



TOWN OF TYNGSBOROUGH
Capital Asset Management Committee
25 Bryants Lane
Tyngsborough, MA 01879
Tel: 978 649-2300 Ext. 100 Fax: 978 649-2320

Supplemental Covid-19 Response
Capital Improvement Plan
FY2021 through FY2025

The Capital Asset Management Committee submitted their FY21 Capital Improvement Plan to the Board of Selectmen on April 6th, 2020. At that point in time there was not enough consensus built around available data to suggest the length or severity of these unprecedented closures we have seen Statewide and Globally over the past 2 months. In response to the uncertainty created by the ongoing Covid-19 Pandemic, the Capital Asset Management Committee expressed interest in gathering for an additional meeting to review the FY21 CIP given these new circumstances and shifting financial outlooks.

On Wednesday, May 20th, 2020, the CAMC met to review three potential funding scenarios for the FY21 CIP. The CAMC consulted with Town Accountant Kara McSwiggin, who outlined the existing funding structure and provided insight into additional funding options. Given this input, each scenario would rely exclusively on borrowing. This was determined to be the best funding source for several reasons, among them 1) Interest Rates are at a historic low, 2) Borrowing would give the town financial flexibility by preserving “free cash”, 3) Given the uncertainty of the economic impact of the Covid-19 Crisis, borrowing would allow the town to spread payments out over 5 years – allowing more time to review the Town’s financial situation as revenue outlooks and other financial data accumulates over the next year.

Beyond the shift to borrowing, all 3 Scenarios would result in a reduction of the overall FY CIP ranging from minimal to significant:

Scenario 1: Reduce recommended plan to \$697,728 by shifting \$5,000 in funding for the Memorial Cemetery Fence to the Perpetual Care Account.

Scenario 2: Reduce recommended plan to \$627,334 by making changes recommended in Scenario 1 as well as postponing the following - \$15,000 in Town

Hall Maintenance, \$11,504 for Police Cruiser Radios, and \$44,000 for Phase 2 of the TES Phone and Alarm System.

Scenario 3: Reduce recommended plan to \$439,368 by making changes recommended in Scenario 1 and 2, as well as postponing the purchase of the \$187,966 Six Wheel Plow for the Highway Department.

As expressed in previous meetings, the FY21 CIP approved on April 6th incorporated 15 projects of 19 that were submitted. Each approved expense was extensively reviewed and deemed to be a necessary expense. Despite changes to financial outlooks, the committee stands by their initial assessment that all proposed projects are needs that cannot be waved or postponed. While the thought of “postponing to next year” for some projects certainly seemed appealing, the Committee was conscious of the fact that the financial outlook for next year may not be significantly better – or potentially worse. Postponing these projects would only postpone the financial burden to FY22 – a year that already has a significant amount of projects and subsequent expenses listed as part of our 5 year plan. With this reasoning in mind, the committee voted unanimously to support Scenario 1. An amended version of the FY21 CIP table can be found on page 5 below.

Respectfully Submitted on behalf of the Capital Asset Management Committee,

Justin Sultzbach
Assistant Town Administrator



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Original Capital Improvement Plan
FY2021 through FY2025

The FY21 Capital Asset Management Committee (CAMC) membership consists of:

Burton Buchman, Finance Committee
Robert Mullin, School Committee
Anthony Tinnirella, School Committee
Ron Keohane, Board of Selectmen
Richard Reault, Board of Selectmen

Justin Sultzbach, Assistant Town Administrator, acts as coordinator for the committee. Kara McSwiggin, Town Accountant, serves as an ad-hoc member. Departments are asked to submit their requests for Capital Improvement Projects by the first week in January on an annual basis. The Assistant Town Administrator meets with Department Heads in advance to assist in the prioritization of needs, then reviews and packages the Capital Requests for thorough review by the CAMC.

The FY21 plan included 19 requests that required a total of \$1,151,307 in funding. While available funds are always a significant factor in prioritizing needs, the Committee also reviewed requests using the Criteria Ranking System, an exercise designed to rank projects based on merit. The Committee also reviewed its Borrowing Capacity over the next 15 years. This tool allows for financial flexibility through responsible borrowing plans. This approach helps level out the inevitable budgetary peaks and valleys caused by varying needs from one year to the next.

The CAMC also committed to meeting throughout the year on an as-needed basis to provide input on larger scale capital building projects as they occur in town. While resources were limited, the CAMC worked to fund as many requests as possible. This was accomplished in part by tightening project scopes, soliciting additional quotes, and the selective phasing in of projects. Ultimately, 15 requests were funded totaling in \$702,728. The complete FY21 Capital Improvement Plan received unanimous support from the CAMC and is attached to this document.

The Capital Asset Management Committee concluded its business on April 6th, 2020 by a vote at a joint meeting with the Board of Selectmen.

Meeting Dates: January 28th, 2020
 February 11th, 2020
 February 25th, 2020
 March 11th, 2020
 April 6th, 2020 (Joint with Board of Selectmen)

The Committee reviewed the Town’s existing debt schedule, available free cash, revolving funds, enterprise funds and other funds available for capital purchases. A summary of these figures can be found in Table 1.

TABLE 1

Source	FY'20	CHANGE+/-	FY'21*	% of Operating
Stabilization	\$2,083,288	\$188,000	\$2,271,288	5.44%
Capital Asset Stabilization	\$599,123	\$107,000	\$706,123	1.69%
Compensated Absences	\$161,351	\$5,000	\$166,351	0.40%
Debt & Debt Assessment	\$0	\$0	\$0	0.00%
Billboard Stabilization	\$20,000	\$0	\$20,000	.05%
Special-Ed Stabilization	\$29,188	\$50,000	\$79,188	0.19%
			\$3,242,950	7.76%
			Certified Free Cash	\$1,455,560

**These figures have not been finalized and are subject to change*

APPLICABLE PROJECTS

The Capital Asset Management Committee typically only votes on Capital Projects that are funded through free cash or general borrowing in the operating budget. Projects funded through Sewer Commission, PEG Media Account, or Community Preservation Commission are typically brought forward to the Board of Selectmen by their respective Boards and the Selectmen decide to add them to the warrant for Town Meeting consideration. The CAMC focuses on general departmental Capital Requests.

FUNDING SOURCES

The CAMC makes the following recommendations regarding all submissions made for the FY21 Annual Town Meeting held on May 19th, 2020. All requests listed are proposed to be funded through a combination of the following funding sources:

- Free Cash \$502,728
- 5 Year Borrowing - \$200,000
- \$697,728**

For a Total of: \$702,728 ~~\$697,728~~

**ANNUAL TOWN MEETING
 FY21 CAPITAL PROJECTS**

ITEM #	DEPARTMENT	PROJECT	NOT TO EXCEED	EXPENDED BY
1	BoS/TA	Building Maintenance	\$75,000	Board of Selectmen
2	Cemetery	Memorial Cemetery Fence	\$14,890 \$9,890	Board of Selectmen
3	Engineer	Westford Rd Culvert	\$75,000	Board of Selectmen
4	Fire	Station Building Maintenance	\$13,500	Board of Selectmen
5	Fire	Station Exhaust System	\$27,778	Board of Selectmen
6	Highway	1 Ton Dump Truck	\$63,386	Board of Selectmen
7	Highway	6-wh DT w/Plow & Sander Replacement	\$187,966	Board of Selectmen
8	Highway	Hot Box Trailer	\$44,500	Board of Selectmen
9	IT	Electric Car Chargers	\$10,000	Board of Selectmen
10	IT	Server Storage	\$43,690	Board of Selectmen
11	Police	Cruiser Radios	\$11,504	Board of Selectmen
12	Police	Handgun Replacement	\$23,348	Board of Selectmen
13	Police	Patrol Rifles	\$12,166	Board of Selectmen
14	Schools	TES Phone System (Phase 2)	\$200,000	School Committee
15	Schools	TES Roof (Phase 2)	\$56,000	School Committee
			\$702,728 \$697,728	TOTAL

FY21 SEWER PROJECTS*

ITEM #	DEPARTMENT	PROJECT	NOT TO EXCEED	EXPENDED BY
1	Sewer	Pump Grinder	\$21,000	Sewer Enterprise Fund
2	Sewer	Pump Replacement	\$59,850	Sewer Enterprise Fund
3	Sewer	Future Sewer Design	\$150,000	Sewer Enterprise Fund
4	Sewer	I&I Repair	\$200,000	Sewer Enterprise Fund
			\$430,850	TOTAL

**These projects are funded through the Sewer Enterprise Fund*

Original Document