, the Chief is asking to fully fund the department's portable radio needs.

### **Police Department**

The Police Chief asked the CIPC to consider changing the priority year for purchasing a new cruiser from FY24 to FY23. This is due to increasing repair costs for older vehicles. The request also increased the cruiser estimate for a newer model with pre-installed radio equipment. This recommendation aligns with better product life confirmed by neighboring departments who took similar approaches, according to the department's research.

The Police Chief also asked the CIPC to support the installation of a new air conditioning system for the police side of the Slade Building. The air conditioning failed last summer and although it has not been an issue this winter, the Chief asked the CIPC to consider this new request to improve the quality of working conditions for his

officers. The request matches the cost and timeline of previous air conditioning installations on the Senior Center side of the Slade Building.

## **Town Infrastructure**

While not part of the pay-as-you-go (annual) capital plan presented at Annual Town Meeting, Hubbardston's large infrastructure projects continue to be a main focus. Most of these larger scale projects are funded through grants and/or state/federal dollars. Town officials have continually updated this portion of the plan, resulting in minor changes. These include a request to ***reconstruct Lombard Road*** using newly available APRA funds (to be determined by the independent ARPA Board) and a placeholder for the state's annual allotment of Chapter 90 road money. The CIPC also moved the ***fire truck and ambulance requests*** off the pay-as-you (annual) plan and onto the multi-year plan. This is based on a recommendation to use expiring debt or ARPA funds to purchase these larger capital items. Although the Town has a comparatively large amount of Free Cash in FY23, this is not always the case. In FY22, Free Cash constraints limited capital purchasing.

The CIPC will also recommend to the Select Board that they seek APRA money for funding ***a feasibility study that looks at the purchase of a local business for a new public safety complex and the cost of renovating the Slade Building***. This study would offer Town Officials a more cost-effective solution for improving the town's building infrastructure problems.



## FY23 Projected Spending Summary

The CIPC is projecting the following in terms of capital spending for FY23 based on information from the Town Administrator’s office. This does not include opportunities for alternative funding such as grants, ARPA, CPA funds, or other revenue sources.

This projected spending level is higher than the 6% annual target, but lower than the available Free Cash. The reason for recommending a higher spending total in FY23 is to make up for deferred capital from FY22. The CIPC is also recommending that the Select Board continues to fund the proposed capital plan in sequence in order to space out purchases and maximize financial resources. The CIPC does not recommend increasing the amount of purchases in FY23 because of available Free Cash. One recommendation for additional Free Cash is to place it into Capital Stabilization to insure against lowered Free Cash availability in future years.

	<b>FY23</b>	
<i>Capital Target</i>		
Projected Operating Budget	\$9,910,927.80	
Capital Expenditure Target (6%)	\$594,655.67	6.00%
FY23 Projected Operating Debt	\$281,365.00	2.84%
FY23 Proposed Capital Plan (CIPC)	\$427,000.00	
<b><i>Surplus/Deficit from Target</i></b>	<b>\$ 113,709.33</b>	
<i>Available Free Cash and Resources</i>		
Certified Free Cash	\$585,266.00	
<i>Recommended FY23 Free Cash Uses</i>		
Operating Budget	\$0.00	
Reserve	\$100,000.00	
FY22 Proposed Capital Plan	\$427,000.00	
Subtotal	\$527,000.00	
<b><i>Free Cash Deficit/Surplus</i></b>	<b>\$ 58,266.00</b>	



## **Additional Recommendations**

This section describes additional capital recommendations to the Town Administrator, the Finance Committee, and the Select Board for the FY23 budget processes.

The CIPC continued to weigh two major decisions for the town – what to do with the capacity created by expiring debt in FY24 and how to address the town’s long-term municipal building problem. After much deliberation, the CIPC recommends the following. The CIPC also deliberated the role newly allocated ARPA funds might play in the community and what recommendations to make to the Select Board for the use of that money for capital purposes.

### **Expiring Operating Budget Debt**

Last year the CIPC recommended that the town earmark expiring debt in the operating budget to help pay for large upcoming purchases like a new fire truck and a new ambulance. While the CIPC normally advocates that capital items be purchased with Free Cash (one-time funds), these large purchases represent funding needs beyond Hubbardston’s annual Free Cash total. Since the fire truck is not in the FY23 plan, the CIPC believes the most prudent use of expiring debt capacity in the next two years is to pay off existing debt from 2018 purchases. This total is nearly \$400,000 and is currently carried in the operating budget as an annual recurring expense.

### **Failing Municipal Buildings**

The town’s largest capital problem is its failing/inadequate municipal building infrastructure. Last year the CIPC recommended the town prioritize building a public safety complex and funding the project through a debt exclusion override. While this is still the CIPC’s recommendation, the CIPC is also recommending, given recent voter opposition to high-cost building projects, that the Select Board explore the cost of purchasing an existing garage in town and renovating the space for public safety needs. This might reduce taxpayer costs. Additionally, the CIPC discussed exploring the cost of renovating the Slade Building. Although the actual costs are unknown at this point, the CIPC believes a renovation project will cost considerably less than a new building

and could create the fiscal capacity to fund both a new safety complex and a Slade Building renovation.

Hubbardston has continually attempted to address its building infrastructure through temporary upgrades, emergency fixes and override attempts. Each attempt is trying to solve the following combination of problems:

#### *Fire and Ambulance*

These services are presently headquartered at the Fire Station on Main Street and the rented property at 48 Gardner Road (Breezy Hill Corners). Fire Station One is too small to safely house town fire trucks and renovating it is not feasible. It also is too small to house factory-sized fire engines, meaning every time the town needs to purchase a new fire engine, the vehicle needs to be custom made. The town pays more than \$20,000 annually to rent space for offices and ambulances at Station 2. Both Station One (town owned) and Station Two (rented) need significant upgrades for reasonable usage.

#### *Police*

These services are presently located in the Slade Building. This building was built many years ago as an auxiliary school building to house the town kindergarten. It is too small, failing structurally, and is at the end of its useful life. Soon, based on population growth, Hubbardston will need a detention cell. Currently, offices must transport detainees to a neighboring town. Whenever these transports are necessary, the town loses police coverage. Additionally, the town police department is not compliant with current safety laws by not properly separating detainees from employees and/or the public. The COVID-19 pandemic also highlighted the need for more space. Isolation techniques were more necessary for our public safety officials because the small staff often operated in the same small space.

#### *Senior Center*

The Slade Building also houses senior services. The town has attempted to build a new senior center on multiple occasions. Each attempt was rejected by voters. Although the current Senior Center has received some recent upgrades, its structure does not allow for more than one activity at a time, restricting potential services. There is only one bathroom in the Senior Center, which causes privacy and health concerns. Additionally, there is no private space at the Center, meaning there is little ability for agencies and staff to provide important and dignified counseling.

## *Town Offices*

The Slade Building also houses the Town Administrator and the Finance Department. None of these offices have full walls, meaning there is no ability to conduct private meetings necessary for negotiations or human resource matters. This building should also, in future renovations, address security concerns with town finances, human resource materials, and town documents. Finally, there is no formal meeting space in this building. On many occasions, staff meetings, public meetings and presentations compete with regular foot traffic.

Additional offices are found in the Hubbardston Public Library basement. The offices here include the Land-Use Department, the Town Clerk and various additional departments like veteran services and MART. The space in this building is adequate, but library systems continue to need maintenance to support the town footprint. The town vault is also located in these offices, an important consideration for any future changes. The vault is necessary for Town Clerk functions.

## *Library*

While the library is one of the town's most beautiful buildings, it was not designed to house the town offices and the town's historical artifacts. The library does not meet most modern codes related to building, electrical, and the Americans with Disability Act (ADA). This capital plan aims to address many of the building's structural problems to include a complete review of what is necessary to preserve this building. One of the most important issues with long-term library planning is that by hosting the town offices, the building is not eligible for lucrative state and federal grants designed to help communities retain and upgrade their libraries.

## **ARPA Recommendations**

The US Treasury recently released information about how municipalities can use federal funds allocated in the American Rescue Plan Act (ARPA). Although original guidance limited expenditure categories for cities and towns, recent changes allow Hubbardston to use the money as lost revenue. This means it can reinvest the funds into the community with few limitations. Ideally, the town would use this money in congress with long-term planning efforts to include some existing capital needs. The approval authority for this funding is the ARPA Committee and the Select Board; therefore, the CIPC is recommending filing the following applications for ARPA capital uses:

**Lombard Road** – The CIPC recommended seeking grant funding for this major, but necessary road repair. The Town attempted two MassWorks grant applications with little to no success and feedback from the state indicated Lombard Road was a local matter. Although town paving is normally done with Chapter 90 funding, including Lombard Road in the annual Chapter 90 plan would tie up town pavement management for two years. For this reason and given its community impact, the CIPC believes the town should consider fixing Lombard Road with ARPA funds.

**Major Equipment** – The CIPC recognizes the financial impact of recommending new equipment purchases like a new fire truck, a new ambulance, and a new DPW truck with plow. Although the CIPC recommended using operating debt for these projects, dedicating significant ARPA funds to offset the cost of one of these future projects would create breathing room in the capital plan. This would limit borrowing, lower the total cost of the equipment due to not paying interest, and increase the town’s capital spending flexibility in the coming years.

**Public Building Appraisal and Feasibility Study** – Given the CIPC’s recommendation for building a new public safety complex and renovating the Slade Building, the CIPC recommends using immediate ARPA funds to study the feasibility of purchasing an existing garage and refurbishing it for municipal use. The study would also evaluate the cost of renovating the Slade Building. This combined study would give Town officials more information to help decide the future of municipal building space. The CIPC recommends engaging an appraiser to find an appropriate space for renovation and gauge the town’s ability to purchase the property. If feasible, the CIPC recommends then completing the feasibility study.

## **Final CIPC Recommendations**

- 1.) *The CIPC continues to recommend to the Select Board and Town Administrator that the expiring 2013 debt be dedicated to future large-scale capital projects like borrowing for a new fire truck and ambulance. Additionally, the CIPC recommends paying off existing debt in FY24 if possible.*

Using expiring debt will continue to maintain the Hubbardston vehicle fleet and limit repair costs. Since these purchases are a couple years away, the CIPC also recommends paying down existing debt to increase borrowing flexibility.

- 2.) *The CIPC recommends to the Select Board that they should prioritize asking residents to support the construction of a modest public safety complex. This year the CIPC recommends investigating the costs of renovation projects that might limit this project’s overall tax burden.*



This recommendation continues to serve as the first step in addressing the town's complex municipal building problem. Here is the CIPC's reasoning:

- a) Resident surveys continually support addressing Hubbardston's public safety needs
  - b) The town is currently wasting resources by hosting these departments in buildings that are leased or failing.
  - c) Moving the police department allows for the combination of town offices. The space would also allow for a modest Senior Center expansion.
  - d) Moving the town offices out of the library allows the Library Trustees to apply for grants
  - e) Current estimates indicate that a modest building with a 40-year low interest loan would cost the average household \$90-180 annually
  - f) Creating a public safety complex would allow police, fire and ambulance to meet current regulation and codes
  - g) Creating a public safety complex would properly house capital equipment like vehicles, extending their life and limiting their impact on the capital plan
- 3.) *The CIPC recommends requesting assistance from the ARPA committee for funding large-scale Hubbardston capital needs that offer large residential service impacts. These ARPA funding requests include:*
- a) Lombard Road Repair (\$550,000)
  - b) FY24 Fire Truck (\$550,000)
  - c) Public Building Renovation Feasibility Study (\$60,000)