

**TOWN OF EAST HAMPTON
AGENDA REPORT**

Agenda Item: 6a

Date: 6/18/14

Subject: State Project No. 41-116, Brewer Road Pavement Rehabilitation

Department: Public Works

RECOMMENDED ACTION

Resolved that the Town Council authorize the Town Manager to award the contract for the construction of State Project No. 41-116, Pavement Rehabilitation of Brewer Road to DeRita & Sons Construction Co., Inc. for the amount of \$361,418.00.

BACKGROUND

The Town of East Hampton, through the Midstate Regional Planning Agency, submitted an application to ConnDOT for roadway improvements under the STP urban program. The project is located on Brewer Road from Mott Hill to White Birch Road, approximately 2200 feet. The project is considered pavement rehabilitation with reimbursable funding split 80% Federal and 20% Town. In order for the project to move forward the contract must be awarded to the lowest responsible bidder, Derita & Sons Construction Co., Inc.

ALTERNATIVE ACTIONS

Defer paving of Brewer Road until later date.

FISCAL IMPACT

The Fiscal impact to the Town is 20% of the total costs associated with State project No. 41-116.

CONSTRUCTION BID TABULATION - 10/3/13

ITEM NO.	CONSTRUCTION ITEM	QUAN	PAY UNIT	Hugo Key & Son		DeRita & Sons		Waters Construction		Empire Paving		American Industries		Xenelis Construction	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
0201001	CLEARING AND GRUBBING	1	LS	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$12,000.00	\$12,000.00	\$3,753.33	\$3,753.33	\$15,000.00	\$15,000.00	\$25,000.00	\$25,000.00
0202000	EARTH EXCAVATION (MINOR WIDENING)	250	CY	\$22.00	\$5,500.00	\$24.00	\$6,000.00	\$38.00	\$9,500.00	\$31.80	\$7,950.00	\$100.00	\$25,000.00	\$46.00	\$10,000.00
0202100	ROCK EXCAVATION	10	CY	\$200.00	\$2,000.00	\$150.00	\$1,500.00	\$165.00	\$1,650.00	\$250.00	\$2,500.00	\$250.00	\$2,500.00	\$85.00	\$850.00
0202447	COLD MILLING REMOVAL OF BITUMINOUS CONCRETE	250	SY	\$20.00	\$5,000.00	\$1.00	\$250.00	\$20.00	\$5,000.00	\$18.00	\$4,500.00	\$15.00	\$3,750.00	\$15.00	\$3,750.00
0202529	CUT BITUMINOUS CONCRETE PAVEMENT	700	LF	\$2.00	\$1,400.00	\$2.00	\$1,400.00	\$1.40	\$980.00	\$1.20	\$840.00	\$2.00	\$1,400.00	\$2.00	\$1,400.00
0209001	FORMATION OF SUBGRADE	6800	SY	\$2.00	\$13,600.00	\$2.50	\$17,000.00	\$0.50	\$3,400.00	\$2.25	\$15,300.00	\$1.00	\$6,800.00	\$4.00	\$27,200.00
0213001	GRANULAR FILL	5	CY	\$100.00	\$500.00	\$50.00	\$250.00	\$88.00	\$440.00	\$50.00	\$250.00	\$100.00	\$500.00	\$45.00	\$225.00
0219001	SEDIMENTATION CONTROL SYSTEM	400	LF	\$6.00	\$2,400.00	\$3.00	\$1,200.00	\$4.00	\$1,600.00	\$10.00	\$4,000.00	\$3.00	\$1,200.00	\$4.00	\$1,600.00
0304001	SEDIMENTATION CONTROL SYSTEM AT CATCH BASIN	2	EA.	\$150.00	\$300.00	\$150.00	\$300.00	\$95.00	\$190.00	\$100.00	\$200.00	\$150.00	\$300.00	\$150.00	\$300.00
0304002	PROCESSED AGGREGATE BASE	440	CY	\$22.00	\$9,680.00	\$42.00	\$18,480.00	\$42.00	\$18,480.00	\$56.00	\$24,640.00	\$40.00	\$17,600.00	\$50.00	\$22,000.00
0403873 A	FULL-DEPTH RECLAMATION - LOCAL ROADS	6300	SY	\$32.00	\$201,600.00	\$4.00	\$25,200.00	\$17.00	\$107,710.00	\$2.25	\$14,175.00	\$3.00	\$18,900.00	\$2.00	\$12,600.00
0406171	HMA SD-5	795	TON	\$95.00	\$75,525.00	\$98.00	\$77,910.00	\$87.00	\$69,165.00	\$96.05	\$76,359.75	\$85.00	\$67,575.00	\$110.00	\$87,450.00
0406172	HMA SD-375	795	TON	\$7.00	\$5,565.00	\$6.00	\$4,770.00	\$6.00	\$4,770.00	\$6.00	\$4,770.00	\$5.00	\$3,500.00	\$6.00	\$4,770.00
0406236	MATERIAL FOR TACK COAT	700	GAL.	\$4,900.00	\$3,430,000.00	\$3,500.00	\$2,450,000.00	\$4,000.00	\$2,800,000.00	\$3,000.00	\$2,100,000.00	\$3,000.00	\$2,100,000.00	\$4,000.00	\$2,800,000.00
0507001 A	TYPE "C" CATCH BASIN	2	EA.	\$4,000.00	\$8,000.00	\$4,000.00	\$8,000.00	\$800.00	\$1,600.00	\$1,000.00	\$2,000.00	\$1,500.00	\$3,000.00	\$1,200.00	\$2,400.00
0507006 A	TYPE "C" CATCH BASIN TOP	5	EA.	\$750.00	\$3,750.00	\$950.00	\$4,750.00	\$1,300.00	\$6,500.00	\$2,100.00	\$10,500.00	\$2,500.00	\$12,500.00	\$4,000.00	\$20,000.00
0601000	CONCRETE CLASS "A"	1.5	CY	\$5,000.00	\$7,500.00	\$100.00	\$150.00	\$27.00	\$40.50	\$40.00	\$1,200.00	\$75.00	\$1,125.00	\$26.00	\$39.00
0651428 A	15" HDPE PIPE	32	EA.	\$100.00	\$3,200.00	\$100.00	\$3,200.00	\$64.00	\$2,048.00	\$86.00	\$2,752.00	\$100.00	\$3,200.00	\$126.00	\$4,032.00
0651430 A	24" HDPE PIPE	24	LF	\$50.00	\$1,200.00	\$50.00	\$1,200.00	\$85.00	\$2,040.00	\$75.00	\$1,800.00	\$100.00	\$2,400.00	\$126.00	\$3,024.00
0652606	RESET 15" R.C. CULVERT END	46	LF	\$65.00	\$2,990.00	\$60.00	\$2,760.00	\$63.00	\$2,898.00	\$85.00	\$3,910.00	\$80.00	\$3,680.00	\$85.00	\$3,910.00
0652606	RESET 15" R.C. CULVERT END	1	EA.	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$240.00	\$240.00	\$500.00	\$500.00	\$1,000.00	\$1,000.00	\$800.00	\$800.00
0651744	4" POLYVINYL CHLORIDE PIPE	10	LF	\$40.00	\$400.00	\$30.00	\$300.00	\$37.00	\$370.00	\$30.00	\$300.00	\$50.00	\$500.00	\$22.00	\$220.00
0651832	8" C.C.M. PIPE	4	LF	\$100.00	\$400.00	\$50.00	\$200.00	\$66.00	\$264.00	\$50.00	\$200.00	\$200.00	\$800.00	\$125.00	\$500.00
0703012	MODIFIED RIPRAP	16	CY	\$90.00	\$1,440.00	\$85.00	\$1,360.00	\$100.00	\$1,600.00	\$100.00	\$1,600.00	\$100.00	\$1,600.00	\$125.00	\$2,000.00
0751711	6" UNDERDRAIN	340	LF	\$40.00	\$13,600.00	\$24.00	\$8,160.00	\$20.00	\$6,800.00	\$41.50	\$14,110.00	\$30.00	\$12,000.00	\$20.00	\$8,000.00
0803000	PAVED DITCH	29	SY	\$50.00	\$1,450.00	\$72.00	\$2,088.00	\$40.00	\$1,160.00	\$50.00	\$1,450.00	\$50.00	\$1,750.00	\$40.00	\$1,360.00
0815001	BITUMINOUS CONCRETE LIP CURBING	2130	LF	\$4.00	\$8,520.00	\$4.00	\$8,520.00	\$4.00	\$8,520.00	\$5.00	\$10,650.00	\$3.50	\$7,455.00	\$6.00	\$12,780.00
0910170	METAL BEAM RAIL (TYPE R-B 350)	187.5	LF	\$40.00	\$7,500.00	\$32.00	\$6,000.00	\$26.00	\$4,875.00	\$28.00	\$5,250.00	\$100.00	\$18,750.00	\$40.00	\$7,500.00
0911924	R-B END ANCHORAGE TYPE II	6	EA.	\$1,875.00	\$11,250.00	\$1,200.00	\$7,200.00	\$1,125.00	\$6,750.00	\$1,250.00	\$7,500.00	\$1,500.00	\$9,000.00	\$1,200.00	\$7,200.00
0922501	BITUMINOUS CONCRETE DRIVEWAY	220	SY	\$29.00	\$6,380.00	\$40.00	\$8,800.00	\$48.00	\$10,560.00	\$45.00	\$9,900.00	\$40.00	\$8,800.00	\$38.00	\$8,360.00
0939001	SWEEPING FOR DUST CONTROL	100	HR	\$1.00	\$100.00	\$1.00	\$100.00	\$2.50	\$250.00	\$1.00	\$100.00	\$1.25	\$125.00	\$4.00	\$400.00
0943001	WATER FOR DUST CONTROL	50	M.GAL	\$1.00	\$50.00	\$1.00	\$50.00	\$5.00	\$250.00	\$5.00	\$250.00	\$0.01	\$0.50	\$20.00	\$20.00
0944000	FURNISHING & PLACING TOPSOIL	1500	SY	\$2.75	\$4,125.00	\$5.00	\$7,500.00	\$8.00	\$12,000.00	\$8.00	\$12,000.00	\$5.50	\$8,250.00	\$4.00	\$6,000.00
0950019 A	TURF ESTABLISHMENT - LAWN	1500	SY	\$2.00	\$3,000.00	\$1.25	\$1,875.00	\$2.00	\$3,000.00	\$2.00	\$3,000.00	\$2.00	\$3,000.00	\$2.00	\$3,000.00
0970006 A	TRAFFIC PERSON	1	EST	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
0971001 A	MAINTENANCE AND PROTECTION OF TRAFFIC	1	LS	\$10,000.00	\$10,000.00	\$5,000.00	\$5,000.00	\$9,000.00	\$9,000.00	\$18,400.00	\$18,400.00	\$50,000.00	\$50,000.00	\$25,000.00	\$25,000.00
0975002	MOBILIZATION	1	LS	\$5,774.00	\$5,774.00	\$18,000.00	\$18,000.00	\$45,000.00	\$45,000.00	\$20,000.00	\$20,000.00	\$25,000.00	\$25,000.00	\$51,000.00	\$51,000.00
0980001	CONSTRUCTION STAKING	1	LS	\$6,000.00	\$6,000.00	\$8,000.00	\$8,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$3,500.00	\$3,500.00
1208928	SIGN FACE - SHEET ALUMINUM TYPE III REFLECTIVE SHEETING	40	SF	\$40.00	\$1,600.00	\$50.00	\$2,000.00	\$50.00	\$2,000.00	\$85.00	\$3,400.00	\$55.00	\$2,200.00	\$45.00	\$1,800.00
1210102	4" YELLOW EPOXY RESIN PAVEMENT MARKINGS	4425	LF	\$1.00	\$4,425.00	\$1.00	\$4,425.00	\$0.40	\$1,770.00	\$0.37	\$1,637.25	\$0.50	\$2,212.50	\$0.40	\$1,770.00
1210105	EPOXY RESIN PAVEMENT MARKING, SYMBOLS AND LEGENDS	65	SF	\$10.00	\$650.00	\$6.00	\$390.00	\$3.60	\$234.00	\$3.50	\$227.50	\$4.00	\$260.00	\$3.50	\$227.50
1220013 A	CONSTRUCTION SIGNS - BRIGHT FLUORESCENT SHEETING	120	SF	\$15.00	\$1,800.00	\$40.00	\$4,800.00	\$27.00	\$3,240.00	\$25.00	\$3,000.00	\$15.00	\$1,800.00	\$8.00	\$960.00
TOTAL:					\$346,434.00		\$361,418.00		\$364,300.00		\$383,026.58		\$431,748.00		\$449,194.50

Purpose

In recognition that buildings, infrastructure, and major equipment are the physical foundation for providing services to the residents of the Town of EAST HAMPTON, a multi-year Capital Improvement Program (CIP) is prepared and reviewed annually. The purpose of the CIP is to budget for the acquisition, replacement or renovation of major capital/fixed assets. These items are generally not of a recurring nature and not included in the regular operating budget process. Careful planning during this process is critical to the procurement, construction, and maintenance of capital assets to meet the needs and activities of the Town. The General Fund, through the annual operating budget, is the primary funding source for the CIP and therefore plays an integral role in the development of the program. Proper planning and funding will mitigate budget fluctuations year over year.

A comprehensive capital plan will help ensure the future financial discipline and funding stability of the Town and systematically provide efficient delivery of public services to citizens and businesses.

Capital/Fixed Assets are categorized as follows:

- Land
- Land Improvements
- Buildings and Improvements
- Machinery and Equipment
- Infrastructure

The following Capital/Fixed Asset items are to be included in the Town's annual operating budget:

- Fixed assets that cost less than \$10,000
- Fixed assets that are of a recurring nature and acquired each year

Definitions

1. The **Capital improvement program** is defined as a plan for capital expenditures over a multi-year period to meet identified improvements in capital assets.
2. The **Capital Budget** is the first year of a five year plan for capital expenditures to be incurred over a given fiscal year from funds appropriated through the annual budget process for projects scheduled in the same year.
3. **Capital Equipment** is defined as any item that has an expected life of five (5) years or more and a purchase price in excess of \$5,000. Items costing less than \$5,000 and lasting less than five (5) years are to be purchased from material and supply accounts. The purchase price includes any costs of acquisition or transportation of the item or other costs associated with the installation or placing it into service. The expected life for a piece of equipment is that period of time for which it will be useful in carrying out operations without major repair to its physical condition. Generally, capital equipment includes, but is not limited to, furniture and fixtures, machinery and motor vehicles.
4. **Capital Projects** are the improvements that make up the capital budget. Each project has a specific purpose, justification and cost. Projects propose physical improvements in different elements of the Town's infrastructure. Improvements include but are not limited to: construction, reconstruction, rehabilitation, modification, renovation, expansion, replacement, extension of streets, bridges, buildings, sidewalks, playgrounds, lights and acquisition of land, buildings with associated relocation, demolition and improvements such as landscaping, fencing and paving.
5. **Sinking Fund** is defined as an account composed of the accumulation of sums of money set aside periodically to provide a definite amount for a specific purpose at a certain future date. Annual calculations are equal and are calculated by dividing the total amount required by the number of years during which the figure must accumulate.

Criteria

The following Capital/Fixed Asset items are to be included for consideration in the Town's Capital Improvement Program (CIP):

- The acquisition of and improvements to assets that cost \$10,000 or more and,
- The Capital/Fixed Assets, or improvements, that have an anticipated life expectancy of five years or more. Most non-recurring major expenditures are the result of the Town's acquisition of capital items that form the physical foundation for municipal services such as land, buildings, infrastructure improvements, machinery and equipment. However, there can be major expenditures for non-capital items that can be anticipated on a recurring and periodic basis and require significant funding. In addition to the above items, the following proposed expenditures may be considered in the CIP, although they may not constitute capital/fixed assets with useful lives of five years or more.
- Property revaluation required by the Connecticut General Statutes
- Technology programs and systems
- Sinking fund contributions for debt
- Sinking fund contributions for repairs to major fixed assets

These items and other similar items that may require significant funding of \$10,000 or more, and are not anticipated to be acquired each year, may be appropriate to be included in the CIP process.

The annual road paving program can be anticipated on a recurring basis; however, it requires funding of significantly more than \$10,000 and should be included in the CIP process.

This CIP provides for a five-year plan of acquisition, renovation, replacement and construction of the items included in the capital budget and includes a planning, budgetary and financing process.

Assets in excess of \$10,000 not precluded from acquisition in the general fund or other special revenue fund.

CAPITAL IMPROVEMENT COMMITTEE

MEMBERSHIP

The Capital Improvement Committee shall be composed of one member of the Town Council, one member of the Board of Finance, and one member of the Board of Education. Committee assignments shall be determined by the board chair. The Town Finance Director, Town Manager and Superintendent of Schools shall be ex-officio Committee staff members without the right to vote.

ROLES & RESPONSIBILITIES

The Committee shall study proposed capital projects and improvements involving major non-recurring tangible assets and projects which: 1) are purchased or undertaken at intervals of not less than five years; 2) have a useful life of at least five years; and 3) cost over \$10,000. All town departments, boards and committees, including the Board of Education, shall, by December 1st of each year, give to the Town Manager who shall forward to the Committee information concerning all anticipated projects requiring action during the ensuing five years. The Committee shall consider the relative need, impact, timing and cost of these expenditures and the effect each will have on the financial position of the town. No appropriation shall be voted for a capital improvement requested by a department, board or commission unless the proposed capital improvement is considered by the Committee.

The Committee shall prepare an annual report recommending a Capital Improvement Budget for the next fiscal year, and a Capital Improvement Program including recommended capital improvements for the following four fiscal years.

The report shall be submitted to the Board of Finance for its consideration and recommendation. The Board of Finance shall submit its recommended Capital Budget to the Town Council for approval (see Exhibit A).

Such Capital Improvement Program, after its adoption, shall permit the expenditure on projects included therein of sums from departmental budgets for surveys, architectural or engineering advice, options or appraisals; but no such expenditure shall be incurred on projects which have not been so approved by the town through the appropriation of funds in the current year or in prior years, or for preliminary planning for projects to be undertaken more than five years in the future.

The Committee's report and the Town Council's recommended Capital Budget shall be published and made available in a manner consistent with the distribution of the annual Town budget report. The Committee shall deposit its original report with the Town Clerk.

CAPITAL IMPROVEMENT PROGRAM TIMING/SCHEDULE

As part of the annual budget process, the CIP will be prepared, presented and acted upon in accordance with the following schedule:

No later than September 1	Department, board or agency shall submit a proposed five year CIP to the Town Manager
No later than October 1	Town Manager shall provide a five year planning document to the Capital Improvement Committee summarizing department proposals for capital improvements, a recommendation of items to be included in the CIP, project priorities for the following fiscal year and proposed method/sources of funding for all recommended projects.
On or about November 1	The Capital Improvement Committee shall receive, review and recommend the 5 year CIP. The plan will then be forwarded to the Board of Finance
On or about December 1	Board of Finance shall recommend CIP to Town Council
No later than January 1	Town Council adopts the CIP for the following fiscal year
Quarterly CIP meetings	The Capital Improvement Planning Committee shall meet at least quarterly to review and discuss current and proposed capital projects.

The Town Manager will provide the Town Council periodic CIP status reports throughout the year and present detailed project status reports or design plans on an as needed basis in accordance with the applicable project schedule.

IDENTIFICATION OF NEEDS

Capital Improvement items are considered on the basis of need and value to the community. Annually, each department, board or agency shall submit a proposed five year CIP to the Town Manager in accordance with the CIP schedule. Requested items shall include acquisition of capital assets, new construction, major renovations and improvements to municipal facilities, purchase of machinery and equipment and other items that satisfy the CIP criteria. Capital improvement proposals received outside of the formal CIP process from departments, citizens, agencies or organizations shall be forwarded to the Town Manager for review and recommendation to the Capital Improvement Committee, Board of Education, Board of Finance and Town Council as applicable.

Items that are to be included in the Capital Improvement Program include the following with an estimated cost of \$10,000 or more and have a useful life of not less than five years:

- Purchase of Land and Development Rights
- Construction of New Buildings
- Land and Building Improvements and Renovations
- Machinery and Equipment
- Infrastructure Improvements (streets, sewers, sidewalks, etc.)
- Vehicles and Construction equipment
- Feasibility Analysis/Design/Cost estimates and other professional services relative to anticipated major projects
- In addition to the above items, the CIP may include certain recurring expenditures/projects that due to their nature and anticipated cost are best appropriated through the CIP (e.g. revaluation or major software acquisition)

All Capital Projects under consideration must be submitted on forms provided by the Finance Department and include the following detail and descriptive information:

- 1) PROJECT TITLE: Enter the title best describing the project. Be concise, but as descriptive as possible.
- 2) SUBMITTED BY: Enter the Department, and division, if applicable.
- 3) CONTACT PERSON: Enter the name and telephone number of the person who can best answer detailed questions about this project.
- 4) PROJECT DESCRIPTION: Give a full, detailed description of the project. The description must contain enough information to allow for a detailed project cost estimate. If costs are estimated to exceed \$250,000 see "Estimated Costs" on page 5. If the project is construction of a building, specify the following: size; use; type of building; utility type; etc. If it is a street project, specify the following: length; width; whether it is new construction, reconstruction or resurfacing; whether it involves new signals, sewers, and/or sidewalks; etc. Photos and other documentation should also be submitted if they provide relevant information. Any project with insufficient information to develop a cost estimate will not be considered.
- 5) PROJECT JUSTIFICATION: Support the need for this project. Some of the questions you might want to consider below:

- Does the project meet established standards, codes or mandates?
- Does the project address a Town Council policy initiative or Board of Education goal?
- Does it address a health, fire, safety or security concern?
- Does it serve a segment of the community not currently served?
- Does it foster private investment? How much?
- Does it create jobs? How many? What type?
- Does it support economic development (i.e. tourism)?
- Does the project require additional staffing or operational increases (e.g. grant writer)?
- Does the project create any revenue?
- Do grant funds or other opportunities exist to offset costs?
- What will happen if the Town does not undertake this project?

Use the above and as a guide in submitting justifications.

- 6) PROJECT LOCATION AND SERVICE AREA: Give a brief description of the community impact the project will have as well as the area it will serve.
- 7) SIGNATURE: The Department Director must sign the bottom of the form and date it. The signature indicates that the director approves of the submission of the project and agrees with the information provided.

Estimated Costs

Costs shall be estimated for all items requested as part of the five-year Capital Improvement Program. Costs for

items requested in years two through five shall anticipate an escalation rate to be determined by the Town Manager and Finance Director at the beginning of the CIP process.

The steps for **major** capital projects in the CIP, those estimated to exceed \$250,000, may be required by the Town Manager and will generally include the following:

- A. Evaluation/feasibility phase, as necessary
- B. Preliminary design and cost estimating phase
- C. Final Design and construction

Subject to the specifics of the project, funding for steps A and B may be combined in the initial request. Cost estimates should include preliminary design fees, final design fees, architectural fees, construction management fees, construction costs, acquisition costs, contingency, escalation, legal and financing fees, including short term interest, and any other costs applicable to the project. The scope and estimated costs of in kind services shall be identified and presented along with the initial cost estimates for the project.

Funding

The Town Council, as part of the annual operating and capital budget process, will review the capital equipment and capital projects included in the CIP as recommended by the Board of Finance. The Town Manager and Finance Director will develop a recommended financing plan, with options, based on total project costs, cash flow, projected method(s) of financing the projects, Capital Reserve fund projections, mill rate and debt service impact on future operating budgets. The Town Council shall review these projections when developing project priorities and the recommended capital program for the following year. The goal is to effectively balance the total of the annual Capital Reserve Transfer and Debt Service requirements to minimize fluctuations in the mill rate in accordance with established guidelines set forth in this document.

An annual financing plan for the multi-year capital improvement plan is critical to the CIP process. Factors to be considered shall include:

- Anticipated revenue and expenditure trends and the relationship to multi-year financial plans
- Cash flow projections of the amount and timing of the capital improvement projects
- Compliance with all established financial policies
- Legal constraints imposed by Town charter or State statute
- Evaluation of various funding alternatives
- Reliability and stability of identified funding sources
- Evaluation of the affordability of the financing strategy, including debt ratios, future budgets and mill rate.

The Capital Improvement Program shall generally be funded as follows:

- A. Capital Reserve Fund** – The Town will use the Capital Reserve Fund as the primary funding source for capital projects to be funded on a pay as you go basis. The Capital Reserve Fund is primarily funded through an annual appropriation from the General Fund.

Based on factors referenced herein the Town Council shall consider as a general guideline a **minimum** annual appropriation and transfer to the Capital Reserve Fund in an amount equivalent to three percent (3%) of the current adopted operating budget rounded to the next highest \$5,000. In no event shall the annual general fund contribution exceed 2 mills.

Annually the Board of Finance will review the General Fund unassigned fund balance, Capital Reserve unassigned fund balance and other funding requirements and may recommend a transfer of additional funds to the Capital Reserve Fund. The goal of the Town is to maintain an unassigned balance in the Capital Reserve Fund of an amount equivalent to \$1,000,000, except as needed to meet emergencies. The reserve policy will

be reviewed annually and adjusted accordingly as part of the CIP process. Factors to be considered include evaluation of the projects in the multi- year plan, the method of financing and their effect on projected mill rates.

- B. Capital Initiatives Fund** – This fund is primarily used to account for the construction and acquisition of major capital assets. Bond proceeds are the major funding source for projects accounted for in the fund.
- C. Donations/Grants/Loans** – Anticipated contributions from various organizations or groups towards certain Capital Improvement projects, grants and loans will be used in financing the CIP to determine final estimated net cost to the Town.
- D. General Obligation Bonds** – Projects that are anticipated to have a significant expenditure of funds should be considered for referendum and funded through the issuance of general obligation bonds that shall be authorized and issued in accordance with Connecticut statutes and the Town of East Hampton Charter. Projects funded through the issuance of debt must be approved by the Board of Finance, Town Council and Town Meeting. The Town Council may elect to have a project voted on at referendum in lieu of a Town Meeting.

AMENDING THE CAPITAL IMPROVEMENT PROGRAM

Revisions to Approved CIP Projects:

Periodically there will be changes made to the approved CIP Projects that will require extra funding. This could arise from unanticipated inflation, change from the original project description or bids that may push up the original cost estimate. These additional funding requests will be handled as follows:

- 1- The Department or authorized entity responsible for the Project makes an initial determination that additional funds are required for a specific purpose.
- 2- The Department Head submits a written request for additional funding to the Town Manager. This request will include the original Finance Department CIP request form and will include detailed cost differences in the original Project and the revised Project.
- 3- This additional funding can be approved by the Town Manager providing the additional costs do not exceed the greater of \$10,000 or 10% of the original Project cost.
- 4- Should the Project Cost increase be more than \$10,000 or 10% of the original Project cost then the Project must go back to the CIP Committee for their review and approval.

Funding New and Emergency CIP Projects:

Periodically there will be projects that arise suddenly or on an emergency basis. These projects may be recommended by employees, citizens, and members of boards or commissions.

- 1- The Department responsible for the project makes an initial determination that funds are required for a specific purpose.
- 2- The Department Head submits a written request for funds to the Town Manager. This written request is completed on the Finance Department's CIP Fund request form.
- 3- The Town Manager will make a recommendation to the CIP Committee. The Capital Improvement Committee will then make a recommendation that is forwarded to the Board of Finance.
- 4- The Town Manager will prepare a report and resolution for approval from the Board of Finance, Town Council, and Board of Education if needed. This report will be placed on the agenda of the next regular scheduled meeting of the Board of Finance and Town Council, and Board of Education if needed. Emergency meetings will be scheduled if necessary.

ACCOUNTING PROCEDURES

After all of the projects have been approved by Town Council the Finance Department will begin the process of establishing accounts for the approved programs. All appropriations will be established based upon the approved project cost and prepared by using the line item criteria established by the cost estimate forms. In addition, the

Finance Department will be responsible for the following:

- 1) Maintaining grant agreements;
- 2) Maintaining audit records;
- 3) Receiving and recording revenues;
- 4) Distributing payments;
- 5) Reconciling the general ledger;
- 6) Reconciling bank statements and investments; and
- 7) Monitoring department performance.

The Department Director or Project Manager will be responsible for the following:

- 1) Creating monthly project status reports;
- 2) Creating and maintaining project timetables;
- 3) Explaining project changes and/or cost overruns;
- 4) Providing updates to the Town Council;
- 5) Presenting projects to committee and the Town Council;
- 6) Completing data detail for the Finance Department; and
- 7) Estimating costs and/or staffing requirements.

Purpose

In recognition that buildings, infrastructure, and major equipment are the physical foundation for providing services to the residents of the Town of EAST HAMPTON, a multi-year Capital Improvement Program (CIP) is prepared and reviewed annually. The purpose of the CIP is to budget for the acquisition, replacement or renovation of major capital/fixed assets. These items are generally not of a recurring nature and not included in the regular operating budget process. Careful planning during this process is critical to the procurement, construction, and maintenance of capital assets to meet the needs and activities of the Town. The General Fund, through the annual operating budget, is the primary funding source for the CIP and therefore plays an integral role in the development of the program. Proper planning and funding will mitigate budget fluctuations year over year.

A comprehensive capital plan will help ensure the future financial discipline and funding stability of the Town and systematically provide efficient delivery of public services to citizens and businesses.

Capital/Fixed Assets are categorized as follows:

- Land
- Land Improvements
- Buildings and Improvements
- Machinery and Equipment
- Infrastructure

The following Capital/Fixed Asset items are to be included in the Town's annual operating budget:

- Fixed assets that cost less than \$10,000
- Fixed assets that are of a recurring nature and acquired each year

Definitions

1. The **Capital improvement program** is defined as a plan for capital expenditures over a multi-year period to meet identified improvements in capital assets.
2. The **Capital Budget** is the first year of a five year plan for capital expenditures to be incurred over a given fiscal year from funds appropriated through the annual budget process for projects scheduled in the same year.
3. **Capital Equipment** is defined as any item that has an expected life of five (5) years or more and a purchase price in excess of \$5,000. Items costing less than \$5,000 and lasting less than five (5) years are to be purchased from material and supply accounts. The purchase price includes any costs of acquisition or transportation of the item or other costs associated with the installation or placing it into service. The expected life for a piece of equipment is that period of time for which it will be useful in carrying out operations without major repair to its physical condition. Generally, capital equipment includes, but is not limited to, furniture and fixtures, machinery and motor vehicles.
4. **Capital Projects** are the improvements that make up the capital budget. Each project has a specific purpose, justification and cost. Projects propose physical improvements in different elements of the Town's infrastructure. Improvements include but are not limited to: construction, reconstruction, rehabilitation, modification, renovation, expansion, replacement, extension of streets, bridges, buildings, sidewalks, playgrounds, lights and acquisition of land, buildings with associated relocation, demolition and improvements such as landscaping, fencing and paving.
- 4-5. Sinking Fund is defined as an account composed of the accumulation of sums of money set aside periodically to provide a definite amount for a specific purpose at a certain future date. Annual calculations are equal and are calculated by dividing the total amount required by the number of years during which the figure must accumulate.

Criteria

The following Capital/Fixed Asset items are to be included for consideration in the Town's Capital Improvement Program (CIP):

- The acquisition of and improvements to assets that cost \$10,000 or more and,
- The Capital/Fixed Assets, or improvements, that have an anticipated life expectancy of five years or more. Most non-recurring major expenditures are the result of the Town's acquisition of capital items that form the physical foundation for municipal services such as land, buildings, infrastructure improvements, machinery and equipment. However, there can be major expenditures for non-capital items that can be anticipated on a recurring and periodic basis and require significant funding. In addition to the above items, the following proposed expenditures may be considered in the CIP, although they may not constitute capital/fixed assets with useful lives of five years or more.
- Property revaluation required by the Connecticut General Statutes
- Technology programs and systems
- Sinking fund contributions for debt
- Sinking fund contributions for repairs to major fixed assets

These items and other similar items that may require significant funding of \$10,000 or more, and are not anticipated to be acquired each year, may be appropriate to be included in the CIP process.

The annual road paving program can be anticipated on a recurring basis; however, it requires funding of significantly more than \$10,000 and should be included in the CIP process.

This CIP provides for a five-year plan of acquisition, renovation, replacement and construction of the items included in the capital budget and includes a planning, budgetary and financing process.

Assets in excess of \$10,000 not precluded from acquisition in the general fund or other special revenue fund.

CAPITAL IMPROVEMENT COMMITTEE

MEMBERSHIP

The Capital Improvement Committee shall be composed of one member of the Town Council, one member of the Board of Finance, and one member of the Board of Education. Committee assignments shall be determined by the board chair. The Town Finance Director, Town Manager and Superintendent of Schools shall be ex-officio Committee staff members without the right to vote.

ROLES & RESPONSIBILITIES

The Committee shall study proposed capital projects and improvements involving major non-recurring tangible assets and projects which: 1) are purchased or undertaken at intervals of not less than five years; 2) have a useful life of at least five years; and 3) cost over \$10,000. All town departments, boards and committees, including the Board of Education, shall, by December 1st of each year, give to the Town Manager who shall forward to the Committee information concerning all anticipated projects requiring action during the ensuing five years. The Committee shall consider the relative need, impact, timing and cost of these expenditures and the effect each will have on the financial position of the town. No appropriation shall be voted for a capital improvement requested by a department, board or commission unless the proposed capital improvement is considered by the Committee.

The Committee shall prepare an annual report recommending a Capital Improvement Budget for the next fiscal year, and a Capital Improvement Program including recommended capital improvements for the following four fiscal years.

The report shall be submitted to the Board of Finance for its consideration and recommendation. The Board of Finance shall submit its recommended Capital Budget to the Town Council for approval (see Exhibit A).

Such Capital Improvement Program, after its adoption, shall permit the expenditure on projects included therein of sums from departmental budgets for surveys, architectural or engineering advice, options or appraisals; but no such expenditure shall be incurred on projects which have not been so approved by the town through the appropriation of funds in the current year or in prior years, or for preliminary planning for projects to be undertaken more than five years in the future.

The Committee's report and the Town Council's recommended Capital Budget shall be published and made available in a manner consistent with the distribution of the annual Town budget report. The Committee shall deposit its original report with the Town Clerk.

CAPITAL IMPROVEMENT PROGRAM TIMING/SCHEDULE

As part of the annual budget process, the CIP will be prepared, presented and acted upon in accordance with the following schedule:

No later than September 1	Department, board or agency shall submit a proposed five year CIP to the Town Manager
No later than October 1	Town Manager shall provide a five year planning document to the Capital Improvement Committee summarizing department proposals for capital improvements, a recommendation of items to be included in the CIP, project priorities for the following fiscal year and proposed method/sources of funding for all recommended projects.
On or about November 1	The Capital Improvement Committee shall receive, review and recommend the 5 year CIP. The plan will then be forwarded to the Board of Finance
On or about December 1	Board of Finance shall recommend CIP to Town Council
No later than January 1	Town Council adopts the CIP for the following fiscal year
Quarterly CIP meetings	The Capital Improvement Planning Committee shall meet at least quarterly to review and discuss current and proposed capital projects.

The Town Manager will provide the Town Council periodic CIP status reports throughout the year and present detailed project status reports or design plans on an as needed basis in accordance with the applicable project schedule.

IDENTIFICATION OF NEEDS

Capital Improvement items are considered on the basis of need and value to the community. Annually, each department, board or agency shall submit a proposed five year CIP to the Town Manager in accordance with the CIP schedule. Requested items shall include acquisition of capital assets, new construction, major renovations and improvements to municipal facilities, purchase of machinery and equipment and other items that satisfy the CIP criteria. Capital improvement proposals received outside of the formal CIP process from departments, citizens, agencies or organizations shall be forwarded to the Town Manager for review and recommendation to the Capital Improvement Committee, Board of Education, Board of Finance and Town Council as applicable.

Items that are to be included in the Capital Improvement Program include the following with an estimated cost of \$10,000 or more and have a useful life of not less than five years:

- Purchase of Land and Development Rights
- Construction of New Buildings
- Land and Building Improvements and Renovations
- Machinery and Equipment
- Infrastructure Improvements (streets, sewers, sidewalks, etc.)
- Vehicles and Construction equipment
- Feasibility Analysis/Design/Cost estimates and other professional services relative to anticipated major projects
- In addition to the above items, the CIP may include certain recurring expenditures/projects that due to their nature and anticipated cost are best appropriated through the CIP (e.g. revaluation or major software acquisition)

All Capital Projects under consideration must be submitted on forms provided by the Finance Department and include the following detail and descriptive information:

- 1) PROJECT TITLE: Enter the title best describing the project. Be concise, but as descriptive as possible.
- 2) SUBMITTED BY: Enter the Department, and division, if applicable.
- 3) CONTACT PERSON: Enter the name and telephone number of the person who can best answer detailed questions about this project.
- 4) PROJECT DESCRIPTION: Give a full, detailed description of the project. The description must contain enough information to allow for a detailed project cost estimate. If costs are estimated to exceed \$250,000 see "Estimated Costs" on page 5. If the project is construction of a building, specify the following: size; use; type of building; utility type; etc. If it is a street project, specify the following: length; width; whether it is new construction, reconstruction or resurfacing; whether it involves new signals, sewers, and/or sidewalks; etc. Photos and other documentation should also be submitted if they provide relevant information. Any project with insufficient information to develop a cost estimate will not be considered.
- 5) PROJECT JUSTIFICATION: Support the need for this project. Some of the questions you might want to consider below:

- Does the project meet established standards, codes or mandates?
- Does the project address a Town Council policy initiative or Board of Education goal?
- Does it address a health, fire, safety or security concern?
- Does it serve a segment of the community not currently served?
- Does it foster private investment? How much?
- Does it create jobs? How many? What type?
- Does it support economic development (i.e. tourism)?
- Does the project require additional staffing or operational increases (e.g. grant writer)?
- Does the project create any revenue?
- Do grant funds or other opportunities exist to offset costs?
- What will happen if the Town does not undertake this project?

Use the above and as a guide in submitting justifications.

- 6) PROJECT LOCATION AND SERVICE AREA: Give a brief description of the community impact the project will have as well as the area it will serve.
- 7) SIGNATURE: The Department Director must sign the bottom of the form and date it. The signature indicates that the director approves of the submission of the project and agrees with the information provided.

Estimated Costs

Costs shall be estimated for all items requested as part of the five-year Capital Improvement Program. Costs for

items requested in years two through five shall anticipate an escalation rate to be determined by the Town Manager and Finance Director at the beginning of the CIP process.

The steps for **major** capital projects in the CIP, those estimated to exceed \$250,000, may be required by the Town Manager and will generally include the following:

- A. Evaluation/feasibility phase, as necessary
- B. Preliminary design and cost estimating phase
- C. Final Design and construction

Subject to the specifics of the project, funding for steps A and B may be combined in the initial request. Cost estimates should include preliminary design fees, final design fees, architectural fees, construction management fees, construction costs, acquisition costs, contingency, escalation, legal and financing fees, including short term interest, and any other costs applicable to the project. The scope and estimated costs of in kind services shall be identified and presented along with the initial cost estimates for the project.

Funding

The Town Council, as part of the annual operating and capital budget process, will review the capital equipment and capital projects included in the CIP as recommended by the Board of Finance. The Town Manager and Finance Director will develop a recommended financing plan, with options, based on total project costs, cash flow, projected method(s) of financing the projects, Capital Reserve fund projections, mill rate and debt service impact on future operating budgets. The Town Council shall review these projections when developing project priorities and the recommended capital program for the following year. The goal is to effectively balance the total of the annual Capital Reserve Transfer and Debt Service requirements to minimize fluctuations in the mill rate in accordance with established guidelines set forth in this document.

An annual financing plan for the multi-year capital improvement plan is critical to the CIP process. Factors to be considered shall include:

- Anticipated revenue and expenditure trends and the relationship to multi-year financial plans
- Cash flow projections of the amount and timing of the capital improvement projects
- Compliance with all established financial policies
- Legal constraints imposed by Town charter or State statute
- Evaluation of various funding alternatives
- Reliability and stability of identified funding sources
- Evaluation of the affordability of the financing strategy, including debt ratios, future budgets and mill rate.

The Capital Improvement Program shall generally be funded as follows:

- A. Capital Reserve Fund** – The Town will use the Capital Reserve Fund as the primary funding source for capital projects to be funded on a pay as you go basis. The Capital Reserve Fund is primarily funded through an annual appropriation from the General Fund.

Based on factors referenced herein the Town Council shall consider as a general guideline a **minimum** annual appropriation and transfer to the Capital Reserve Fund in an amount equivalent to three percent (3%) of the current adopted operating budget rounded to the next highest \$5,000. In no event shall the annual general fund contribution exceed 2 mills.

Annually the Board of Finance will review the General Fund unassigned fund balance, Capital Reserve unassigned fund balance and other funding requirements and may recommend a transfer of additional funds to the Capital Reserve Fund. The goal of the Town is to maintain an unassigned balance in the Capital Reserve Fund of an amount equivalent to \$1,000,000, except as needed to meet emergencies. The reserve policy will

be reviewed annually and adjusted accordingly as part of the CIP process. Factors to be considered include evaluation of the projects in the multi-year plan, the method of financing and their effect on projected mill rates.

- B. Capital Initiatives Fund** – This fund is primarily used to account for the construction and acquisition of major capital assets. Bond proceeds are the major funding source for projects accounted for in the fund.
- C. Donations/Grants/Loans** – Anticipated contributions from various organizations or groups towards certain Capital Improvement projects, grants and loans will be used in financing the CIP to determine final estimated net cost to the Town.
- D. General Obligation Bonds** – Projects that are anticipated to have a significant expenditure of funds should be considered for referendum and funded through the issuance of general obligation bonds that shall be authorized and issued in accordance with Connecticut statutes and the Town of East Hampton Charter. Projects funded through the issuance of debt must be approved by the Board of Finance, Town Council and Town Meeting. The Town Council may elect to have a project voted on at referendum in lieu of a Town Meeting.

AMENDING THE CAPITAL IMPROVEMENT PROGRAM

Revisions to Approved CIP Projects:

Periodically there will be changes made to the approved CIP Projects that will require extra funding. This could arise from unanticipated inflation, change from the original project description or bids that may push up the original cost estimate. These additional funding requests will be handled as follows:

- 1- The Department or authorized entity responsible for the Project makes an initial determination that additional funds are required for a specific purpose.
- 2- The Department Head submits a written request for additional funding to the Town Manager. This request will include the original Finance Department CIP request form and will include detailed cost differences in the original Project and the revised Project.
- 3- This additional funding can be approved by the Town Manager providing the additional costs do not exceed the greater of \$10,000 or 10% of the original Project cost.
- 4- Should the Project Cost increase be more than \$10,000 or 10% of the original Project cost then the Project must go back to the CIP Committee for their review and approval.

Funding New and Emergency CIP Projects:

Periodically there will be projects that arise suddenly or on an emergency basis. These projects may be recommended by employees, citizens, and members of boards or commissions.

- 1- The Department responsible for the project makes an initial determination that funds are required for a specific purpose.
- 2- The Department Head submits a written request for funds to the Town Manager. This written request is completed on the Finance Department's CIP Fund request form.
- 3- The Town Manager will make a recommendation to the CIP Committee. The Capital Improvement Committee will then make a recommendation that is forwarded to the Board of Finance.
- 4- The Town Manager will prepare a report and resolution for approval from the Board of Finance, Town Council, and Board of Education if needed. This report will be placed on the agenda of the next regular scheduled meeting of the Board of Finance and Town Council, and Board of Education if needed. Emergency meetings will be scheduled if necessary.

ACCOUNTING PROCEDURES

After all of the projects have been approved by Town Council the Finance Department will begin the process of establishing accounts for the approved programs. All appropriations will be established based upon the approved project cost and prepared by using the line item criteria established by the cost estimate forms. In addition, the

Finance Department will be responsible for the following:

- 1) Maintaining grant agreements;
- 2) Maintaining audit records;
- 3) Receiving and recording revenues;
- 4) Distributing payments;
- 5) Reconciling the general ledger;
- 6) Reconciling bank statements and investments; and
- 7) Monitoring department performance.

The Department Director or Project Manager will be responsible for the following:

- 1) Creating monthly project status reports;
- 2) Creating and maintaining project timetables;
- 3) Explaining project changes and/or cost overruns;
- 4) Providing updates to the Town Council;
- 5) Presenting projects to committee and the Town Council;
- 6) Completing data detail for the Finance Department; and
- 7) Estimating costs and/or staffing requirements.

Town of East Hampton

Recommended Vehicle/Equipment Replacement Plan

1.0 PURPOSE:

The purpose of this Vehicle/Equipment Replacement Plan is to propose a methodical, systematic replacement plan, aligned with the operational needs of the Town to meet the expectations of the community. This plan is intended to reflect the vision of the Town of East Hampton to create a multi-year vehicle and equipment replacement plan that will serve as a guide in providing direction to meet expected service levels and needs. This is a living document that will be modified and updated annually to reflect changes in the Towns' organizational climate, the changing needs of residents and changes in the automotive and equipment industry. The Town of East Hampton Department of Public Works is assigned the overall responsibility for managing the fleet of vehicles and construction/maintenance equipment. The department works to:

- 1) Develop vehicle and equipment specifications;
- 2) Develop vehicle and equipment replacement schedules, acquire vehicles and equipment;
- 3) Maintain and repair vehicles during their useful life;
- 3) Dispose of vehicles and equipment.

2.0 ORGANIZATIONS AFFECTED:

This plan may apply to all vehicles of the Town of East Hampton and all Department of Public Works equipment.

3.0 OBJECTIVES:

The primary objectives of this plan is to control the overall cost of operating and maintaining the fleet of vehicles and equipment in a manner that extends their useful life, to manage the growth and size of the fleet and to standardize the composition of the fleet and to accurately budget for maintenance and replacement costs. Additionally, the plan is also intended as a tool to analyze the efficiencies of the current equipment and evaluate the cost benefit of replacement with new, efficient technology.

4.0 ACQUISITION:

The goal of the Town's acquisition practices is to obtain the lowest possible price and the highest possible quality for vehicles and equipment. All purchases of vehicles and equipment will follow the Towns purchasing guidelines. Annually, the Director of Public Works will review and edit the vehicle replacement schedule and request the acquisition of vehicles and equipment during the capital and operating budget process.

5.0 MAINTENANCE:

The goal of the Department of Public Works vehicle and equipment maintenance practices will be to keep vehicles and equipment in sound operating condition. Preventive maintenance routines and intervals will be based on local driving conditions and manufacturer's recommendations for each type of vehicle or equipment and each type of maintenance service.

Maintenance costs represent a significant portion of the total cost to own and operate a vehicle or piece of heavy equipment and tend to increase as a vehicle or equipment ages. Escalating maintenance costs are a key factor in determining when to replace a vehicle, as are frequency of maintenance and breakdown time for aging vehicles and equipment. Preventive maintenance is the key to avoiding the repair or replacement of costly vehicle components such as engines, transmissions and drive trains. Accurate and complete vehicle maintenance records are a key tool for making equipment management decisions. Vehicle maintenance costs are variable and distinct to each vehicle. Pertinent records maintained for each vehicle are vehicle maintenance logs, fuel usage logs, and cumulative costs of parts, labor, and overhead for a vehicle over its life.

6.0 REPLACEMENT:

As with other aspects of vehicle and equipment management, replacing a vehicle too soon or too late wastes money. The Department of Public Works has developed and will continue to develop accurate replacement standards based on industry guidelines and years of experience in operating and maintaining vehicles and equipment. The goal is to analyze the costs associated with a vehicle or piece of equipment and identify the point when, on average, a vehicle is reasonably depreciated but not yet incurring significant maintenance costs. By replacing the vehicle or piece of equipment at this point, the Town can avoid escalating maintenance costs and optimize resale value. The three criteria that are considered when establishing the replacement schedule are mileage, age and use.

7.0 DEVELOPMENT OF GUIDELINES AND PROCEDURES:

The Director of Public Works has inventoried existing vehicles and equipment and has prepared a replacement schedule for all public works vehicles and equipment. The schedule will be updated at least annually and will be used as the basis for planning for the replacement of vehicles and equipment. The vehicle and equipment replacement schedule will include the following information for each vehicle or unit of capital equipment:

- a. Age in years (life)
- b. Hours and/or miles
- c. Maintainable life (based on commonly used standard replacement schedules for municipal/construction/fleet vehicles and equipment)
- d. Cost of maintenance (once system can be created and implemented)
- e. Overall condition: mechanical, safety, operating or appearance
- f. Downtime during breakdowns and repairs
- g. Availability of replacement parts
- h. Funding

The guidelines for vehicles considered for replacement are based on vehicles meeting predetermined age and/or hour and/or mileage criteria. Additional consideration is given to functionality and overall condition of the vehicle or equipment. As vehicles reach the threshold miles or age of replacement criteria, a vehicle maintenance evaluation will be performed by a Department of Public Works employee. If the evaluation proves the vehicle would be economical to retain for an additional year, the vehicle will be targeted for retention and/or considered as a back-up to front line vehicles or equipment. Depending on the availability of funds, vehicles and equipment will be replaced when they are at the end of their economic life, no longer safe to operate, not reliable enough to perform their intended function, or there is a demonstrated cost savings. Vehicles which are unsafe will be removed from service regardless of whether or not funds are allocated for replacement or services are required.

8.0 VEHICLE RATING SYSTEM

The rating system used to determine the current condition of the Town's fleet of vehicles is based on factors that determine a vehicles value, serviceability and degree to which the vehicle can perform as it was intended. The vehicle point system is designed around factors that aid in determining the vehicles overall present condition. The rating factors include: age, mileage, hours, type of service vehicle was used for over its life, reliability and repair costs (note: this should be implemented in time when a system and resources are made available to track cost on an on-going basis), body condition, interior condition, accident history, anticipated repairs and availability of parts.

Age	1 point for each year of chronological age, based on in-service date
Miles/Hours	1 point for each 10,000 miles or 750 hours of use 3 points for each 10,000 miles or 750 hours accumulated past replacement life conditions
Type of service (vehicle use type)	1,3,5,7 points are assigned based on the type of service that the vehicle or equipment had during most of its life. The more severe the use performed the higher the number assigned.
Reliability	1, 3, 5 points are assigned depending on the frequency that a vehicle or piece of equipment is in the shop for repairs. The more frequent the visits the higher the number
Maintenance Costs	1 to 5 points are assigned based on total life maintenance costs (not including repair of accident damage). A 5 is assigned to a vehicle with life time repair costs equal or greater than the original purchase price. A 1 is assigned to a vehicle with life time repair costs equal to 20 % or less than the original purchase price.
Condition	1 to 5 points area assigned taking into consideration chassis/body condition, rust, interior condition, accident history, anticipated repairs, etc. The higher the number the severe the condition.

10 or below	Condition I: Excellent, like new
10-15 points	Condition II: Good condition, minor wear, systems function correctly, no repair needed
15-25 points	Condition III: Fair, significant signs of wear, systems function moderately well, repairs expected soon
25-30 points	Condition IV: Poor, substantial signs of degradation, systems barely function, repairs needed
31+ points	Condition V: Critical, vehicle has lost ability to function as designed, potential safety issue

8.0 VEHICLE CATEGORIES:

Category	Vehicle Type	Replacement Cost FY 15	Useful Life (whichever comes first)	Inventory
8.1	Mason Dump	\$35K-\$50K	10 yrs. or 100,000 miles	
8.11	Car	\$25,000	8 yrs. or 150,000 miles	
8.12	Pickup Truck	\$25-\$35K	10 yrs. or 100,000 miles	
8.13	Tractor	\$87K-\$125K	15yrs. or 4500 hours	
8.14	Loader	\$105K-\$140K	15 yrs. or 6000 hours	
8.15	Skid steer	\$35K-50K	12 yrs. or 2400 hours	
8.16	Plow Truck	\$130K-\$185K	12yrs. or 100,000 miles	
8.17	Chipper	\$35K	15 yrs. or 1500 hours	
8.18	Police cruiser	\$35K	2yrs. or 90000 miles	
8.19	Backhoe	\$100K	12yrs. or 5000 hours	
8.20	Fire Apparatus	varies	20yrs.	

Long-Term Capital Improvement Plan

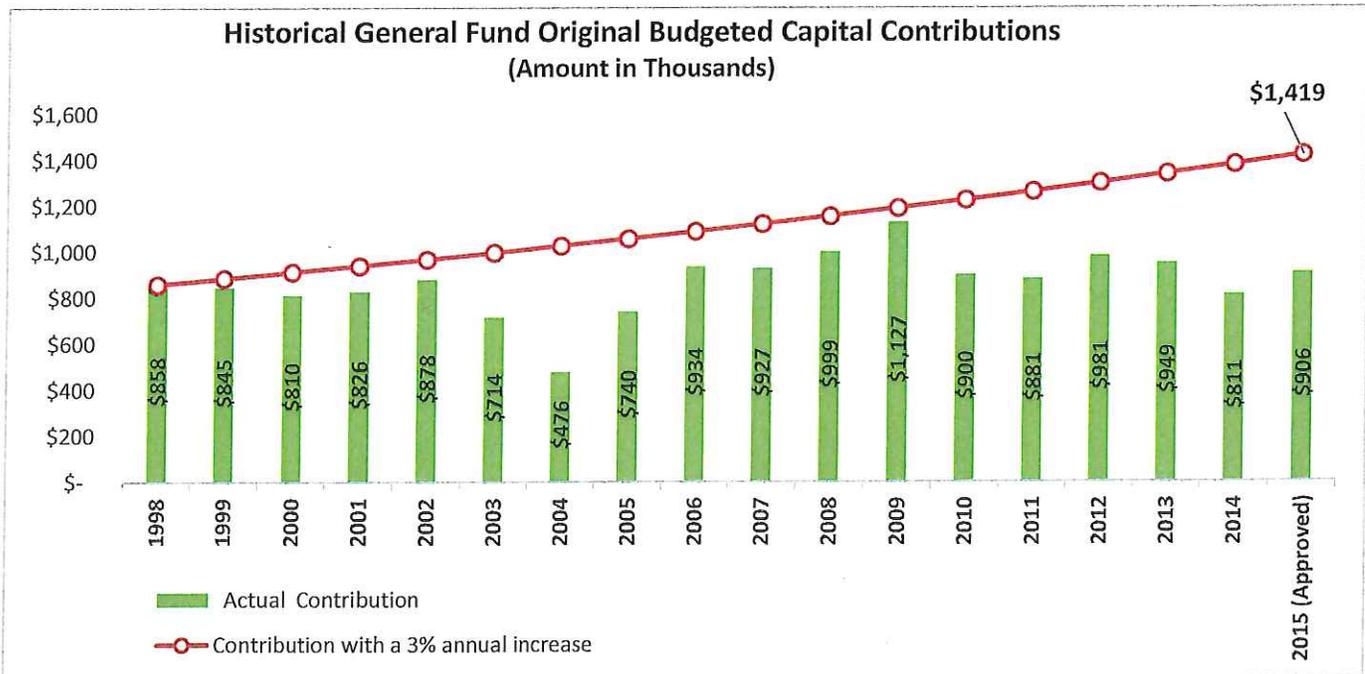
The purpose of a multi-year Capital Improvement Program (CIP) is to budget for the acquisition, replacement or renovation of major capital/fixed assets. Careful planning during this process is critical to the procurement, construction, and maintenance of capital assets to meet the needs and activities of the Town. The General Fund, through the annual operating budget, is the primary funding source for the CIP and therefore plays an integral role in the development of the program. Proper planning and funding will mitigate budget fluctuations year over year.

A comprehensive capital plan will help ensure the future financial discipline and funding stability of the Town and systematically provide efficient delivery of public services to citizens and businesses.

Attached are several work papers that present a long term forecast of capital improvement requests. These requests include both cash financing and debt financing. The numbers used to prepare this forecast were taken from departments 5 year capital requests prepared for the 2014-2015 budget as well as ten year funding requests. Because of the various changes to the capital budget for 2014-2015 some projects have been moved out into future years for discussion purposes. Additionally, not all departments were able to provide a comprehensive list of projects as of the date of this report. This plan will be continuously updated to reflect new projects.

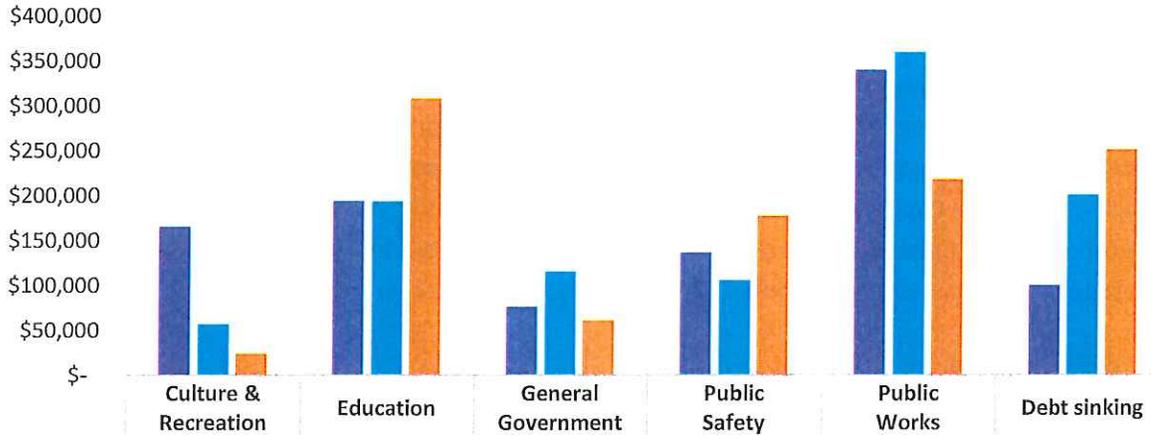
History of Capital Funding

Since 1998 the Town has contributed over \$15.5M of cash towards capital improvements and has averaged \$865K per year. Had annual contributions increased 3% beginning in 1999 our annual capital contribution would be \$1.419M or an additional \$4.5M from 1999 to date. As of July 1, 2013 the Town reported over \$76M in net capital assets with annual depreciation of a little over \$1.9M.



Below is a comparison of total capital funding requests by major function over the last few years.

Comparison of Capital Reserve Funding by Major Function



■ 2013	\$165,400	\$193,672	\$76,000	\$136,500	\$339,400	\$100,000
■ 2014	\$56,625	\$192,983	\$115,500	\$105,675	\$359,000	\$200,000
■ 2015 Council Approved	\$23,900	\$307,590	\$60,843	\$177,000	\$218,000	\$250,000

FUNDING REQUEST (CASH)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Board of Education	\$ 307,590	\$ 225,350	\$ 266,850	\$ 352,450	\$ 216,950	\$ 148,000	\$ 110,000	\$ 90,000	\$ 25,000	\$ 25,000	\$ 25,000
Public Works	218,000	690,500	583,000	602,449	714,161	605,140	656,394	622,928	749,827	777,073	764,625
Culture & Recreation	23,900	518,228	190,000	298,000	190,000	15,000	70,000	65,000	65,000	515,000	659,000
Police	145,000	70,000	270,000	82,000	120,000	90,000	75,000	75,000	75,000	75,000	75,000
Fire	32,000	86,000	82,000	70,000	190,000	32,000	32,000	232,000	82,000	32,000	32,000
General Government	60,843	60,000	50,000	85,000	75,000	65,000	75,000	60,000	120,000	60,000	60,000
Debt Sinking	250,000	600,000	-	-	-	-	-	-	-	-	-
Total Capital Request	\$ 1,037,333	\$ 2,250,078	\$ 1,441,850	\$ 1,489,899	\$ 1,506,111	\$ 955,140	\$ 1,018,394	\$ 1,144,928	\$ 1,116,827	\$ 1,434,073	\$ 1,615,625

Annual G/F Contribution Increase (Est.)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual G/F Contribution Increase (Est.)	906,169	951,477	999,051	1,049,004	1,101,454	1,156,527	1,214,353	1,275,071	1,338,824	1,405,766	1,476,054
Other funding sources	131,164	65,000	65,000	65,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
TOTAL FUNDING	1,037,333	1,016,477	1,064,051	1,114,004	1,176,454	1,231,527	1,289,353	1,350,071	1,413,824	1,480,766	1,551,054
Overage / (Shortage)	-	(1,233,601)	(377,799)	(375,895)	(329,657)	276,387	270,959	205,143	296,997	46,693	(64,571)

Probable Funding	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Board of Education	\$ 307,590	\$ 50,000	\$ 200,000	\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101	\$ 255,256	\$ 268,019	\$ 281,420	\$ 295,491
Public Works	218,000	205,000	365,000	380,000	405,750	422,288	439,652	457,884	477,029	497,130	518,237
Culture & Recreation	23,900	50,000	175,000	183,750	192,938	202,584	212,714	223,349	234,517	246,243	258,555
Police	145,000	70,000	209,000	219,450	230,423	241,944	254,041	266,743	280,080	294,084	308,788
Fire	32,000	20,000	41,000	43,050	45,203	47,463	49,836	52,328	54,944	57,691	60,576
General Government	60,843	25,000	77,000	80,850	84,893	89,137	93,594	98,274	103,187	108,347	113,764
Debt Sinking	250,000	600,000	-	-	-	-	-	-	-	-	-
Total Capital Funding	\$ 1,037,333	\$ 1,020,000	\$ 1,067,000	\$ 1,117,100	\$ 1,179,705	\$ 1,234,940	\$ 1,292,937	\$ 1,353,834	\$ 1,417,776	\$ 1,484,915	\$ 1,555,410

FUNDING SHORTAGE FROM PROBABLE	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Board of Education	-	(175,350)	(66,850)	(142,450)	3,550	83,525	133,101	165,256	243,019	256,420	270,491
Public Works	-	(485,500)	(218,000)	(222,449)	(308,411)	(182,853)	(216,742)	(165,044)	(273,798)	(229,943)	(246,388)
Culture & Recreation	-	(468,228)	(15,000)	(114,250)	2,938	187,584	142,714	158,349	169,517	(268,757)	(400,445)
Police	-	-	(61,000)	137,450	110,423	151,944	179,041	191,743	205,080	219,084	233,788
Fire	-	(66,000)	(41,000)	(26,950)	(144,798)	15,463	17,836	(179,672)	(27,056)	25,691	28,576
General Government	-	(35,000)	27,000	(4,150)	9,893	24,137	18,594	38,274	(16,813)	48,347	53,764
Debt Sinking	-	-	-	-	-	-	-	-	-	-	-
Total Capital (Cash)	\$ -	\$ (1,230,078)	\$ (374,850)	\$ (372,799)	\$ (326,406)	\$ 279,800	\$ 274,543	\$ 208,906	\$ 300,949	\$ 50,842	\$ (60,215)

TOWN OF EAST HAMPTON
CAPITAL IMPROVEMENT PLAN

CATEGORY	Department	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Fuel Island (Construction)	General Government			275,000								
Replace Ladder 1-12	Fire Department		950,000									
Replace Engine 2-12	Fire Department				600,000							
Replace Forestry 1-12 w/1 ton truck	Fire Department					110,000						
Replace Forestry 2-12 w/1 ton truck	Fire Department						350,000					
Replace Tanker 1-12 (CO#1)	Fire Department											
Replace Tanker (CO#3)	Fire Department									350,000		
Replace ES-12 (retire E4-12)	Fire Department							600,000				
MULTIPOSE PARK	Parks and Recreation											
Shed replacement	Public Works						500,000					
New Police/Dispatch facility	Police Department											
Vehicle/Rolling Stock Replacement	Public Works		410,000	300,000	250,000	185,000	555,000	370,000				
10 Wheel, plow, truck	Public Works	185,000										
2.5 Yard Loader	Public Works	140,000										
Trackless Municipal Tractor	Public Works	180,000										
Compact excavator	Public Works	100,000										
TOTAL CAPITAL PROGRAM		\$ 605,000	\$ 1,360,000	\$ 575,000	\$ 850,000	\$ 295,000	\$ 1,385,000	\$ 970,000	\$ -	\$ 350,000	\$ -	\$ -
BOE												
Public Works		605,000	410,000	300,000	250,000	185,000	1,055,000	370,000				
Culture & Recreation												
Police												
Fire			950,000		600,000	110,000	350,000	600,000		350,000		
General Government												
TOTAL		\$ 605,000	\$ 1,360,000	\$ 575,000	\$ 850,000	\$ 295,000	\$ 1,385,000	\$ 970,000	\$ -	\$ 350,000	\$ -	\$ -

Years 10
Interest Rate 5.0%

Year	Finance Factor	Amount Fiscal Year	Linked to 10-yr plan summary										TOTAL	Fiscal Year	\$ Change	
			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024				2025
Year 1	15.0%	\$ 90,750	\$ 605,000	\$ 1,360,000	\$ 575,000	\$ 850,000	\$ 295,000	\$ 1,385,000	\$ 970,000	\$ -	\$ 350,000	\$ -	\$ -	\$ 90,750	2016	\$ 200,975
Year 2	14.5%	\$ 87,725	\$ 84,700	\$ 197,200	\$ 86,250	\$ 127,500	\$ 44,250	\$ 207,750	\$ 140,650	\$ -	\$ -	\$ -	\$ -	\$ 291,725	2017	\$ 76,425
Year 3	14.0%	\$ 84,700	\$ 81,675	\$ 190,400	\$ 83,375	\$ 123,250	\$ 42,775	\$ 193,900	\$ 135,800	\$ -	\$ -	\$ -	\$ -	\$ 368,150	2018	\$ 114,800
Year 4	13.5%	\$ 81,675	\$ 78,650	\$ 183,600	\$ 80,500	\$ 119,000	\$ 41,300	\$ 186,975	\$ 130,950	\$ -	\$ -	\$ -	\$ -	\$ 482,950	2019	\$ 27,300
Year 5	13.0%	\$ 78,650	\$ 75,625	\$ 176,800	\$ 77,625	\$ 114,750	\$ 39,825	\$ 180,050	\$ 126,100	\$ -	\$ -	\$ -	\$ -	\$ 510,250	2020	\$ 189,325
Year 6	12.5%	\$ 75,625	\$ 72,600	\$ 170,000	\$ 74,750	\$ 110,500	\$ 38,350	\$ 180,050	\$ 121,250	\$ -	\$ -	\$ -	\$ -	\$ 699,575	2021	\$ 120,150
Year 7	12.0%	\$ 72,600	\$ 69,575	\$ 163,200	\$ 71,875	\$ 106,250	\$ 36,875	\$ 173,125	\$ 126,100	\$ -	\$ -	\$ -	\$ -	\$ 819,725	2022	\$ (30,200)
Year 8	11.5%	\$ 69,575	\$ 66,550	\$ 156,400	\$ 69,000	\$ 102,000	\$ 35,400	\$ 166,200	\$ 121,250	\$ -	\$ -	\$ -	\$ -	\$ 789,525	2023	\$ 22,300
Year 9	11.0%	\$ 66,550	\$ 63,525	\$ 149,600	\$ 66,125	\$ 97,750	\$ 33,925	\$ 159,275	\$ 116,400	\$ -	\$ -	\$ -	\$ -	\$ 811,825	2024	\$ (31,950)
Year 10	10.5%	\$ 63,525	\$ -	\$ 142,800	\$ 63,250	\$ 93,500	\$ 32,450	\$ 152,350	\$ 111,550	\$ -	\$ -	\$ -	\$ -	\$ 779,875	2025	\$ (92,450)
Year 11	0.0%	\$ -	\$ -	\$ -	\$ 60,375	\$ -	\$ 89,250	\$ -	\$ 101,850	\$ -	\$ -	\$ -	\$ -	\$ 687,425	2026	\$ (164,925)
Year 12	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 522,500	2027	\$ (79,625)
Year 13	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 442,875	2028	\$ (104,250)
Year 14	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,625	2029	\$ (44,500)
Year 15	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,125	2030	\$ (152,025)
Year 16	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,100	2031	\$ (103,600)
Year 17	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,500	2032	\$ (1,750)
Year 18		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,750	2033	\$ -



June 20, 2014

To: The East Hampton Town Council

Documentation of the below listed tax refunds are available in the Tax Office for your review if you so desire. The refunds total \$104.92.

Thank you for your assistance.

Nancy Hasselman, CCMC

Nancy Hasselman, CCMC
Collector of Revenue

000	0.00 *
	104.92 +
001	104.92 *