



Town of Hudson

MASSACHUSETTS 01749-2134

To: Select Board
Finance Committee

From: Thomas Gregory

Date: January 23, 2023

Re: FY2024 Capital Program Recommendations

The purpose of the memorandum is to provide the Select Board and Finance Committee with information specific to the capital funding recommendations for FY2024. In my December 19, 2022 budget filing with the Select Board, I presented all of the capital requests submitted by the departments advising that I would have a funding recommendation prepared for the January 23, 2023 Select Board meeting. The full list of capital items recommended for funding can be viewed in Appendix A to this memorandum.

To assist me in evaluating the requests, I asked Gita Patel, Kristina Johnson, and Fernanda Santos to rank each of the requests using a weighted ranking method that was developed by my predecessor and used since 2015. Each of the capital requests was evaluated based on ten (10) criteria such as effect on public health and safety, external funding available, and payback. Each criterion has a total possible score of five (5) and there is a weighting factor which gives more emphasis to some of the criteria. Appendix B shows the rating scorecard as well as the how point totals are calculated for each criterion. Once I received the rankings from each of the reviewers, I aggregated the individual scores to arrive at a final score for each capital request. This can be viewed in Appendix C.

There are multiple funding sources for the recommended FY2024 capital program: Free Cash, which is the typical pay-as-you-go funding source for most General Fund capital acquisitions and projects each year – these requests are voted as a block at Town Meeting; and, capital outlay appropriations within the respective enterprise funds. The funding summary is shown below:

Free Cash	\$1,765,258
Water Enterprise	\$90,000
Sewer Enterprise	\$45,000
Stormwater Enterprise	\$53,000
TOTAL	\$1,953,258

I note that Free Cash for FY2022 has not yet been certified and available for appropriation. I expect this will occur in March once the FY2022 balance sheet is finalized and submitted to the Department of Revenue (DOR). The total Free Cash figure identified to fund FY2024 capital expenditures is a little higher than amounts identified in recent years as I expect that Free Cash will be certified well north of \$4M. In addition to funding capital projects, I also anticipate there will be Free Cash available to fund a significant appropriation into the OPEB trust fund.

I also note that there are no borrowing authorizations being recommended this spring. General Fund borrowing authorizations approved at the prior two Town Meetings total \$2,687,000. Of that amount, \$1,122,000 was authorized to fund building renovations at Fire Headquarters. Station #1 improvements are next in line with an estimated cost (in 2023 dollars) of \$1,327,000. I want to be certain to reserve capacity within the levy to fund the debt service payments for both of these large capital projects.

The DPW capital requests recommended for funding include the annual \$300,000 Free Cash supplement to the Chapter 90 roadway improvement program as well as an environmental analysis and survey for a new DPW garage facility. Responding to specific feedback received at prior Town Meetings, I am recommending funding for the construction of an electric vehicle charging station and the acquisition of two (2) electric vehicles. One will be deployed in the DPW to replace an inspector's vehicle; and the other will be deployed in the Police Department to replace the School Resource Officer's vehicle. Additionally, new vehicles are being recommended for funding within the budgets for the water enterprise fund, sewer enterprise fund, and stormwater enterprise fund.

To continue the effort to ensure that IT infrastructure remains current and fully operational, I am recommending \$191,052 to fund needed upgrades including the server replacement at the police station and the replacement of the Town Hall UPS to ensure protection from input power interruptions. The remaining IT projects requested will be moved forward to priority status for funding in FY2025.

I am recommending that \$150,000 be appropriated to supplement \$288,772 in funds currently on account to be able to replace the HVAC systems in Town Hall. The existing systems are approximately (26) years old and have exceeded their expected useful life. This project had been put out to bid in 2017 with the low bid coming in at \$398,300 which was higher than the amount available to fund the project at that time. We are currently working with BLW Engineering to update the bid documents and expect to have bids in hand before the Annual Town Meeting in May. If the low bid is higher than the combined funds identified above, I anticipate recommending an amendment to this article at the Annual Town Meeting. This project will appear as a stand-alone article on the Warrant.

I am available to answer any questions relative to these funding recommendations.

APPENDIX A

FY2024 CAPITAL PROGRAM FUNDING RECOMMENDATIONS

Department	Request	Dept Priority	Requested Amount	Funding Recommendation	Funding Source
DPW	Roadway Resurfacing	1	\$300,000	\$300,000	Free Cash
	DPW Garage Ph. 1 Analysis & Survey	2	\$60,000	\$60,000	Free Cash
	Ford T-150 Van AWD (Facilities)	3	\$62,900	\$62,900	Free Cash
	Ford T-150 Van AWD (Facilities)	3	\$62,900	\$62,900	Free Cash
	DPW Computer Equipment	4	\$44,000	\$0	
	Ford F-150 (Stormwater)	5	\$53,000	\$53,000	Stormwater Enterprise
	Ford Ranger 4x4 (Sewer)	6	\$45,000	\$45,000	Sewer Enterprise
	Ford Ranger 4x4 (Water)	7	\$45,000	\$45,000	Water Enterprise
	Ford Ranger 4x4 (Water)	7	\$45,000	\$45,000	Water Enterprise
	EV Charging Infrastructure	8	\$30,000	\$30,000	Free Cash
	Ford F-150 Lighting (EV)	8	\$58,000	\$58,000	Free Cash
	Ford F-150 Lighting (EV)	8	\$58,000	\$0	
	Sidewalk Tractor	9	\$188,000	\$0	
FIRE	Utility Truck C-4 (Brush Truck)	1	\$165,000	\$165,000	Free Cash
	Pumper (Replace Engine #2)	2	\$850,000	\$0	
	Station #1 Structural Analysis	3	\$7,500	\$7,500	Free Cash
	UTV & Trailer	4	\$50,000	\$0	
IT	Police Storage & Server Replacement	1	\$154,562	\$154,562	Free Cash
	Fiber Transfer - 18 Double Poles	2	\$16,490	\$16,490	Free Cash
	UPS - Town Hall Server Room	3	\$20,000	\$20,000	Free Cash
LIBRARY	Integrated Telecommunication	1	\$9,406	\$9,406	Free Cash
POLICE	Police Cruisers (3)	1	\$206,000	\$206,000	Free Cash
	Police Headquarters Computer	2	\$98,000	\$0	
	Police Duty Pistols and Rifles	3	\$104,000	\$0	
	Ford Mustang EV (SRO)	4	\$64,500	\$64,500	Free Cash
PUBLIC HEALTH	Ford Explorer (Hybrid)	1	\$54,525	\$0	
SCHOOL DEPT	Farley - Replace Boilers	1	\$398,000	\$398,000	Free Cash
	Forest Avenue - Replace Boilers	2	\$352,000	\$0	
	District Plumbing	3	\$80,000	\$0	
TOWN HALL	Upgrade Town Hall HVAC System	1	\$150,000	\$150,000	Free Cash
TOTAL			\$3,831,783	\$1,953,258	

APPENDIX B

Project:
 Evaluator:



Criterion	Rating	Points	Weighting	Extension
Effect on Public Health & Safety	Improves slightly	3	3	9
Mandates	Not mandated, unlikely in future	1	3	3
Effect on Operating Costs	Saves some money	4	3	12
External Funding Available	No funding	0	2	0
Impact on Economic Development	No impact	1	2	2
Payback	Possible break even	2	2	4
Potential Support or Opposition	Strong Support	5	2	10
Breadth of Benefit	No public impact	1	2	2
Priority Given by Submitting Department	1st priority	5	1	5
Prerequisite	Could be a prerequisite	1	1	1
Total points				48

Effect on Public Health & Safety	
Does not improve	0
Improves slightly	3
Vastly improves	5
Mandates	
Not mandated, unlikely in future	1
Not mandated, but likely in future	3
Mandated now	5
Effect on Operating Costs	
Increases costs	0
No effect	1
Saves some money	4
Saves significantly	5
External Funding Available	
No funding	0
Potential funding	2
Certain partial funding	3
Certain full funding	5
Impact on Economic Development	
Negative impact	0
No impact	1
Potential impact	3
Certain impact	5
Payback	
Will never pay for itself	0
Less cost than alternatives	1
Possible break even	2
Long payback	3
Short payback	5
Potential Support or Opposition	
Strong Opposition	0
Mild opposition	2
Neutral	3
Mild Support	4
Strong Support	5
Breadth of Benefit	
No public impact	1
Less than 10% of population	2
10-50% of population	3
51-90% of population	4
100% of population	5
Priority Given by Submitting Department	
5th or higher priority	1

4th priority	2
3rd priority	3
2nd priority	4
1st priority	5

Prerequisite

Not a prerequisite	0
Could be a prerequisite	1
Prerequisite for potential need	4
Prerequisite for certain need	5

APPENDIX C

FY2024 Capital Rankings		
Department	Capital Request	TOTAL
DPW	Roadway Resurfacing	213
IT	Fiber Transfer - 18 Double Poles	191
TOWN HALL	Upgrade Town Hall HVAC System	188
SCHOOL DEPT	Farley - Replace Boilers	175
SCHOOL DEPT	Forest Avenue - Replace Boilers	171
POLICE	Police Storage & Server Replacement	161
POLICE	Police Cruisers (3)	161
POLICE	Police Headquarters Computer	159
DPW	EV Charging Infrastructure	155
POLICE	Police Duty Pistols and Rifles	153
FIRE	Utility Truck C-4 (Brush Truck)	147
PUBLIC HEALTH	Ford Explorer (Hybrid)	140
FIRE	Pumper (Replace Engine #2)	135
DPW	DPW Garage Ph. 1 Analysis & Survey	134
DPW	Ford F-150 (Stormwater)	133
DPW	Ford T-150 Van AWD (Facilities)	132
DPW	Ford F-150 Lighting (EV)	132
DPW	Ford F-150 Lighting (EV)	132
SCHOOL DEPT	District Plumbing	132
DPW	Ford T-150 Van AWD (Facilities)	131
LIBRARY	Integrated Telecommunication	131
FIRE	UTV & Trailer	130
DPE	Sidewalk Tractor	128
DPW	Ford Ranger 4x4 (Sewer)	127
POLICE	Ford Mustang EV (SRO)	126
DPW	Ford Ranger 4x4 (Water)	125
DPW	Ford Ranger 4x4 (Water)	125
IT	UPS - Town Hall Server Room	125
FIRE	Station #1 Structural Analysis	120
DPW	DPW Computer Equipment	100