

Executive Summary

The Critical Need for Capital Planning

A core responsibility of local government officials is the preservation, maintenance, and improvement of capital assets. Everything the Town does – from providing services to residents and businesses, to equipping employees to effectively perform their jobs – requires the existence of certain basic physical assets. These assets include items such as roads and intersections, water and sewer systems, parks, buildings, rolling stock, large equipment and technology. These items must be purchased, maintained and replaced on a timely basis or their usefulness in providing public services will diminish. The Town's five-year Capital Improvement Program and annual Capital Budget are developed to ensure adequate capital investment in these assets.

The Capital Improvement Plan (CIP) is primarily a planning document. It is updated annually, and is subject to change as the needs of the community become more defined. Used effectively, the capital improvement planning process can provide advance project identification, evaluation, scope definition, design, public discussion, cost estimating, and financial planning. Capital planning helps ensure that the community is positioned to:

- preserve and improve its basic infrastructure through construction, rehabilitation and maintenance;
- maximize the useful life of capital investments by scheduling major renovation, rehabilitation, or replacement at the appropriate time in the life-cycle of the facility or equipment;
- identify and examine current and future infrastructure needs and establish priorities among projects so that available resources are used to the community's best advantage; and
- improve financial planning by balancing needs and resources and identifying potential fiscal implications.

While much of the Town's budget and financial planning efforts are by necessity focused on one or at most two year intervals, capital planning helps to focus attention on the Town's long-term objectives and financial capacity, and the balance between operating and capital needs. The Town is often faced with the option of reducing its capital plan in order to balance the operating budget. Having a formal and accepted plan helps to maintain a consistent level of spending for capital needs, barring extraordinary circumstances. Individual projects are evaluated against long-term objectives and in relationship to each other. By strategically programming capital projects, the Town can maintain a tolerable level of debt service, and prevent sudden changes in debt service payments.

Needham's capital planning initiatives have contributed to the successful achievement and maintenance of its AAA bond rating from Standard and Poors. This bond rating places Needham in the top tier of communities (there are only a few dozen in Massachusetts) and allows the Town to borrow at a lower interest rate. In its December 3, 2009 bond rating report, Standard and Poor's notes: "Needham's experienced management focuses on long-range planning, which has resulted in a stable and sound financial position."

Sustainability and Stewardship

Despite the exceptional investment in public buildings during the past decade, significant investment in many capital facilities is still required and, in many cases, is long overdue. A similar picture can be painted of the Town's other capital assets, such as roads, bridges, sidewalks, and sewer, drain and water infrastructure. With growth in many fixed and other operating costs continuing to outpace available revenue, the Town's ability to sustain its operating and capital budgets remains challenging.

Capital projects funded through general fund cash capital tend to be the "bread and butter" of Town operations. In recent years, the recommended allocation for general fund cash capital has been pegged at the amount of free cash over and above the \$2 million that can be counted on annually to support the operating budget. As a result, however, spending on cash capital tends to fluctuate depending on the Town's certified free cash in any given year. The general fund cash capital recommendation is broken into two components – primary and secondary. Secondary cash capital is recommended only if additional revenue, not yet identified, becomes available.

Recurring requests for on-going programs and replacement schedules represent by far the largest portion of the available free cash allocation – 85% of the "primary" category for fiscal year 2011. As a result, in years of lower free cash, little revenue is available for new projects or enhancements. In the past, we have been able to supplement the primary cash capital recommendation with funds held in the Reserve Fund for snow and ice removal that was not needed. This was not the case in FY2009. The FY2011 recommended cash capital in the primary category - \$1,500,564 – is higher than that which was recommended and funded in FY2011 (based on the amount of certified free cash).

The Town's financial planning emphasizes sustainability (meeting the needs of the present without compromising the ability of future generations to meet their needs) and stewardship (the careful and responsible management of something entrusted to our care). As stewards, we have a responsibility to ensure adequate investment in our capital assets; yet the need for sustainability demands that we live within our means. The fiscal situation in the nation and in the Commonwealth is uncertain at best. At the same time, the recommended cash capital in the primary category is not sufficient to meet the Town's needs in fiscal year 2011, representing only 56% of the recommended investment.

The staff will continue work with the Finance Committee as well as the Board of Selectmen and School Committee over the coming years to identify strategies both to increase the available funding for cash capital, and to create a sustainable (non-fluctuating) funding source that can serve as the foundation for the five year allocation process.

Capital Improvement Policies

The Town's Capital Improvement Policies provide guidance for assessing the capital needs of the Town. These policies, included in Section 11, define capital projects as those items requiring the expenditure of at least \$25,000 and having a useful life of more than five years. Recommended capital project requests are prioritized using the following criteria:

- the project is required to comply with State and/or Federal handicapped accessibility standards;
- the project is necessary to protect the health and safety of residents or Town

employees; and

- the project is necessary to maintain an existing capital facility, or operation of equipment used in providing town services.

In addition to the criteria listed above, the Town has a long practice of funding the systematic replacement of obsolete or worn-out equipment, and those items requested for the improvement of operating efficiency and the equitable provision of services.

Financing Methods

The number of capital projects to be funded must be considered in the context of the total operating budget, capital budget needs, and revenue growth. Capital improvement projects are funded through current receipts, reserves, and/or other funds such as grants.

Current Receipts – Current receipts include property tax revenue, local receipts (such as fees and charges), and state aid. This plan includes no projects to be funded from current receipts.

Undesignated Fund Balance (or “Free Cash”) – Free Cash is a function of actual revenue collections in excess of estimates and expenditures less than appropriations. Because Free Cash cannot be relied upon as a recurring revenue source, it should not be relied upon as an operating revenue source. In this plan, we have continued the effort to minimize the Town’s reliance on free cash to support on-going operations by limiting such use to no more than \$2,000,000 annually, and using the balance to improve reserves, invest in capital assets, and support one-time or short-duration programs. As such, the Plan includes as much as \$2,662,949 to be funded from General Fund revenue (of which \$1,500,564 is in the primary cash capital category).

Capital Improvement Fund – In 2004, the Annual Town Meeting created a General Fund Cash Capital Equipment and Facility Improvement Fund (CIF). The purpose of the CIF is to allow the Town to reserve funds to use for general fund cash capital. The CIF may be used in future years to fund the acquisition of new equipment; the replacement of existing equipment; and building and facility improvements which cost less than \$250,000; for which the Town may borrow for a period of five years or more. Projects must be included in the CIP in order to be eligible for funding through the CIF. The November, 2009 balance in the fund is \$475,934. This plan includes no projects to be funded from the Capital Improvement Fund.

Capital Facility Stabilization Fund – In 2007, the Annual Town Meeting created a Capital Facility Fund to allow the Town to reserve funds for design, maintenance, renovation or reconstruction relating to the structural integrity, building envelope or MEP (mechanical, electrical, plumbing) systems of then existing capital facilities. For this purpose, capital facility refers to any building or structure which is located on Town property and is under the jurisdiction of the Town Manager, including any Town owned building, structure, room, or space within a building, facility, park or plaza, open space, driveway, landscaped area, or other physical improvements under the administrative control of the Town. The November, 2009 balance in the fund is \$629,924. This plan includes no projects to be funded from the Capital Facility Stabilization Fund.

Retained Earnings – Three of the Town’s operations – water, sewer, and solid waste – are accounted for as enterprise funds. The revenues and expenditures of these operations are not commingled with those generated by general fund operations. Generally, each enterprise will generate surplus funds on an annual basis. The Board of Selectmen’s retained earnings policies are included in Section 11. The policies contain reserve targets to ensure liquidity and stability

Town of Needham
Capital Improvement Plan
January 2010

of operations. Surplus funds above the target are considered available for appropriation. This plan includes \$3,076,400 in funding from the enterprise fund retained earnings accounts.

Debt – The Board of Selectmen’s debt management policies (Section 11) provide guidance in translating capital expenditures into annual debt service. Section 4 of this plan contains a graphic presentation of the Town’s current debt service and a calculation of the Town’s debt burden (annual debt service as a percent of total town revenues). The figures used in calculating the debt burden are derived from the Town’s long-term debt service schedule that is also included in Section 4. This plan includes a recommendation for \$7,316,000 in projects to be funded through debt.

Community Preservation Fund – The Community Preservation Act (CPA) allows cities and towns to raise monies through a surcharge on the tax levy. These funds may then be used to acquire, create and preserve open space; acquire and preserve historic resources; create, preserve and support community housing; and acquire, create and preserve land for recreational use. The CPA also provides for matching funds from the Commonwealth. The CPA was approved at the May, 2004 Annual Town Meeting and by voters at the November 2, 2004 election. The CPA mandates that each fiscal year Needham must spend, or set aside for later spending, at least 10% of the annual revenues in the Town of Needham Community Preservation Fund for each of three CPA target areas: open space (but not including land for recreational use), historic resources, and community housing. The remaining 70% may be appropriated at the Town’s discretion as long as it is used for the three target areas or recreation. The statute also permits the Town to appropriate up to 5% of the Fund for the administrative expenses of the Community Preservation Committee (CPC). Projects submitted for inclusion in the CIP that qualify for CPA funding are forwarded to the CPC for its consideration. This plan includes a recommendation for \$1,000,000 to be funded through the Community Preservation Fund.

The Recommended Capital Plan

The Town Charter requires that the Town Manager, after consultation with the Board of Selectmen, submit in writing to the Board of Selectmen a careful, detailed estimate of the recommended capital expenditures showing specifically the amount necessary to be provided for each office, department and activity and a statement of the amounts required to meet the debt service requirements or other indebtedness of the town. This plan includes the proposed FY2011 Capital Budget, which is recommended to the Finance Committee and ultimately Town Meeting for consideration. The projects presented for FY2012-FY2015 reflect an assessment by municipal departments and the School Committee of future capital needs and are primarily shown for planning purposes. While many of these projects may ultimately be recommended for funding, the plan is a fluid one, and projects may be added and deleted from the list as circumstances change. Projects recommended for funding in this plan have been reviewed in light of the core budget priorities adopted by the Board of Selectmen. The proposed financing plan for the recommended FY2011 capital budget is shown in the table below.

2011 Capital Recommendation Summary	Cash	Debt	Total
General Fund	2,662,949	3,250,000	5,912,949
Solid Waste Enterprise	235,000		235,000
Sewer Enterprise	1,376,000	4,066,000	5,442,000
Water Enterprise	1,465,400		1,465,400

Town of Needham
Capital Improvement Plan
January 2010

2011 Capital Recommendation Summary	Cash	Debt	Total
Community Preservation	1,000,000		1,000,000
Alternative Funding	280,523		280,523
Total (all funds)	7,019,872	7,316,000	14,335,872

Project Summaries – Recommended Projects

General Government

FINANCIAL APPLICATION HARDWARE REPLACEMENT (Request: \$150,000)

All of the Town's financial software is currently residing on an IBM A/S 400. All Town departments, including the Schools, have access to various modules within the application. The current piece of hardware maintains all the financial records of the Town dating back to 1993. Major applications include: General Ledger, Accounts Payable, Purchase and Inventory, Fixed Assets, Payroll, Taxes, and Water & Sewer Utilities. Hardware upgrades have typically been accomplished in a five year cycle. However, the purchase of this hardware was put off for several years pending an on-going evaluation of the Town's financial application hardware and software needs. Since a decision has not yet been made, this hardware must be replaced in order to ensure continuity of municipal operations. *(Submitted by: Finance Department)*

The Town Manager's recommendation for AS400 Replacement is \$150,000 in the primary cash capital category.

NETWORK SERVERS & SWITCHES (Request: \$30,000)

This project will fund the replacement of network switches that are used to connect buildings, departments, and workstations throughout the Town. With advances in new technology, older switches are replaced to allow for faster and more efficient communications, and older application servers will be updated with newer, faster and more energy-efficient models. *(Submitted by: Finance Department)*

The Town Manager's recommendation for Servers & Switches is \$30,000 in the primary cash capital category.

MICROSOFT OFFICE 2007 UPGRADE (Request: \$60,000)

Every eighteen to twenty-four months Microsoft produces an upgrade to its popular Microsoft Office suite of products. Microsoft's recent version of the Office Suite is known as Office 2007. In the past, the ITC has purchased Microsoft Office licenses on an as needed basis. At this point in time throughout the approximately 240 workstations and laptops there is a mixture of Microsoft Office XP and Office 2003. This has never been a problem due to the fact that the Office products in the past have been backwards compatible. That is not the case with Office 2007. The ITC is experiencing a greater number of problems with user files not being compatible with the current versions of Microsoft Office. This request would be an effort by the ITC to upgrade licensing and install Microsoft Office 2007 on all Town workstations and laptops. *(Submitted by: Finance Department)*

The Town Manager's recommendation for Windows 2007 Upgrade is \$60,000 in the secondary cash capital category.

Public Safety

PUBLIC SAFETY COMMUNICATION SYSTEM/HANDHELD RADIOS (Request: \$68,000)



This project will fund replacement of the portable radios that each police officer and some civilian staff carry. The current radios (Motorola HT1000 model) were purchased in 2000 and have a ten year life expectancy. The proposed portable radios are Motorola XTS1500. These portable radios are the basic communications tool for officers in the field and allow for ongoing exchange of public safety information between employees of the police department, police dispatch, other public safety departments, and outside agencies. *(Submitted by: Police Department)*

The Town Manager's recommendation for Handheld Radios is \$68,000 in the primary cash capital category.

C-43 FIRE INSPECTOR VEHICLE (Request: \$30,000)

This request is to replace a 2002 Ford sedan used daily by one of the Inspectors in the Fire Prevention Division. Currently, the car has over 87,000 miles of service, and at the time of replacement mileage is estimated to be 100,000. Although the car is used primarily for non-emergency services, it does respond to certain emergency calls and all fires. At the time of requested replacement, this vehicle will be two years beyond scheduled replacement, and will be 9 years old. *(Submitted by: Fire Department)*

The Town Manager's recommendation for C-43 Inspection Vehicle is \$30,000 in the primary cash capital category.

Public Schools

SCHOOL COPIER REPLACEMENT (Request: \$51,700)

School photocopiers are located in all of the schools and the administration building, and are used both by administrative and teaching staff. Teachers use the machines to reproduce classroom materials, including homework sheets, exams, teaching packets, etc. Currently, the School Department owns 57 copiers and 7 RISO copy machines. A total of five copiers are planned for replacement in FY2011: 2 copiers at the High School, one copier at the Mitchell School, one copier at the Pollard School, and one copier at the Eliot School. *(Submitted by: Needham Public Schools)*

The Town Manager's recommendation for School Copier Replacement is \$51,700 in the primary cash capital category.

SCHOOL TECHNOLOGY REPLACEMENT (Request: \$259,800)

This request will fund the replacement of eight network servers. The servers are critical to the continuous use of the district's information systems. Although some of their systems are web based, the in-house systems require a replacement cycle of three years, the length of the maintenance contract. As critical servers are replaced, they are delegated to a less critical function and kept in the inventory for approximately six years. This request also includes 133 administrative and teacher computers that have reached end-of-life cycle (7-8 years) or are not repairable. The requests are building-based, calculated on the inventory quantities that need to be retired and the continued use of information and instructional systems in the daily educational environment.

Another component of this request includes 60 laptop computers and 34 desktop computers for students at Newman, Hillside, Mitchell, and Pollard. These are replacements for units that have been in use for seven or more years. The laptop cart is for Newman, in anticipation of a FY2011 relocation. The netbooks are for Pollard, where the District will be piloting the use of inexpensive netbook computers. If the pilot is successful, they will be recommending that students provide their own netbooks in grades 8-12, thus impacting the future replacement cycles. Replacement printers are needed at Eliot and Broadmeadow in the main offices and at Pollard for the grade-level offices. *(Submitted by: Needham Public Schools)*

The Town Manager's recommendation for School Technology Replacement is \$259,800 in the primary cash capital category.

SCHOOL INSTRUMENT AND FURNITURE REPLACEMENT (Request: \$55,950)

Starting in FY2005 Town Meeting approved first year funding to replace furniture in school facilities not scheduled to undergo capital renovation/addition projects in the near future (Hillside, Mitchell, Newman and Pollard). In these schools, furniture is 10-20+ years old and in a state of disrepair after decades of heavy use. This request would provide on-going funding for regular replacement. The FY2011 request is for \$40,950 to continue replacement of furniture in "poor" condition at these schools.

In FY05, Town Meeting also began allocating funds toward a ten-year replacement cycle for school musical instruments. As a result, the Schools are beginning to see an improvement in the quality of musical instruments which its students are able to use. The School Fine and Performing Arts Department still maintains a good number of musical instruments, especially string instruments and upright pianos, which are 25+ years old that should be replaced or refurbished. Students do purchase more common, less expensive instruments, but a quality band and/or orchestra program should supply large, more expensive instruments to ensure balanced instrumentation. For FY2011, the School Department plans to replace the upright piano at Newman School, and an upright piano and cello at the High School.



The Town Manager's recommendation for School Instrument and Furniture Replacement is \$55,950 in the primary cash capital category.

MITCHELL/HILLSIDE ASSESSMENT (Request: \$50,000)

The School Department is requesting to re-purpose the \$50,000 appropriated in May 2009 for a technology infrastructure upgrade feasibility study, to become a more broad-based study that a) assesses the condition of the Hillside and Mitchell schools to help guide capital planning for maintenance/repair of these aging facilities, and b) conducts an assessment of upgrading the technology infrastructure at these two schools. The focus of the analysis is on needed repairs, life-safety improvements, and infrastructure upgrades minimally required to continue the educational program through to renovation. Both schools are two of the older schools in Needham and have not undergone major renovation. The two schools have individual building challenges and both are experiencing continued growth in their student populations. During the last several years, the School Department and Public Facilities Department have proposed capital requests and received funding to keep the schools functioning safely. *(Submitted by: Needham Public Schools)*

The Town Manager's recommendation for Mitchell/Hillside Assessment is \$50,000 funded through an alternative funding source.

MODULAR CLASSROOM/MITCHELL (Request: \$363,700)

Over the next five years, the School Department faces space constraints at the elementary level, particularly at Mitchell and Hillside schools. Based on Future School Needs Committee Projections for FY11-15, the District projects that the Mitchell School will need additional classrooms beginning in FY2011. In FY2010, temporary space has been cobbled together on the stage area until more permanent space can be obtained. This project would fund the installation of two classrooms at the Mitchell School. *(Submitted by: Needham Public Schools)*

The Town Manager's recommendation for Modular Classroom/Mitchell is \$363,700 to be funded through general fund debt.

MIDDLE SCHOOL CONDITION ASSESSMENT (Request: \$30,000)

This project will fund a condition assessment of the Pollard Middle School. The purpose of the assessment is to identify, quantify, and develop a timeline for improvements to the Pollard Middle School, for the purpose of undertaking needed repairs and contemplating improvements that will add functionality and extend the useful life of the school for the next generations of students. Additionally, the assessment will help guide future capital planning decisions. Several repair projects have been identified such as a roof replacement, parking and driveway improvements, auditorium upgrade, pedestrian access, science classroom upgrades, and a kitchen upgrade; this request would wrap all of those identified repairs into a condition analysis for Pollard. Funding for design of a consolidated project, if applicable, is included in the Capital Improvement Plan in the amount of \$400,000 in the extraordinary category, and is proposed for funding at a fall, 2010 Special Town Meeting. *(Submitted by: Needham Public Schools and Public facilities Department)*

The Town Manager's recommendation for Pollard Assessment is \$30,000 in the primary cash capital category, and \$400,000 to be funded by general fund debt in fall, 2010, if applicable.

Public Works

CORE FLEET (Request \$221,200)

The Core fleet consists of passenger vehicles such as sedans and wagons, vans, pick-up trucks, small dump trucks, and utility trucks. Unless circumstances require otherwise, the vehicles scheduled to be replaced in FY2011 include:

Unit	Division	Year	Description	Miles	Cost
#1	Admin.	2000	Sedan/Hybrid	70,000	\$32,500
#44	Engineering	2000	Sedan/Hybrid	98,400	\$32,500
#3	Garage	1997	Utility Body	16,200	\$55,500
#55	Highway	1996	One Ton Dump Truck	77,600	\$68,200
New	Engineering		Hybrid		\$32,500

(Submitted by: Department of Public Works)

The Town Manager's recommendation for Core Fleet Replacement is \$221,200 in the secondary cash capital category.

LARGE SPECIALTY EQUIPMENT (Request: \$223,500)

Public Works specialty equipment consists of power-assisted equipment or other specialized tools used by the Department in the performance of its work. This replacement vacuum type sweeper will replace an older, mechanical broom type 3-wheeled street sweeper.

Town of Needham
Capital Improvement Plan
January 2010

Unit	Division	Year	Description	Miles	Cost
#182	Highway	1987	Vacuum type Street Sweeper	30,200	\$223,500

(Submitted by: Department of Public Works)

The Town Manager's recommendation for a Vacuum sweeper is \$223,500 in the secondary cash capital category.

SMALL SPECIALTY EQUIPMENT (Request: \$92,500)

This program provides funding to purchase new and replace existing Public Works specialty equipment. This equipment is critical for the efficient operation of the Drains, Highway, and Parks and Forestry Division's maintenance programs. The purchase of this equipment will increase productivity and expand the use of maintenance dollars. Unless circumstances require otherwise, the vehicles scheduled to be replaced in FY2011 include:

Unit	Division	Year	Description	Miles/Hours	Cost
#350	Parks & Forestry	1976	Utility Tractor	2,484 hrs	\$44,000
#353	Parks & Forestry	1989	Riding Turf Sweeper	517 hrs	\$27,500
#335	Parks & Forestry	1999	Field Renovator	673 hrs	\$21,000

(Submitted by: Department of Public Works)

The Town Manager's recommendation for Small Specialty Equipment is \$92,500 in the secondary cash capital category.

SNOW AND ICE EQUIPMENT (Request: \$298,000)

This request will provide funding for equipment used primarily in the Snow and Ice Program. Unless circumstances require otherwise, the vehicles and equipment proposed for replacement in FY2011 are as follows:

Unit	Division	Year	Description	Miles/Hours	Cost
#10A	Highway	1989	Material Spreader	N/A	\$30,000
#108	Highway	1989	Sidewalk tractor (Wheel w/blower)	1,325 hrs	\$129,000
#206	Highway	1980	Snow Blower (Loader Mounted)	N/A	\$139,000

(Submitted by: Department of Public Works)

The Town Manager's recommendation for Snow & Ice Equipment is \$298,000 in the primary cash capital category.

EMERGENCY GENERATOR (Request: \$195,000)

This request is to purchase an Emergency generator to provide power to the new PSAB building in the event there is a power outage. Currently there is no back up power to the new building. This will provide power for the emergency operation center that has been designed into the building to continue to operate in the event there is a power outage. *(Submitted by: Department of Public Works)*

The Town Manager's recommendation for an Emergency Generator is \$195,000 to be funded through an alternative funding source.

BROOKS AND CULVERTS (Request: \$100,000)

Severe storms result in numerous complaints and subsequent investigations of the Town's brooks, streams and culverts. The DPW has developed a repair and maintenance program which is a combination of contracted work and use of Town forces to address the issue of flooded and poor draining brooks, streams, waterways and culverts throughout the Town. Lack of routine maintenance has caused the failure of retaining walls and a loss of soil behind the walls, allowing the brooks to become silted and overgrown with vegetation, impacting water flow levels. This has resulted in the loss of usable abutting property and flooded basements. The project will require a detailed investigation, a plan of recommended improvements, a design drawing and specifications, environmental permitting and bidding of construction services. This will return the waterways to a condition that will allow the DPW to maintain the brooks using its own forces. Funding for this program since FY06 has included cleaning of Hurd Brook and culverts, from Central Avenue to the Wellesley line and a portion of Alder Brook. Unless circumstances require otherwise, FY2011 funds are targeted for construction for Perry Gorge, and water quality improvements. *(Submitted by: Department of Public Works)*

The Town Manager's recommendation for Brooks and Culverts is \$100,000, of which \$25,000 is in the primary cash capital category and \$75,000 is in the secondary cash capital category.



KENDRICK STREET BRIDGE REPAIR (Request: \$850,000)

Surrounded on three sides by the Charles River, the Town jointly maintains a number of bridges with neighboring communities. The Massachusetts Bridge Inspection Program has identified a number of bridges that have some level of deficiency and has recommended repairs. This program is essential to improving the structural and/or surface integrity of all bridges throughout Needham. Recent reports from MASSDOT (Formerly MassHighway) indicate that the conditions of the Kendrick Street Bridge have been worsening, and the bridge is in immediate need of repair. Capital

Project costs will include surveying, engineering evaluation, design, and repair or reconstruction. Town Meeting funded the design of the bridge repair in May, 2009 in the amount of \$125,000. The cost of this project will be shared with the City of Newton. *(Submitted by: Department of Public Works)*

The Town Manager's recommendation for Kendrick Street Bridge Repair is \$850,000 to be funded through general fund debt.

ENERGY SUPPLY/NSTAR GAS LINE (Request: \$250,000)

The Town is planning for the future replacement of the existing oil heating systems that serve the DPW site. The current onsite oil burning heating systems are old, inefficient and expensive to maintain due to the frequent breakdowns. Construction is in progress on modernizing the Water Building's oil heating units to a propane fired system. In addition, plans are proposed to change out the Administration and Garage Building's oil burning heating system to a gas fired system as well.

This project will extend the existing Nstar gas main that is located in Green Street at the intersection of South Street to Dedham Avenue to the Dedham Ave DPW site. Extending the gas line will give the town the capability of operating natural gas emergency generators and building heating systems via gas line transmission. The end result will reduce delivery and fluctuating supply charges that are normally associated with propane gas and eliminate the need for fuel oil storage tanks at the DPW site. The existing fuel oil tank is a 24 year old single wall fiberglass tank and will require more frequent testing to confirm its integrity. The fuel oil tank is

known to be below the groundwater elevation. Removal of the tank before any soil or groundwater contamination occurs is a high priority. The existing boiler is original to the DPW building (circa 1960) and has been requiring significantly increased maintenance. Installing a modern energy efficient gas furnace will also reduce operating costs. *(Submitted by: Department of Public Works)*

The Town Manager's recommendation for Energy Supply/NSTAR Gas Line is \$250,000 in the secondary cash capital account.

STORM DRAIN QUALITY IMPROVEMENTS (Request: \$42,000)

The Town's Storm Water Master Plan was completed in 2002. Incorporated into this Storm Water Master Plan are improvements to the Storm Drainage System to upgrade the quality of the water discharged to the Charles River in Needham. This project will fund the engineering, design, and permitting for the water quality improvements at the DPW facility on Dedham Avenue.

(Submitted by: Department of Public Works)

The Town Manager's recommendation for Storm Drain Quality Improvements is \$42,000 in the secondary cash capital category.

ROADWAY IMPROVEMENTS (Request: \$1,236,300)

The roadway system throughout the community developed over the last century. Many miles of roadway, mainly residential, were developed after World War II. A combination of the aging of the earliest roads, the tremendous expansion of the road system, and the inability to provide adequate, ongoing maintenance and repair over the past 25 years has resulted in a decline in the overall condition of Needham's roads, bridges, sidewalks, and intersections. This program is essential to improving the structural and surface integrity of the Town's network of accepted streets. The primary strategy in this program is asphalt paving and incidental work directly associated with paving. Incidental work includes corner reconstruction, handicap ramps, leveling, structural overlays, utility adjustments, minor drainage improvements, some drain extension work, street sign replacement, asphalt curbing with grass shoulders and pavement markings. Many streets have insufficient pavement thickness, are poorly shaped, lack curbing and require some drain improvements. Applying this repair strategy in a timely manner will help defer costly and disruptive street reconstruction on all but the most highly traveled roadways. Paving roadways in a timely manner will extend the useful life of the roadway system in the most cost effective manner. This program also provides funding for reconstruction and repair of sidewalks, intersections, bridges, traffic signals, and storm drains.



The Town Manager's recommendation for Roadway Improvements is \$1,236,300 to be funded through the general fund debt.

Public Facilities - Undesignated

CORE FLEET (Request: \$65,046)

The Core fleet consists of passenger vehicles such as sedans and wagons, vans, pick-up trucks, small dump trucks, and utility trucks. Unless circumstances require otherwise, the vehicles scheduled to be replaced in FY2011 include:

Unit	Division	Year	Description	Miles	Cost
#701	Public Facilities	1998	E2520 Plumbers Trade Van	128,088	\$34,114
#709	Public Facilities	2002	F150 Pickup	135,940	\$30,932

(Submitted by: Public Facilities Department)

The Town Manager's recommendation for Core Fleet is \$65,046 of which \$34,114 is in the primary cash capital category and \$30,932 is in the secondary cash capital category.

SMALL SPECIALITY EQUIPMENT (Request: \$56,376)

The purchase of a John Deere Close Cab Mower/Blower for the Needham High School and the High Rock School will improve the Departments capacity for maintaining grounds and removing snow at these facilities. The new High Rock School has over 2,000 linear feet of sidewalk, with one day custodian and two night custodians to perform snow removal. This equipment will facilitate the removal of snow in a timely and efficient manner. The High School presently is being cleared of snow in the winter by a group of eleven (11) custodians and trades people. A John Deere Close Cab Mower/Blower will allow several of those trades currently being utilized for snow removal to perform their necessary duties. The addition of these units will improve the Department's ability to maintain the grass, sweep the parking lots and sidewalks and perform snow removal in the winter. *(Submitted by: Public Facilities Department)*



The Town Manager's recommendation for Small Specialty Equipment is \$56,376, with \$20,853 in the secondary cash capital category, and \$35,523 to be funded through an alternative funding source.

FACILITY MAINTENANCE PLAN (Request: \$400,000)

This project allows for on-going building maintenance efforts, including, but not limited to flooring, painting, ductwork cleaning, and window replacement. With respect to flooring, the program allows for the replacement of worn, damaged, unsafe, and unsightly floor surfaces. In addition, it provides for the removal of asbestos containing floor tile and allows for its replacement with vinyl composition floor tile in classrooms and carpeting in offices.

Unless circumstances require otherwise, FY2011 funding will provide abatement in the classrooms, hallways and office spaces at the Pollard School, and the Media Center at the Hillside School. Duct Cleaning will be performed at the Hillside and Broadmeadow elementary schools. Painting will be performed on an as needed basis to keep the buildings in a presentable condition. Funding from this article will also be used to enhance energy-efficiency and reduce energy consumption, such as replacing windows with dual pane glass where possible, installing infrared and motion sensors for lighting, insulating, and correcting envelope issues. This program will allow the Department to address building systems determined to be in need of rebuilding or replacement.

This project will also provide funding for the removal and replacement of a rooftop air-conditioning unit at the Police Station (estimated at \$48,000 and designated as Public Safety), and the removal and replacement of the existing roof at the Claxton Field Building (estimated at \$30,598 and designated as Community Services). *(Submitted by: Public Facilities Department)*

The Town Manager's recommendation for the Public Facilities Maintenance Plan is \$400,000 in the primary cash capital category (inclusive of the Police Station AC Unit and Claxton Roof).

Community Services

MEMORIAL PARK BLEACHERS (Request: \$43,000)

This project will fund the replacement of bleachers at Memorial Park. These bleachers are used by spectators at the newly renovated and heavily used Memorial Park multi-purpose field. The prior bleachers (948 vintage) were removed this year for safety reasons. (*Submitted by: Department of Public Works*)

The Town Manager's recommendation for Memorial Park Bleachers is \$43,000 in the primary cash capital category.

COLLECTION SUPPLEMENT (Request: \$25,000)

The Library's materials budget is inadequate for the current level of circulation. As a result of increased circulation patterns, a high level of demand is placed on the library's collection of various materials. The increased demand wears the items out at a faster rate than would normally be the case. The current materials budget is not sufficient to encompass any large-scale purchase of replacement materials. Since the new library opened in March of 2006, circulation has increased significantly. One-half of the requested funding will be used for children's materials. (*Submitted by: Needham Public Library*)

The Town Manager's recommendation for the Library Collections Supplement is \$25,000 in the primary cash capital category.

TECHNOLOGY REPLACEMENT (Request: \$42,800)

This funding will allow the library to replace computer workstations, servers, network printers, microfilm ready equipment, and networked multi-functional copiers in accordance with its technology replacement plan. (*Submitted by: Needham Public Library*)

The Town Manager's recommendation for Technology Replacement is \$42,800 in the secondary cash capital category.

ATHLETIC FACILITY IMPROVEMENTS/MILLS AND HIGH ROCK (Request: \$103,600)

Public Works and Park and Recreation have developed a maintenance plan for all fields, which includes new or total reconstruction, partial renovation, irrigation, drainage improvements, and equipment replacement or repair (e.g. bleachers, fences/backstops, player benches and miscellaneous equipment) for multi-use fields and ball diamonds.



Perimeter fencings and backstops for the Mills Field ball diamond are in need of replacement. The original installation dates back to 1959. Despite numerous repairs over the years, the present condition has reached a critical level and will require total replacement. Replacement would include new and updated backstops, complete perimeter fencing with gates, and efficiency improvements to the irrigation system.

The project also includes improvements to the drainage system at High Rock, which will enable the field to remain open more often. A drainage plan will be developed prior to construction, because the system is connected to existing catch basins. Other than fencing, this field was not part of the High

Rock School Renovation Project. *(Submitted by: Department of Public Works)*

The Town Manager's recommendation for Athletic Facility/Mills & High Rock is \$103,600 in the secondary cash capital category.

Solid Waste & Recycling Enterprise Fund

RTS CORE FLEET REPLACEMENT (Request: \$139,200)

The core fleet consists of passenger vehicles such as sedans and wagons, vans, pick-up trucks, small dump trucks and utility trucks. A ten year core fleet replacement schedule is included in this plan in Section 9. Unless circumstances require otherwise, the vehicles scheduled for replacement in FY2011 include:

<u>Unit</u>	<u>Division</u>	<u>Year</u>	<u>Description</u>	<u>Miles</u>	<u>Cost</u>
#5	RTS	1995	Six wheel dump truck	49,000	\$139,200

(Submitted by: Department of Public Works)

The Town Manager's recommendation for a Six Wheel Dump Truck is \$139,200 from RTS Enterprise Fund retained earnings.

LARGE SPECIALTY EQUIPMENT/GRIZZLY CRANE (Request: \$95,800)

In 1988 the Town acquired a knuckle-boom crane ("Grizzly"). This unit was used as the primary compaction device at the Transfer Station until January 1999, when the tipping floor was added during the Transfer Station Expansion Project. The knuckle-boom crane still serves as an integral part of the solid waste transfer process. It is primarily used for top dressing all loads prior to tarping and transportation. During this unit's 11 years of primary service, extensive repairs have been made to the unit due to excessive wear and tear. This proposal is for replacement of the knuckle-boom unit only. The electrical hydraulic power plant is not in need of replacement at this time.

<u>Unit</u>	<u>Division</u>	<u>Year</u>	<u>Description</u>	<u>Miles / Hours</u>	<u>Cost</u>
#144	RTS	1987	Stationary Compactor (Grizzly)	10,600 hours	\$95,800

(Submitted by: Department of Public Works)

The Town Manager's recommendation for a Grizzly Crane is \$95,800 from RTS Enterprise Fund retained earnings.

Sewer Enterprise Fund

SEWER CORE FLEET (Request: \$52,500)

The Core fleet consists of passenger vehicles such as sedans and wagons, vans, pick-up trucks, small dump trucks and utility trucks. The unit intended for replacement does not have a typical pickup bed on the back, instead it has a utility body with a tool compartment located on the outside of body and an open area in the middle to carry items such as ladders, shovels, etc. Unless circumstances require otherwise, the vehicle scheduled to be replaced in FY2011 is:

<u>Unit</u>	<u>Division</u>	<u>Year</u>	<u>Description</u>	<u>Miles</u>	<u>Cost</u>
#23	Sewer	1997	Ford F350 Utility Body	125,100	\$52,500

(Submitted by: Department of Public Works)

The Town Manager's recommendation for Sewer Core Fleet is \$52,500 in Sewer Enterprise Fund retained earnings.

LARGE SPECIALTY EQUIPMENT (Request: \$98,500)

Public Works specialty equipment consists of power-assisted equipment or other specialized tools used by the Department in the performance of its work. This project will provide funding to purchase a Sewer Rodder. This equipment is critical for the efficient operation of each division's maintenance programs. The Sewer Rodder is used to clean sewer and drain lines of debris and root intrusion which a hydraulic flushing truck cannot address. While on a jobsite, the engine continues to run either at idle or higher engine speed when the rodding machine is being used. The rear mounted rodding machine uses the truck engine to supply hydraulic power to the rodding machine hydraulic motors. Unless circumstances require otherwise, the equipment recommended to be replaced in FY2011 is as follows:



Unit	Division	Year	Description	Miles	Cost
#28/28A	Sewer	2001	Sewer Rodder	24,300	\$98,500

(Submitted by: Department of Public Works)

The Town Manager's recommendation for a Sewer Rodder is \$98,500 in Sewer Enterprise Fund retained earnings.

WATEWATER PUMP STATION RECONSTRUCTION (Request: \$5,066,000)

As part of the Wastewater System Master Plan, several of the wastewater pumping stations were evaluated to determine their current physical condition, capacity vs. current and future flow projections, and compliance with current codes or standards of operation. The Master Plan recommended that at least seven of the ten stations be upgraded. This project will fund the replacement of the Reservoir Street "B" Station (this is the 2nd oldest station in the system). Its standby generator has failed and pumps need constant maintenance.



The level of commercial activity in the New England Business Center will have a tremendous impact on the Kendrick Street and Reservoir Street "B" Stations. The Kendrick St. Station had been renovated to accommodate some of the initial redevelopment currently underway in the area tributary to this station. New enhancements to the wastewater system must now be contemplated in anticipation of the addition of 350 residential units at 300 Second Avenue and permitted redevelopment proposed for completion in the next few years. *(Submitted by:*

Department of Public Works)

The Town Manager's recommendation for Reservoir B Reconstruction is \$5,066,000, of which \$1,000,000 is in the primary cash capital category and \$4,066,000 is to be funded through Sewer Enterprise Fund debt.

SEWER SYSTEM INFILTRATION/INFLOW REMOVAL PROGRAM (Request: \$225,000)

The Town of Needham, along with numerous other communities, is under Administrative Order from the DEP to identify and remove Infiltration and Inflow (I/I) in existing sewer systems. Infiltration is defined as groundwater or storm water runoff that enters the system through deteriorated pipe or manhole structures. As a result of this order, I/I studies have been undertaken to determine the locations and volumes of I/I entering the sanitary sewer system. This analysis has identified, by flow measurement, the areas of the collection system which are contributing high volumes of I/I to the system. On the basis of volumes of flow and knowledge of local sewer system overflows or basement flooding, an order of priority has been established to determine the scheduling of the engineering, design and remediation work. The highest priorities relate to locations of known surcharging with sewage overflow or release or basement flooding. The remediation proceeds in stages starting with preliminary engineering, followed by rehabilitation design and concluding with rehabilitation construction. Project funding is intended for preliminary engineering for Area 16, design for Area 11 (Infiltration) and Area 19-1 (Inflow). *(Submitted by: Department of Public Works)*

The Town Manager's recommendation for Sewer Infiltration and Inflow is \$225,000 from Sewer Enterprise Fund retained earnings.

Water Enterprise Fund

CONSTRUCTION EQUIPMENT (Request: \$147,500)

This grouping consists of equipment primarily used in the heavy maintenance, construction, or reconstruction of the Town's infrastructure. The backhoe loader is used for main and service connection repairs or installations. This particular unit has more than 5,000 hours of service. Unless circumstances require otherwise, the equipment scheduled to be replaced in FY2011 include:

Unit	Division	Year	Description	Miles/Hours	Cost
#133	Water & Sewer	2001	Backhoe Loader	5,000 hours	\$147,500

(Submitted by: Department of Public Works)

The Town Manager's recommendation for a Backhoe Loader is \$147,500 from Water Enterprise Fund retained earnings.

WATER CORE FLEET REPLACEMENT (Request: \$88,500)

The Core Fleet consists of passenger vehicles such as sedans and wagons, vans, pick-up trucks, small dump trucks and utility trucks. Unless circumstances require otherwise, the vehicle(s) scheduled to be replaced in FY2011 include:

Unit	Division	Year	Description	Miles	Cost
#26	Water	2005	Pickup Truck	46,000	\$29,500
#27	Water	2005	Pickup Truck	69,200	\$29,500
#31	Water	2005	Pickup Truck	86,200	\$29,500

(Submitted by: Department of Public Works)

The Town Manager's recommendation for Core Fleet replacement is \$88,500 from Water Enterprise Fund retained earnings.

SMALL SPECIALTY EQUIPMENT (Request: \$12,600)

This program provides funding to purchase new and replace existing Public Works specialty equipment. This equipment is critical for the efficient operation of the Division's maintenance programs. The Water and Sewer Division remains on stand-by status 24 hours per day to respond to emergencies. Unless circumstances require otherwise, the equipment recommended to be replaced in FY2011 is as follows:

Unit	Division	Year	Description	Miles/Hours	Cost
#198	Water	1999	Mobile Light Tower	450 hours	\$12,600

(Submitted by: Department of Public Works)

The Town Manager's recommendation for a Light Tower is \$12,600 from Water Enterprise Fund retained earnings.

WATER SYSTEM FIRE FLOW IMPROVEMENTS/DESIGN (Request: \$313,500)

The Water System Master Plan has identified a category of improvements for high priority action. For FY2011, this includes improvements to St. Mary's Street Pump Station/Engineering & Design. This request is for the final design of renovations to the St. Mary Street Water Pump Station. This station is where the Town's supplementary water supply is pumped from the MWRA System. The project will involve the replacement of existing pumps and motors, the motor control center and other internal components, as well as building repairs. *(Submitted by: Department of Public Works)*

The Town Manager's recommendation for Fire Flow Improvements Design is \$313,500 from Water Enterprise Fund retained earnings.

WATER FIRE HYDRANT REPLACEMENT (Request: \$100,000)

The goal of the program is to remove and replace older and out-dated fire hydrants with new and more reliable fire hydrants within the community. There are approximately 90 unreliable fire hydrants remaining out of 217 initial hydrants that are out-dated. During the annual fall hydrant inspection, older fire hydrants have been determined to be potential freezing hazards due to their lack of ability to either properly drain or efficiently shut down. Barring unforeseen circumstances, it is anticipated that this program will be completed by the end of FY2011. *(Submitted by: Department of Public Works)*



The Town Manager's recommendation for Water Fire Hydrant Replacement is \$100,000 from Water Enterprise Fund retained earnings.

WATER SERVICE CONNECTIONS (Request: \$200,000)

The primary purpose of this program is to remove lead from the water distribution system by replacing older water service connections containing lead. The Town's water treatment process reduces the corrosivity of Needham's water to minimize the leaching of lead from the water pipes and house plumbing. However, only the removal of the lead sources will completely assure total compliance. The lead found in water service connections can be eliminated over time by replacing these connections. The DPW integrates this program with road repair and replacement initiatives – service connections are being replaced on streets that have been identified for road improvements. *(Submitted by: Department of Public Works)*

The Town Manager's recommendation for Water Service Connection is \$200,000 from Water Enterprise Fund retained earnings.

WATER SYSTEM REHABILITATION (Request: \$603,300)

The annual Water System Rehabilitation Program draws from the recommendations of the Water System Master Plan. This master plan recommends that pipes 85 years or older be considered for replacement or relining. This list of older pipes is evaluated and prioritized, and then cross-referenced with work proposed for other utilities, road repairs, or reconstruction. Unless circumstances require otherwise, projects for FY2011 include Garden Street (construction, engineering & design), Kimball Street/Grant Street to Pleasant Street and Lincoln Street/Garfield Street to Dedham Avenue (engineering & design). (*Submitted by: Department of Public Works*)

The Town Manager's recommendation for Water System Rehabilitation is \$603,300 from Water Enterprise Fund retained earnings.

NEW FACILITY FOR THE SENIOR CENTER/DESIGN (Request: \$400,000)

The Senior Center provides services that help older residents of Needham and their families maintain their health, independence, and ultimately optimal level of functioning. The existing Senior Center is located in a basement that has environmental issues. The parking is inadequate with a total of 29 spaces on and off the street, while the Center services 75 – 100 people per day. The facility has inadequate programming space, with no room for expansion, forcing programs to be held in inappropriate spaces. On occasion, programs requiring space for a significant number of people have been discontinued or relocated. The facility does not have appropriate office space, which limits productivity and confidentiality.

The Board of Selectmen created a Senior Center Exploratory Committee in 2008 to explore and make recommendations to the Board on the appropriate location, size and design, projected cost, and other matters related to the construction of a new senior center. The Senior Center Exploratory Committee conducted a Survey for a New Building for the Senior Center, conducted three public hearings, and made a recommendation to the Board of Selectmen for its consideration in December, 2009. The Permanent Public Building Committee is currently overseeing a feasibility study (for which the November 2, 2009 Special Town Meeting appropriated \$49,091). It is anticipated that a request will be made in November, 2010 in the amount of \$400,000 for the design of the new building once a site has been selected.

The Town Manager's recommendation for a new facility for the Senior Center is \$400,000 to be funded through General Fund Debt in November, 2010.

OPEN SPACE ACQUISITION (Request: \$1,000,000)



Without much notice, opportunities to purchase private land (either in fee or through easement) to add to the open space inventory surface on a yearly basis, particularly as discussions about development of land are on-going. The Open Space and Recreation Plan reflects the goal of making additional purchases, especially in areas of Town without current open space, or where access to other parcels can be achieved, including connections to the Charles River. The purchase of parcels adjacent to current open space is also a high priority. This request is a placeholder in the event a suitable parcel becomes available. (*Submitted by: Community Preservation Fund*)

The Town Manager's recommendation for the Purchase of Open Space is \$1,000,000 to be funded through an alternative funding source.