

FY 20 CAPITAL REQUEST

Projects		
BML	Fascia Soffit Trim	\$ 55,000
BML	Windows	\$ 25,000
DPW	Street Paving	\$ 300,000
DPW	Sidewalk Repair & Replacement	\$ 70,000
R&P	Pool Renovations (Deck Replacement & Boiler)	\$ 100,000
GEN	Union Station	\$ 250,000
Vehicles/Equipment		
BPD	Patrol Vehicles (2)	\$ 101,000
BPD	Guns/Holsters (35)	\$ 35,000
BPD	Ballistic Vests (12)	\$ 12,000
BPD	Booking Fingerprint Scanner	\$ 25,000
DPW	HD-2 Pickup Truck	\$ 46,500
DPW	HD-12 Dump Truck	\$ 170,000
R&P	Pickup Truck	\$ 46,500
R&P	Zero Turn Mower	\$ 18,000
BFD	Thermal Imaging Camera	\$ 10,000
GEN	Computer Hardware	\$ 31,000
		\$ 1,295,000

Transfer from General Fund \$ 1,295,000

MEMORANDUM

To: Selectboard
From: Peter B. Elwell, Town Manager
Re: FY20 Proposed Budget –
Capital Plans & 1% Local Option Sales Tax
Date: November 15, 2018



This memorandum and the attached documents provide background information for the budget related discussions at the November 20 Selectboard meeting. The Capital Equipment Plan and the Capital Project Plan are the culmination of months of work by Town staff while the 1% Local Option Sales Tax memo provides initial framework for the Selectboard's upcoming discussion of that matter on November 20 and in the weeks ahead.

Capital Equipment Plan

The 2018 update of the Comprehensive Review of Town Operations (CRTO) included the following action item as a short term (2018-2020) goal:

Create an Inventory of Vehicles + Other Major Equipment w/ Estimated Replacement Schedule

This is a high priority for 2018.

Every vehicle or other major equipment needed for Town operations will be identified.

A replacement year will be established for every item on the list.

(Replacements will still occur only when needed, but our financial planning and fleet management will be guided by the replacement schedule.)

The attached 25-year Capital Equipment Replacement Program represents the achievement of this CRTO goal. The spreadsheet shows a realistic and financially sustainable schedule that will require funding ranging from \$721,722 in FY21 to \$912,230 in FY45. The estimated annual funding requirement increases modestly but steadily over time (by an average of \$7,938 per year), almost entirely due to an estimated 2% annual increase in the cost of each particular vehicle or piece of equipment. While the actual timing of each replacement purchase will depend on the condition of the equipment to be replaced and a variety of other factors, adhering to the general scope of this schedule will reduce long-term maintenance costs, eliminate large annual changes in the cost of the program (which complicates planning and paying for other Town needs), and help avoid the necessity of unplanned emergency purchases to replace equipment that has been pushed past its useful life and suddenly failed.

The standard replacement interval for major vehicles and equipment is proposed as follows:

- 5 Years Police Patrol Vehicles
- 7-10 Years Pick-up Trucks
- 10 Years Dump Trucks
- 10 Years Sidewalk Tractor Snowplows
- 10-15 Years Police and Fire Command Vehicles
- 15 Years DPW Road Graders
- 15 Years Fire Department Thermal Imaging Cameras
- 20 Years Fire Engines
- 25 Years Fire Department Aerial Ladder Truck
- 30 Years Zamboni Ice Resurfacer

As part of creating a steady and financially sustainable rate of increase in the annual cost of this program, staff proposes the creation of a Fire Truck Replacement Fund that would receive an annual contribution starting at \$110,000 in FY22, increasing by \$5,000 each year, and topping out at \$225,000 in FY45. Without this fund, the replacement of a fire engine is a generational expense that can crowd out other needed replacement purchases. As we have experienced recently, the replacement of multiple fire trucks in consecutive years can overextend the Town's capital equipment expenses to an extent that requires borrowing funds and paying interest on the borrowed funds. By making steady annual deposits and accumulating funds in the years between fire truck purchases, the Town will earn interest on the accumulating funds that will help us make all future fire truck purchases with cash. At only 3% annual interest, this approach would provide over \$500,000 of interest during the 25-year period – almost enough to pay the current estimated cost of a fire engine and equivalent to about 65% of the estimated cost of a fire engine in 2041. The cash flow forecast for the Fire Truck Replacement Fund is shown at the bottom of the spreadsheet on the second page of the attached 25-year plan.

Capital Project Plan

It will be difficult to achieve the same level of stability and sustainability in the Capital Project Plan as staff is proposing for the Capital Equipment Plan. For many years, the Town has underfunded investment in buildings and other infrastructure. We have identified needs as they emerge (rather than planning for them in advance) and then funded only the most urgent projects each year. The result is not a plan, but a list of concerns that includes a one-year commitment to investing in just our most critical needs. The attached Capital Project Plan for FY20-FY24 adheres to this pattern. It shows \$800,000 of urgently needed projects in FY20, an unrealistic rate of annual expenditures (between \$1.245 million and \$3.275 million) for FY21-FY24, and no reference whatsoever to most of the Town's aging infrastructure. Thanks to the bond funding of the recent Police-Fire Facilities Project, our essential public safety facilities are in brand new condition, but a proper long-term capital plan would even include reference to major building systems (roofs, boilers, etc.) of new facilities since they will need additional investment in the long run.

Staff proposes the following actions to improve the Town's long-term planning for capital infrastructure projects:

Needs Assessment Phase

- Staff creates an inventory of all building systems and other infrastructure
- Consultant checks staff's work and helps us refine the inventory of long-term needs

Prioritization Phase

- Organize inventory of needs into immediate, short-term, medium-term, and long-term

Planning Phase

- Estimate costs
(budget estimates for immediate needs + "order of magnitude" estimates for all others)
- Create a realistic and sustainable 5-year plan
and prioritized list of needs (short-term, medium-term, and long-term) for years 6+

Staff will accomplish the first step in this process during the next several months. After that, we believe the cost of a consultant for the second step (and possibly the third step) will be low enough to absorb as an unbudgeted expense. During the FY21 budget process a year from now, we will be able to improve our short-term capital project decision making and to properly scope and fund a consultant engagement to accomplish the fourth step. This will position us to accomplish the fifth step during the FY22 budget process two years from now. The outcome may not be a fundable 25-year plan for projects (in fact, we will almost certainly not be able to plan for long-term projects with the same level of specificity as we can plan for long-term equipment replacement), but we will

have a much better handle on the magnitude of the challenge and will be able to make better decisions (both about infrastructure improvements and about funding them wisely) than we are able to do today.

One Per Cent Local Option Sales Tax

The Selectboard is considering a 1% local option sales tax that the State of Vermont allows municipalities to enact. There will be an initial discussion on November 20 to identify the specific information that the Selectboard will need from Town staff during consideration of this matter on November 27 and beyond. The public will be invited to participate in this initial discussion and in all future Selectboard discussions of this topic. The attached memorandum dated November 15, 2018, from Assistant Town Manager Patrick Moreland, contains a preliminary list of topics to be addressed in the backup materials for the November 27 Selectboard meeting.

Entire Proposed FY20 Budget

Anyone who wants to consider the above described topics in the broader context of the entire 21-page proposed FY20 Budget can access the budget (along with my budget message, a 2-page budget summary, and some supplementary exhibits) by visiting www.brattleboro.org and clicking on "FY20 Proposed Budget" on the right side of the homepage under the "News" header.

PBE:
Attachments

**TOWN OF BRATTLEBORO
CAPITAL EQUIPMENT REPLACEMENT PROGRAM**

	Vehicle / Equipment	Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045		
Fire						\$ 37,000				\$ 48,000					\$ 45,000				\$ 56,000									\$ 55,000		
Car 1	Ford (2013)	Explorer																												
Car 2	GMC (2016)	Sierra 1500																		\$ 45,000										
Dive Boat	Starcraft (2006)	Pontoon Boat with Trailer																												
2021 Fire Truck	Simon (1995)	Duplex Engine	\$ 650,000																											
All Future Fire Trucks					\$ 110,000	\$ 116,000	\$ 120,000	\$ 125,000	\$ 130,000	\$ 135,000	\$ 140,000	\$ 145,000	\$ 150,000	\$ 155,000	\$ 160,000	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 195,000	\$ 200,000	\$ 205,000	\$ 210,000	\$ 215,000	\$ 220,000	\$ 225,000		
Radio	Motorola (2015)	XTS1500 (31) XTS2500 (4)																	\$ 81,000										\$ 111,000	
Rescue Tool	Hurst (2018)	SP555E2/S700E2								\$ 55,000											\$ 60,000									
SCBA Air Compressor	(1997)																													
SCBA Air Packs	Scott (2015)	4.5 AIR PAK 75											\$ 300,000																	
Thermal Imaging Camera	Bullard (2008)	T3MAX					\$ 11,000																							
Thermal Imaging Camera	Bullard (2014)	ECLIPSE LD 320										\$ 12,500																		
Thermal Imaging Camera	Bullard (2018)	QXT 240 GOLD																			\$ 13,000									
Thermal Imaging Camera	Bullard (2004)	T3MAX	\$ 10,000																											
Utility 5	Chevrolet (2004)	C6500 Versalift					\$ 119,000																						\$ 160,000	
Utility 8	Ford (2012)	F260		\$ 37,000										\$ 46,000															\$ 54,000	
Utility 10	Ford (2005)	F350			\$ 40,000																								\$ 60,000	
			\$ 10,000	\$ 650,000	\$ 147,000	\$ 192,000	\$ 260,000	\$ 200,000	\$ 130,000	\$ 236,000	\$ 140,000	\$ 157,500	\$ 450,000	\$ 200,000	\$ 160,000	\$ 272,000	\$ 170,000	\$ 266,000	\$ 281,000	\$ 185,000	\$ 240,000	\$ 210,000	\$ 200,000	\$ 365,000	\$ 319,000	\$ 275,000	\$ 220,000	\$ 352,000		
General Services			\$ 31,000	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122	\$ 33,785	\$ 34,461	\$ 35,150	\$ 35,853	\$ 36,570	\$ 37,301	\$ 38,047	\$ 38,808	\$ 39,584	\$ 40,378	\$ 41,184	\$ 42,007	\$ 42,847	\$ 43,704	\$ 44,578	\$ 45,470	\$ 46,379	\$ 47,307	\$ 48,253	\$ 49,218	\$ 50,203		
Computer Hardware																														
Pickup Truck	TBD (2019)		\$ 31,000	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122	\$ 33,785	\$ 34,461	\$ 35,150	\$ 35,853	\$ 36,570	\$ 37,301	\$ 38,047	\$ 38,808	\$ 39,584	\$ 40,378	\$ 41,184	\$ 42,007	\$ 42,847	\$ 43,704	\$ 44,578	\$ 45,470	\$ 46,379	\$ 47,307	\$ 48,253	\$ 49,218	\$ 50,203		
Police					\$ 32,000														\$ 41,000										\$ 64,000	
ACC	GMC (2010)	Canyon Trailblazer		\$ 40,000																										
D-1	Chevrolet (2009)	Tahoe																												
D-2	Command Vehicle (2010)																													
P-1	Ford (2017)	Explorer			\$ 52,540					\$ 58,000					\$ 64,046						\$ 70,712								\$ 76,072	
P-2	Ford (2017)	Taurus			\$ 53,591					\$ 59,169					\$ 65,327						\$ 72,126								\$ 79,633	
P-3	Ford (2017)	Taurus			\$ 52,540					\$ 58,000					\$ 64,046						\$ 70,712								\$ 76,072	
P-4	Patrol Car (2010)	TBD					\$ 54,863					\$ 60,352																\$ 61,226		
P-5	Patrol Car (2019)	TBD					\$ 54,083					\$ 60,352																\$ 61,226		
P-6	Ford (2016)	Explorer		\$ 51,510						\$ 56,871					\$ 62,760						\$ 69,326								\$ 76,541	
P-7	Ford (2017)	Explorer								\$ 55,591					\$ 61,169						\$ 67,968								\$ 74,899	
P-8	Ford (2014)	Police Interceptor						\$ 55,756							\$ 61,559						\$ 68,488								\$ 75,544	
S-1	Ford (2014)	Police Interceptor						\$ 55,756							\$ 61,559						\$ 68,488								\$ 75,544	
S-2	Ford (2014)	Police Interceptor						\$ 55,756							\$ 61,559						\$ 68,488								\$ 75,544	
Guns/Holsters (35)	(2011)														\$ 42,000															
Patrol Officer Ballistic Vests	(2018)					\$ 13,200						\$ 14,520									\$ 15,972								\$ 17,560	
Tactical Ballistic Vests	(2015)					\$ 13,200						\$ 14,520									\$ 15,972								\$ 17,560	
Radio	(2014)					\$ 122,000															\$ 149,000								\$ 161,000	
Server	(2016)					\$ 15,000							\$ 17,000								\$ 18,000								\$ 20,000	
Eventido Dispatch Recorder															\$ 29,000														\$ 36,000	
Booking Fingerprint Scanner	(2006)																													
			\$ 173,000	\$ 91,510	\$ 137,080	\$ 120,382	\$ 259,528	\$ 111,512	\$ 58,871	\$ 159,537	\$ 118,338	\$ 137,704	\$ 137,838	\$ 104,790	\$ 126,062	\$ 197,626	\$ 203,267	\$ 210,905	\$ 69,326	\$ 290,424	\$ 197,822	\$ 147,138	\$ 167,850	\$ 96,541	\$ 206,544	\$ 178,593	\$ 182,452	\$ 452,027		
Public Works			\$ 45,600							\$ 57,000																			\$ 75,000	
HD-2	Chevrolet (2013)	Silverado Pickup Truck																												
HD-3	Dump Truck (2019)																													
HD-4	International (2017)	7400 Dump Truck																												
HD-5	Pickup (2019)																													
HD-6	Deere (2009)	772D Grader			\$ 240,000																									
HD-7	International (2018)	7600 SFA 6x4																												
HD-8	International (2012)	7400 Dump Truck						\$ 265,000																					\$ 304,000	
HD-9	International (2012)	7400 Dump Truck																												
HD-10	Dodge (2018)	Ram 5500																												
HD-11	International (2013)	7400 Dump Truck					\$ 186,000																							
HD-12	International (2010)	7400 Dump Truck																												
HD-14	Chevrolet (2013)	Silverado Pickup Truck					\$ 44,000																							
HD-15	International (1993)	4900 Cab & Chassis					\$ 150,000																							
HD-15A	VersaVac (2000)	1000PDS					\$ 142,000																							
HD-17	TBD (2016)	Compact Excavator																												
HD-18	J Deere (2001)	310SG Backhoe Loader																												

**TOWN OF BRATTLEBORO
FIRE TRUCK REPLACEMENT PLAN**

			All Years	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Engine 1	Simon	Duplex Engine	\$ 817,000																			\$ 817,000					
Engine 2	Pierce	Pumper	\$ 802,000																	\$ 802,000							
Engine 3	Pierce	Engine	\$ 632,000							\$ 632,000																	
Engine 4	Pierce	Saber Pumper	\$ 698,000												\$ 698,000												
Ladder 1	Pierce	Pierce Enforcer 107'	\$ 1,556,000																							\$ 1,556,000	
Annual Interest	3.0%	Total	\$ 4,505,000							\$ 632,000	\$ -	\$ -	\$ -	\$ -	\$ 698,000	\$ -	\$ -	\$ -	\$ -	\$ 802,000	\$ -	\$ -	\$ 817,000	\$ -	\$ -	\$ -	\$ 1,556,000
		Annual Contribution		\$ 110,000	\$ 115,000	\$ 120,000	\$ 125,000	\$ 130,000	\$ 135,000	\$ 140,000	\$ 145,000	\$ 150,000	\$ 155,000	\$ 160,000	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 195,000	\$ 200,000	\$ 205,000	\$ 210,000	\$ 215,000	\$ 220,000	\$ 225,000
		Running Balance		\$ 110,000	\$ 228,300	\$ 355,149	\$ 490,803	\$ 635,528	\$ 789,593	\$ 951,281	\$ 1,120,920	\$ 1,298,197	\$ 1,482,403	\$ 1,673,835	\$ 1,872,800	\$ 2,079,874	\$ 2,294,495	\$ 2,517,177	\$ 2,747,549	\$ 2,985,244	\$ 3,230,009	\$ 3,481,699	\$ 3,740,188	\$ 4,006,261	\$ 4,279,724	\$ 4,560,384	\$ 4,848,049
		Annual Interest		\$ 3,300	\$ 6,849	\$ 10,654	\$ 14,724	\$ 19,066	\$ 23,688	\$ 28,500	\$ 33,612	\$ 39,034	\$ 44,776	\$ 50,848	\$ 57,260	\$ 64,022	\$ 71,144	\$ 78,626	\$ 86,468	\$ 94,680	\$ 103,262	\$ 112,224	\$ 121,566	\$ 131,298	\$ 141,430	\$ 151,962	\$ 162,894

Town of Brattleboro Capital Project Plan (2020-2024)

		FY 2020	FY 2021	FY 2022	FY 2023	FY2024
20 - GENERAL SERVICES						
	Museum and Art Center					
	ADA Improvements	\$ 250,000				
	General Services Totals	\$ 250,000	\$ -	\$ -	\$ -	\$ -
28 - LIBRARY						
Land/Buildings	Brooks Memorial Library					
	Fascia soffit Trim	\$ 55,000				
	Window Replacement Children's Room	\$ 25,000				
	Window replacement (phase 2)		\$ 25,000			
	Library Totals	\$ 80,000	\$ 25,000	\$ -	\$ -	\$ -
60 - DPW HIGHWAY PROJECTS						
Land/Buildings	DPW FACILITY IMPROVEMENTS					
	DPW SALT SHED		\$ 200,000			
	DPW BUILDING UPGRADE				\$ 2,000,000	
	DPW MAINTENANCE BUILDING			\$ 200,000		
Infrastructure	STREETS					
	STREET PAVING AND IMPROVEMENTS	\$ 300,000	\$ 350,000	\$ 400,000	\$ 400,000	\$ 400,000
	INTERSECTION IMPROVEMENTS					
	WILLIAMS STREET INTERSECTION			\$ 350,000		
	GREEN & HIGH INTERSECTION			\$ 20,000	\$ 200,000	
	MAPLE & FAIRVIEW INTERSECTION				\$ 30,000	\$ 300,000
	CANAL & MAPLE STREET INTERSECTION					\$ 40,000
	BRIDGES					
	AKLEY ROAD BRIDGE			\$ 250,000		
	BONNYVALE ROAD BRIDGE				\$ 200,000	
	BRIDGE BY JEWETT PLUMBING					\$ 1,000,000
	RETAINING WALLS					
	UNION HILL RETAINING WALL					\$ 300,000
	DRAINAGE					
	MAIN STREET DRAINAGE ENG. & DESIGN				\$ 100,000	
	SIDEWALK					
	SIDEWALK REPAIR AND REPLACEMENT	\$ 70,000	\$ 80,000	\$ 90,000	\$ 100,000	\$ 100,000
	DPW Highway Subtotals	\$ 370,000	\$ 630,000	\$ 1,310,000	\$ 3,030,000	\$ 2,140,000
70 - RECREATION & PARKS DEPARTMENT						
Land/Buildings	Skating Rink					
	Rink Roof Replacement			\$ 500,000		
	Dehumidifier		\$ 50,000			
	80 HP Compressor Rebuild				\$ 10,000	
	100 HP Compressor Rebuild			\$ 10,000		
	Memorial Park					
	Maintenance Building		\$ 125,000			
	Paving (Phase 1)				\$ 30,000	
	Paving (Phase 2)					\$ 30,000
	Utilities/Sewer Upgrade				\$ 30,000	
	Upper Field Lighting					\$ 75,000
	Gibson Alken Center					
	LULA (Modernization Upgrade)		\$ 75,000			
	Upgrade Fire Alarm Panel & Smoke Alarm			\$ 35,000		
	Pellet Boiler					\$ 365,000
	Generator				\$ 75,000	
	Pool					
	Pool Renovations Phase 2 (Deck Replacement & Boiler)	\$ 100,000				
	Pool Renovations Phase 3 (Renovate Bathhouse)		\$ 340,000			
	Pool Renovations Phase 4 (Pump House Equipment)			\$ 75,000		
	Pool Renovations Phase 5 (Wading Pool)				\$ 100,000	
	Recreation & Parks Department - Totals	\$ 100,000	\$ 590,000	\$ 620,000	\$ 245,000	\$ 470,000
	General Fund Subtotal	\$ 800,000	\$ 1,245,000	\$ 1,930,000	\$ 3,275,000	\$ 2,610,000

TOWN OF BRATTLEBORO

Town Manager's Office · 230 Main Street · Brattleboro, VT 05301
(802) 251-8151 Fax (802) 257-2322

November 15, 2018

Memo To: Brattleboro Selectboard
Via: Peter B. Elwell, Town Manager
Memo From: Patrick Moreland, Assistant Town Manager
Memo Re: Local Option Sales Tax

The Local Option Sales Tax was discussed at the November 13, 2018 special Selectboard meeting. Staff was asked to gather materials for a formal discussion scheduled for November 27, 2018. After a preliminary review of the relevant issues associated with this decision, staff would like confirm with the Selectboard that the following list is complete.

- A detailed description of the statutory framework of the Local Option Tax for Vermont municipalities.
- A detailed outline of the sequence of steps that the Town must take in order to implement a Local Option Sales Tax.
- A complete history of previous Town to consideration of the Local Option Sales Tax.
- An estimate of revenue to be raised and a detailed explanation of how the figure was calculated.
- A detailed description of items exempt from sales tax.

Staff will compile backup materials for the November 27, 2018 discussion that will include the above topics and any other topic or questions raised by the Board on November 20, 2018.