

# Town of Canton Capital Projects Study Group Presentation

**February 7, 2012**



# Introduction

- BOS/ BOE agreed to form a working group to collaboratively prioritize capital projects.
- The Capital Projects Study Group was formed to prioritize capital projects.
- Meetings have been held since May of 2011.
- Final Report developed with recommendation for prioritizing and funding of capital projects.

# Projects Under Consideration

Town Hall ADA  
Community Center Roof  
Pavement Management  
Powder Mill Rd – Site Line  
Collinsville Fire Station  
Mills Pond Pool  
Highway Garage  
High School Roof

High School Solar Panel  
Intermediate School Roof  
Intermediate School Solar Panels  
Cherry Brook School Roof  
High School Track Field  
High School Community Gym  
School ADA Improvements

# Project Selection Criteria

- Safety – Project is necessary to protect public health and safety or to reduce liability.
- Preserve Existing Assets – Project will substantially extend the life of an existing asset or preserve infrastructure.
- Funding – Project will be partially funded by leveraging other funding sources. This criterion is used to primarily to determine funding, not in evaluating actual priority.
- Service Delivery – Project will substantially improve the delivery of necessary services to the public.
- Financial Benefit – Project will reduce future expenditures or increase revenues.
- Conservation – Project will promote energy conservation and/or sustainability.
- Legal Mandates – Project will satisfy a legal or governmental mandate.
- Future Costs – Project requires substantial future operating or maintenance costs

# Methodology for Project Selection

| CAPITAL EXPENDITURE                              | COST              | Notes                                | SAFETY | PRESERVE / ASSET | OTHER FUNDING | SERVICE DELIVERY | FINANCIAL BENEFIT | CONSERVATION | LEGAL REQUIREMENT | FUTURE COSTS |
|--|-------------------|--------------------------------------|--------|------------------|---------------|------------------|-------------------|--------------|-------------------|--------------|
| <b>TIER ONE – BONDED PROJECTS</b>                |                   |                                      |        |                  |               |                  |                   |              |                   |              |
| Pavement Management                              | 7,500,000         | Includes CBS and CHS Parking Lots    | X      | X                |               | X                | X                 |              |                   |              |
| Four Roofs Project                               | 2,238,250         | CBS, CIS, CHS and Comm. Center Roofs | X      | X                | X             | X                |                   | X            |                   |              |
| <b>TIER TWO – BONDED PROJECTS</b>                |                   |                                      |        |                  |               |                  |                   |              |                   |              |
| Highway Garage                                   | 7,000,000         |                                      |        | X                |               | X                |                   |              |                   |              |
| High School Track Field                          | 1,200,000         | Additional million to be fundraised  |        |                  | X             | X                |                   |              |                   |              |
| <b>TOTAL RECOMMENDED TO BE BONDED</b>            | <b>17,938,250</b> |                                      |        |                  |               |                  |                   |              |                   |              |
| <b>TIER THREE - ADDITIONAL BONDABLE PROJECTS</b> |                   |                                      |        |                  |               |                  |                   |              |                   |              |
| Town Hall /School ADA                            | 2,203,000         |                                      |        |                  |               | x                |                   |              | X                 |              |
| Powder Mill Rd – Site Line                       | 750,000           |                                      | X      |                  |               |                  |                   |              |                   |              |
| <b>PROJECTS NOT BONDED</b>                       |                   |                                      |        |                  |               |                  |                   |              |                   |              |
| Collinsville Fire Station                        | 3,200,000         |                                      |        |                  |               |                  |                   |              |                   |              |
| Mills Pond Pool                                  | 590,000           |                                      |        | X                |               | X                |                   |              |                   |              |
| High School Solar Panel                          | 750,000           |                                      |        |                  | X             |                  | X                 | X            |                   |              |
| Intermediate School Solar Panel                  | 600,000           |                                      |        |                  | X             |                  | X                 | X            |                   |              |
| High School Community Gym                        | 650,000           |                                      |        |                  |               | X                |                   |              |                   |              |

# Review of Capitol Projects

## Tier One Projects

- Pavement Management
- Four Roofs Replacement Project

## Tier Two Projects

- Highway Garage
- High School Track & Field

## Tier Three Projects

- Town Hall / School ADA
- Powder Mill Road Site Line Improvements

# Review of Capitol Projects

## Tier One Projects

- Pavement Management
- Four Roofs Replacement Project

# Pavement Management

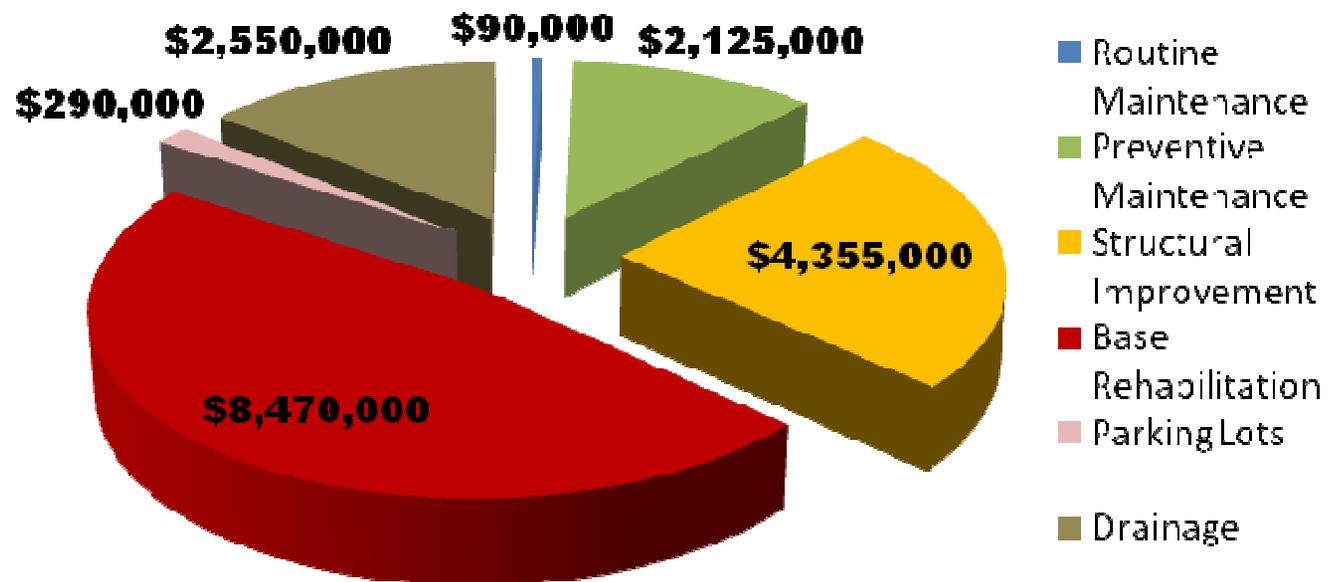
- Town wide study completed in 2010.
- Study identified over \$17,000,000 in pavement improvements.
- Town is implementing a new approach to pavement management.
- **First priority -maintain existing pavements to a high serviceability level.**

# Pavement Management

- General fund budget insufficient to maintain roadway and parking facilities at an acceptable serviceability level.
- Bonding will allow major projects to be addressed along with continued rehabilitation of other roadways.



# Pavement Management Backlog = \$17,880,000



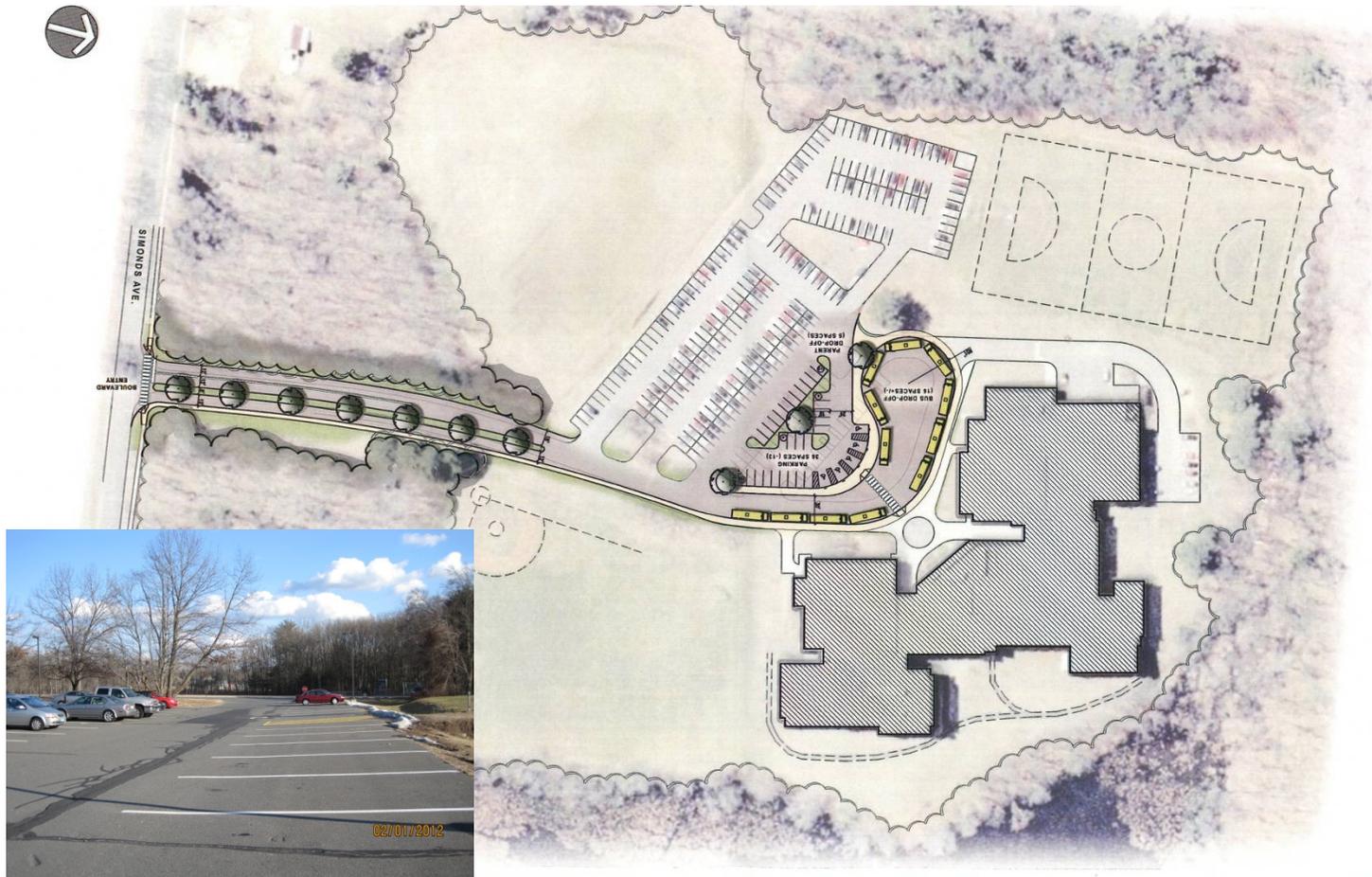


# **Pavement Management**

## **Major Capitol Projects**

- Gracey Road - \$983,000
- East Hill Road - \$950,000
- Case Street - \$800,000
- High School Parking Lot - \$800,000
- Andrew Drive - \$622,000

# Pavement Management High School Parking Lot



# Four Roofs Replacements Project

Project includes:

- Canton High School
- Canton Intermediate School
- Cherry Brook School
- Library / Community Center

# Four Roofs Replacements Project

Progress to Date:

- Inspection, Existing Conditions Report and cost estimate prepared for each location by a roofing / architectural consultant.
- Project referred to and endorsed by the PMBC and referred back to the BOE/Town for action.
- Presently initiating hazardous material testing at all locations.

# Four Roofs Replacement Project

## Conclusions:

- Built-up roofs/ 20-50 years old
- Ponding water / Infiltration
- Age cracking
- Insufficient ventilation
- Two roofs are failing

## Recommendations:

- Removal of ex. roof materials
- Replace damaged decking
- New insulation and single-ply EDPM membrane / asphalt shingles
- additional ventilation

## Typical Conditions of Existing Roofs



# Four Roofs Replacements Project

## Estimated Project Costs

|                            |             |
|----------------------------|-------------|
| Canton High School         | \$915,750   |
| Canton Intermediate School | \$352,500   |
| Cherry Brook School        | \$480,000   |
| Library / Community Center | \$490,000   |
| <hr/>                      |             |
| Total                      | \$2,238,250 |

### Note:

The cost of the school roofs project was increased by 5% for potential cost of environmental disposal and reduced by 30% because of anticipated state reimbursement.

# Review of Capitol Projects

## Tier Two Projects

- Town Highway Garage
- High School Track & Field

# Town Highway Garage

- Extensive Site Evaluation & Selection Study in progress.
- Completed and revisited space needs assessment for DPW.

# Town Highway Garage

- Previous estimate for replacement garage facility - \$9,000,000.
- Recently completed site visits to similar facilities in other municipalities.
- Capitol Projects Group recommended \$7,000,000 be identified for the project including land acquisition.

# Town Highway Garage

Town of Coventry



# High School Track & Field

- Athletic Fields Master Plan and Feasibility Report completed in 2009.
- Study confirmed the need for additional recreational facilities.
- BOE Track & Filed Temporary Study Committee complete Report in November 2010.
- Committee identified need for Community Track & Field Facility.
- Estimated Cost - \$2.2 million (\$1 million raised through fundraising).
- Canton is one of four school districts without a track field.



# Review of Capitol Projects

## Tier One and Tier Two Summary

- Capitol Projects Group recommended funding Tier One and Tier Two projects.
- Tier Three projects would be funded with remaining funding or under future funding programs.

# Review of Capitol Projects

## Tier 3 Projects

- Town Hall ADA / School ADA Improvements
- Powder Mill Rd – Site Line Improvements

# Town Hall ADA Improvements

ADA Compliance Required under a Federal Mandate.

- Town Hall elevator car upgrade.
- Areas of refuge / fire stairs.
- Exterior parking/ handrail improvements
  - Lower Level Entrance.
- Accessible public service counters.
- Estimated project costs - \$1.9 million.



# School ADA Improvements

- High school nursing office not accessible.
- Accessibility to High School recreational fields.
- Entrance doors to CHS and CIS, and CBPS need modifications.
- Estimated project costs - \$303,000.

# Powder Mill Road Site Line Improvements

- Widening of 1,600 linear feet of roadway.
- Improvement of vertical alignment to improve site line.
- Storm drainage improvements.
- Roadway could serve as detour route during the Town Bridge Rehabilitation project.
- Project would improve safety for important school bus route.
- Estimate project costs - \$750,000.

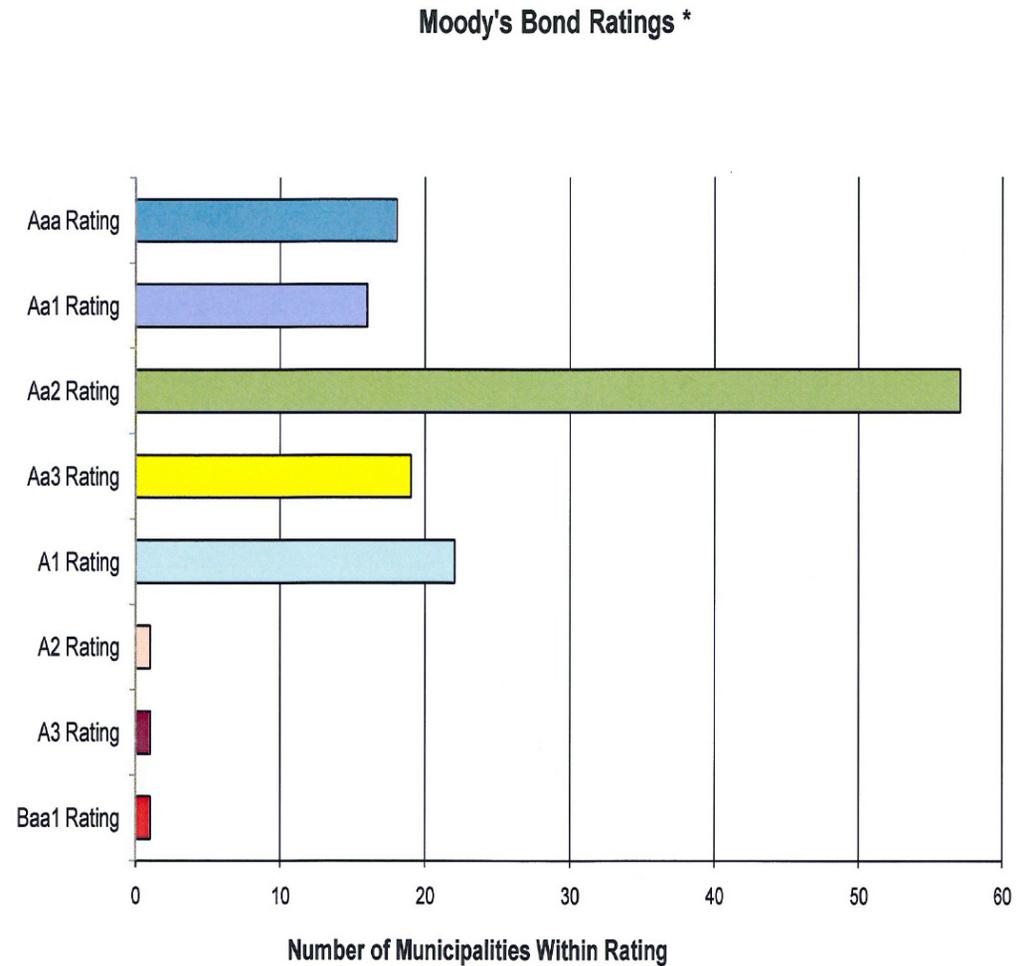
# Financing of Capitol Projects

## Overview

- General Financial Condition of the Town – Ability to Bond
- Cost of Bonding
- Impact Bonding will have on the Town Budget

# CANTON'S ABILITY TO BOND

Canton's Bond  
Rating is Aa2



\* Ratings for the 134 municipalities rated by Moody's Investment Services as of November, 2011.

# CANTON'S ABILITY TO BOND

## Debt per Capita

- Avon \$2,026
- Simsbury \$2,205
- Granby \$2,257
- Burlington \$2,204
- State Average \$2,187

**Canton \$1,392**

# CANTON'S ABILITY TO BOND

## Debt to Equalized Grand List

- Avon 1.0%
- Simsbury 1.4%
- Granby 2.0%
- Burlington 1.6%
- State Average 1.4%

**Canton .9%**

# Bonding Options

## Tier One -Minimum Bonding Plan

| CAPITAL EXPENDITURE          | COST             |
|------------------------------|------------------|
| <b>PROJECTS TO BE BONDED</b> |                  |
| Pavement Management          | 7,500,000        |
| Four Roofs Project           | 2,238,250        |
| <b>Total Amount of Bond</b>  | <b>9,738,250</b> |

# Bonding Options

## Tier Two – Recommended Bonding

| CAPITAL EXPENDITURE          | COST              |
|------------------------------|-------------------|
| <b>PROJECTS TO BE BONDED</b> |                   |
| Pavement Management          | 7,500,000         |
| Four Roofs Project           | 2,238,250         |
| Highway Garage               | 7,000,000         |
| High School Track Field      | 1,200,000         |
| <b>Total Amount of Bond</b>  | <b>17,938,250</b> |

# Bonding Options

## Tier Three -Maximum Bonding Plan

| CAPITAL EXPENDITURE          | COST              |
|------------------------------|-------------------|
| <b>PROJECTS TO BE BONDED</b> |                   |
| Pavement Management          | 7,500,000         |
| Four Roofs Project           | 2,238,250         |
| Highway Garage               | 7,000,000         |
| High School Track Field      | 2,200,000         |
| ADA - Town Hall / School     | 2,203,000         |
| Powder Mill Site Lines       | 750,000           |
| <b>Total Amount of Bond</b>  | <b>21,891,250</b> |

# Budget Projections

Schedule D in Report

*Budget Projections Based on Assumptions and  
amount of funds Borrowed*

9 Spreadsheets based on borrowing for 10, 15  
and 20 years for each of the three tiers.

# Budget Projections

## Assumptions

- CIP Increases 5%
- BOS Operating Budget Increases 2%
- BOE Operating Budget Increases 2.5%
- Revenues flat until 2015/2016 then Increases 0.5%
- Grand List Increases at 0.6%
- Collection Rate set at 98.75%
- 0.6% of Budget would be returned to Fund Balance

# Budget Impact

Impact of borrowing \$17,940,000 over 20 years using previous assumptions

- Average Mil Rate Increase 1.9%.
- Debt as a percent of total budget never goes above 6.4%.
- Highest Mil Rate Increase in any year is 4.48%; all other years below 3%.

# Refinancing

- As a result of historically low interest rates the town can refinance its current debt and save over the next 10 years.....

**\$1,000,000**

Amount reflects market rate available on 1/24/12. Actual amount may vary.

# Impact of Refinancing

The last spreadsheet in Schedule D includes the savings from refinancing.

By utilizing the savings from refinancing the previous high mil rate of 4.48% decreases to 3.46% increase.

# Remaining Capital Projects

- Currently the debt is 6.1% of total expenditures. After borrowing \$17,940,000 debt as a % of total budget would drop to 6.1% again in 2018.
- Even with new bonding there would still be a gap between CIP projects and available funds if current spending levels are maintained.

# Summary

- Project funded would provide essential maintenance, preserve assets, and provide additional services
- Consensus for Committee on Funding Second Tier projects in the amount of \$17,938,250

# **Suggested Motion for Board of Selectmen and Board of Education Consideration**

That the Board of Selectmen and Board of Education endorse the proposal of the Capital Projects Study Group and request that the Board of Finance consider bonding for Tier 1 and Tier 2 projects.