

Town of Oak Bluffs, Massachusetts

Capital Improvement Program

Fiscal Years 2013 through 2018

September 27, 2012

Capital Program Committee of the
Town of Oak Bluffs

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I. Introduction

The Capital Improvement Committee hereby submits the Capital Improvement Program (CIP) for the Town of Oak Bluffs for the period from Fiscal Year 2013 through Fiscal Year 2018. In preparing this financial planning document, the Committee recognizes the strong contributions made by our Department Heads in analyzing the capital needs in support of the Town services they provide, and in presenting detailed information to be evaluated by the Committee. The Committee also recognizes the strong efforts of the Town Administrator in synthesizing all of the relevant data into the development of a long-term vision for our community. Through this team approach, the Committee was better able to evaluate the needs of our community and to formulate recommendations that are both necessary and practical for meeting the future needs of our Town.

The plan encompasses all proposed capital improvements, defined generally as improvements to facilities or equipment in excess of \$10,000 in cost which have an expected life of more than three years. This \$10,000 threshold may include maintenance to buildings and structures, as well as combinations of equipment purchases for a project that, when taken in aggregate, exceeds the \$10,000 threshold. However it should be noted that extensive planning and discussion is ongoing to develop a program to include both routine maintenance and smaller or recurring equipment purchases into operating budgets. While the Town emerges from one of the worst recessions in memory, it will be important to build back into our budgets the ability to carry out these ongoing functions, and it is recognized that our capital program must be augmented to catch up with deferred maintenance in critical areas.

The Capital Improvement Program (CIP) presents a one-year Capital Budget, in this case Fiscal Year 2013, supported by a five-year plan, for a total planning period of six-years. In addition to an analysis of our capital needs for the upcoming six-year period, the CIP provides an analysis of all of the Town's existing and proposed debt service through fiscal year 2030. Certain recommendations in the plan regarding long-term debt service are based on the overall structure of the Town's existing and proposed deb. This longer term analysis allows the Town to plan and manage its debt service to maintain planned levels of debt that are affordable and stable. As a result of this planning, the CIP recommends consistent annual debt targets, that are in the range of 10-12% of total operating expenses, and will not cause an increase in the Town's tax rate.

II. The Town's Capital Needs

Oak Bluffs' capital needs are split quite clearly between the ongoing investment required on an annual basis to maintain our existing infrastructure and equipment and a smaller number of major construction projects required to renovate and replace our aging buildings and to protect

our natural resources, such as with wastewater and coastal projects. Our ongoing annual capital requirements are both predictable and stable, but require consistent attention to stay current each year. In recent years the Town has focused on dealing with the financial pressures associated with limited revenues, and we are now seeing an erosion of basic services and infrastructure maintenance as a result. This plan has sought to prioritize the Town's annual capital needs across the entire organization and to apply resources thoughtfully to meet our most pressing needs.

The planning process has shown that one of our largest immediate challenges is dealing with the impact of deferred maintenance to Town buildings. This deferral is threatening the integrity of some of our key structures, which are currently valued at almost \$50,000,000. In analyzing the condition of our buildings, the Committee has found some critical deficiencies that if not addressed will result in substantial building damage that will cost a great deal more to fix. Included here are major roof leaks that are leading to water damage at both the Police Station and the Town Hall. Lack of paint at the Police Station and Library are presently causing significant damage to exterior surfaces. Structural problems threaten the occupancy of the Sailing Camp building, and faulty HVAC systems threaten occupancy at the Town Hall and Library. The Town must make a major decision this year. Will the Town invest in basic building maintenance to extend the life cycle of its facilities or will the Town continue to defer maintenance and risk having to invest millions in their repair and replacement in the future. The CIP seeks to arrest this deterioration with a common sense approach of making immediate smaller investments to extend the life cycle of these facilities, thereby avoiding much higher cost in the long term. Through the plan the Town will bundle several of our highest priority maintenance projects into a single short-term bond to arrest further deterioration and to put us back on a schedule of regular maintenance. This will help to stabilize the condition of our building resources.

Next, the Committee turned its attention to our rolling stock of vehicles and equipment that supports Town operations. Under Chapter 88 of the Acts of 2008, the Town has created an important resource for funding the purchase and equipping of public safety vehicles and equipment. Through this law, the revenue from the provision of ambulance services is set aside in a reserve fund to cover the cost of providing the service as well as the purchase of vehicles and equipment. Because Oak Bluffs operates a regional ambulance service that generates revenues from off-island transports, revenues collected from the service appear to be adequate to meet not only the costs of operating the regional service, but also the vehicle and equipment needs of our Ambulance Service, Fire Department and Police Department. At a time when Towns across the Commonwealth are struggling with funding public safety equipment, Oak Bluffs has a distinct advantage.

With that advantage there are major challenges. With a reserve fund sufficient to meet equipment and vehicle needs there is an ongoing responsibility for transparency and accountability to use these funds in the wisest manner possible. As a community we need to ensure that our emergency services are supported by the necessary vehicles and equipment, but we also need to ensure that we purchase only the equipment necessary, and we need to ensure that we get the maximum value from every vehicle and piece of equipment. In previous years investment from the reserve fund was done on an annual basis, and although our needs were met there were times when questions arose as to both the need and timing of individual purchases. In

order to improve this system the Capital Committee engaged each of our public safety Chiefs and our Town Administrator in the overall planning process to make a longer term analysis of all of our public safety needs, and to plan investments from the reserve fund in a predictable way that can be thoroughly evaluated before any appropriations are made. The result is a detailed six-year program for public safety vehicles and equipment proposed to be funded from the ambulance reserve fund. In addition to expenditures proposed for the current year, we are aware of and have evaluated needs for the ensuing five years, and have balanced our expenses over the years for continuity and stability. Every year we will evaluate and update the plan to provide the best value to the Town. During the annual evaluation, decisions can be made not only for the current year, but also for future years.

The one area we are not as fortunate is the planning for Highway Department vehicles where we do not have a dedicated funding source. Often these vehicles get dragged into the operating budget where they compete for funding with basic service needs and manpower. As a result these necessary purchases are often delayed, which drives up maintenance costs and limits our ability to conduct work. Without the necessary equipment and vehicles, more highway work must be contracted out, and the cost to the Town for basic services is increased. The Committee is striving to achieve a balance between work that may be accomplished by Town personnel and what must be contracted, and is attempting to meet our equipment needs for this purpose. At this time many replacements have been delayed, and our challenge is not to add equipment, but to just keep our present rolling stock in working order. The CIP has analyzed and projected these needs, but our next challenge will be to isolate the operating funds to make these equipment purchases when necessary. We are attempting to avoid taking on debt for highway vehicle purchases, and seeking to fund these needs from ongoing budgets, and we have made progress just this year with the purchase of a new loader to replace a dying piece of equipment. Future years of the plan will require constant diligence to isolate the funds necessary to meet the needs that have been highlighted in the plan.

The next major phase of the planning process was to examine our long-term debt structure within the context of the major needs facing the Town. The planning process has identified two key public buildings as substandard and in need of major repair or renovation. These are the Fire/EMS Station and the Town Hall. The Fire/EMS Station is a metal fabricated building that currently lacks the structural integrity to serve as a key public safety facility. It is also startlingly deficient in terms of lacking space for administrative offices, training, equipment storage or ready rooms. The building is truly on its last legs, and planning should start now for a replacement. The Town Hall facility was hastily converted from a historic school building to municipal office space with very little planning or renovation. The offices are poorly laid out using substandard temporary interior construction and wiring that does not meet code. The building has not been renovated for many years, since well before it was a Town Hall and its condition has deteriorated quite a bit. Water infiltration is a major problem and despite the large amount of building square footage, offices are cramped, records storage substandard and meeting space is very limited. Temporary construction has further interfered with the operation of the HVAC system, causing some spaces to be over-heated and some to be cold. The end result robs the Town of the opportunity to conduct Town business in an adequate facility. The CIP recommends architectural studies to develop an improvement program for both of these facilities.

The Capital Program Committee has analyzed the structure of the Town's debt and recommends establishing a reasonable debt service ceiling to manage our debt levels in a way that helps to stabilize the Town's tax rate while meeting our major needs. The recommended debt level of 10-12% of the operating budget is a reasonable debt ceiling for a community of Oak Bluffs size. Current total debt service payments were approximately \$3.35 million in fiscal year 2012, and slightly less than that, at \$3.18 million in fiscal year 2013. Throughout the 6-year plan horizon, the Town will seek to establish an ongoing debt level of \$3 million. This involves the timing of new debt to be adopted only when existing debt is retired to keep an even level of debt. In this way, the plan recommends bonds for the renovation of both the Fire/EMS Station and the Town Hall to coincide with the retirement of other debts so that the new debt payments will have no impact on our current tax rate. Built into the plan is the further reduction of debt levels over the next five years to allow for a potential wastewater expansion project while still maintaining the same or a lower debt burden for the Town. It is important to note that a danger exists in delaying projects, and that if the Town's existing debt service level dips too far, new projects can cause spikes in the tax rate. The plan seeks to accomplish needed projects within planned debt service guidelines to keep the Town's debt levels stable. As the Town is currently at its Proposition 2 ½ levy limit, each new debt project will require a debt exclusion approval by voters. For this reason all future debt has been planned to minimize or eliminate its impact on the overall tax rate.

III. Financing Program

Since the Town has negative Free Cash, and the Stabilization Fund is very limited, the CIP does not recommend the use of any Free Cash or Stabilization throughout its six year planning period. Rather, the Committee supports the adoption of specific goals for Free Cash and Stabilization as well as a Town-wide commitment to meet these goals. It is hoped that the Town will reach its Free Cash and Stabilization Fund goals, which will allow excess funds over the targeted minimum amounts for these funds to be used for future capital spending.

The CIP recommendations include the following sources of funding to meet the obligations of the Plan:

Ambulance Reserve Fund- This fund is governed by the provisions of Mass General Laws Chapter 88 of the Acts of 2008, which sets forth a fund into which the revenues from the provision of ambulance services in Oak Bluffs are deposited for the express purposes of providing ambulance services, for purchasing and equipping public safety vehicles and for purchasing public safety equipment. As previously stated, the Capital Program Committee has approved a six-year program for all such expenditures from the fund to facilitate planning in the management of public safety vehicles and equipment. The Committee will continue to analyze the replacement schedules for vehicles and proposed vehicle purchases every year. Conclusions will be included in an updated six-year plan that ensures that good planning is in effect, that all vehicles and equipment are truly needed, and that the Town gets the most value and savings from its expenditures.

Available Funds- These are non-committed Town budget funds that are used to meet expenses for Highway Department vehicles and miscellaneous projects and equipment that are too small to be appropriate for debt funding, and do not qualify for any other existing funding sources. In addition to Highway vehicles and equipment, available funding covers projects such as routine building maintenance, Information Technology needs and Shellfish capital expenses in the current plan. With little or no Town reserves and very tight budgets, the Committee will continue to research available funds for projects in the outlying years. Available funds fluctuate from year to year, and are not fixed until the budget is prepared for each individual year. For this reason, the Committee can plan the use and availability of these funds for year one only. Each year the plan will be updated to fix the exact amount of available funds and to locate alternative funding sources if necessary. The Committee will continue to explore a dedicated source of funds to meet the Town's Capital needs and will present a coordinated funding program to provide a greater sense of financial stability for the Town.

Debt Service-The Capital Improvement Plan includes a detailed analysis of all outstanding debt payments due for the life of each loan, well beyond the capital planning period. Debt is recommended for financing a project only when the useful life of the project is longer than the life of the loan. New debt has also been recommended only when the Town's existing debt payments have declined to the point where new debt may be added without increasing the Town's tax rate. In this way, the plan seeks to fund all major projects within the community's ability to pay. Included in this report is an analysis of our existing debt payments, along with all proposed new debt payments and the total annual payments due. Beyond fiscal year 2013, all anticipated debt payments are lower than debt payments calculated for fiscal year 2013.

Three types of debt are contemplated in the program. The first is debt payments that are not exempted from the provisions of Proposition 2 ½. This debt is paid from existing funds in the Town's budget, and is reserved for the proposed short-term note for deferred building maintenance. In order to catch up with the deferred projects, several smaller projects are bundled in the first year of the plan into a single note to be paid back from the operating budget over a ten-year period. It is anticipated that the funds used to pay this debt will be shifted to ongoing building maintenance when the loan is retired.

The second type of debt is debt that is excluded from the provisions of Proposition 2 ½. This represents larger building projects that are timed to coincide with the retirement of other excluded projects that are being paid off. As one excluded project is paid off, a new excluded project may take its place while keeping the total debt payments of the Town at or below the current amount. When each excluded project is paid off, the exclusion no longer applies and is extinguished. In the program, excluded debt is proposed for Fire Station and Town Hall renovations.

The third type of debt proposed is based on revenue collections. In this case 100% of the debt service for a particular project is covered by the revenue derived from the project, and the project has no impact on the tax rate. In the program, debt for the installation of a Harbor Fueling Facility is proposed to be 100% covered by the revenue from the sale of fuel.

Waterways Fund-Fees collected from moorings are deposited into the waterways account, which is routinely used for smaller harbor-related projects and maintenance. Waterways funds are being used in the CIP to cover engineering costs for the harbor fueling facility and for emergency repairs to the Harbor bulkhead.

Community Preservation-Recent changes in legislation have made Community Preservation funds eligible to be used for maintenance and improvements to public parks and recreation areas, even if those areas were not purchased with Community Preservation funds. The Capital Planning Committee will be working with the Community Preservation Committee and Town Departments to identify necessary Town projects which may be funded using Community Preservation Act funds. It should be noted that no such funds may be used without the recommendation of the Community Preservation Committee, and they conduct an annual recommendation process. For this reason it is difficult to plan for the use of these funds beyond year one of the program. For the current fiscal year, the Parks and Recreation Department has requested \$141,000 of Community Preservation funds for repairs and maintenance to the Niantic Park Basketball Courts. The Capital Program Committee supports this request. Future projects will also be recommended in succeeding years based on continued dialogue with the Community Preservation Committee.

State and Federal Grants-The Capital Improvement Committee is working closely with town Departments to advocate an aggressive stance toward attracting State and Federal grant funding for any eligible project. A six year planning period will give Town Departments additional time for comprehensive research of available grant sources, and will enable more effective application planning. State and Federal grants are a critical part of the CIP, and they are, by far, the largest source of funding in the plan. State and Federal Grants are proposed for all of the major natural resources infrastructure projects including the Fish Pier, Seawall and Boardwalk, as well as the project to stabilize the East Chop Bluff.

IV. Looking Forward

As a historic, seasonal resort community with a growing year-round population the Town of Oak Bluffs faces continuing challenges in organizing the resources needed to provide a high level of local services. Nowhere is this more apparent than in attempting to maintain an aging infrastructure in a period of time when an economic recession has restricted local revenues. The Capital Program Committee recognizes these challenges and is extremely mindful of the need for our community to set priorities for the future envisioned by our local residents. The Capital Improvement Plan adopts the longer term vision of financial planning that is required make the appropriate decisions each year to keep the Town on track toward its long term vision. Voters are asked each year to approve the current year's expenditures, but are presented with the longer term program from which to evaluate each individual project. The succeeding years of the program are not designed to be set in stone, but are to be updated each year with specific projects recommended each year that are backed up by a full six-year plan. In this way, our planning system is designed to make current decisions each year with a weather eye on the challenges that are on the horizon.

In future years, the Town will benefit from efforts to even out our capital expenditures toward steady, long-term investment at predictable and affordable amounts that will keep our infrastructure intact. In order to preserve that long-term, steady investment, the Town will also need to match up revenue sources to provide long-term predictable support for our capital needs. We have learned that simply deferring projects not only makes needed repairs more costly, it can also have the impact of piling needed projects on top of each other to the point of crisis for a community. Through this financial planning the town will be in a better position to forecast and deal with our needs.

Town of Oak Bluffs Capital Improvement Program
Fiscal Years 2013-2018

	Prior	Budget	Proposed					Funds Req'd
	Appropriation	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	After 2018
1. PROPOSED PROJECTS								
1. Ambulance								
Replace Oscar 93	\$56,000							
Remount Oscar 94	\$150,000							
Purchase Ambulance Billing Software	\$35,000						\$20,000	
Upgrade Stretchers	\$45,000							
Purchase Lucas CPR System			\$12,000			\$15,000		
Ambulance Lease	\$53,348		\$53,348	\$53,348				
Upgrade Communications				\$12,000				
Purchase New Ambulance				\$270,000				
Purchase Advance Life Support Equipment					\$145,000			
Equip Ambulance with Bariatric						\$32,000		
New EMS Gear (coats, etc..)							\$30,000	
2. Building Maintenance								
Building Maintenance Bond (next 8 projects)			\$38,425	\$37,483	\$36,540	\$35,598	\$34,655	\$159,137
Replace Police Department Roof \$60,000								
Replace Town Hall Roof \$35,000								
Police Exterior Painting \$25,000								
Library Exterior Painting \$25,000								
Library HVAC \$75,000		\$60,000						
Replace Fire Station Boiler \$10,000								
Sailing Camp Structural \$45,000								
Replace Town Hall HVAC System \$35,000			\$35,000					
Exterior Painting - Town Bldgs.			\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	
Replace Highway Boiler				\$15,000				
3. Fire Department								
Fire Station Feasibility Design Study		\$25,000						
Ladder Truck Lease	\$97,330							
Purchase Turnout Gear	\$90,000							
Purchase Thermal Imaging Camera	\$8,000							
Replace Engine #2 Pumper Truck			\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Replace Scott Air Packs			\$90,000		\$90,000			
Purchase Ice Rescue Equipment				\$10,000				
Replace Compressed Air Fill Station							\$20,000	
Upgrade Dive Equipment							\$30,000	
Fire Station Construction(est. \$4,500,000)				\$397,000	\$388,323	\$379,645	\$370,968	\$3,502,927

Town of Oak Bluffs Capital Improvement Program
Fiscal Years 2013-2018

	Prior	Budget	Proposed					Funds Req'd
	Appropriation	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	After 2018
4. Highway Department								
Replace Pickup Trucks (4)			\$83,000	\$42,500	\$43,500			
Replace Small Dump Truck (3)			\$56,000		\$58,500	\$60,000		
Replace Front End Loader		\$35,000	\$35,000	\$35,000	\$35,000	\$35,000		
Replace Full Size Dump Truck				\$92,000				
Replace Street Sweeper			\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	
Replace Wood Chipper				\$22,000				
5. Marina								
Fuel Dock Design		\$15,000						
Bulkhead Emergency Repairs		\$10,000						
Fuel Dock Construction(est. \$250,000)			\$33,125	\$32,313	\$31,500	\$30,688	\$29,875	\$137,187
6. Parks Department								
Niantic Basketball Courts		\$141,000						
Surf Rake						\$40,000		
7. Police Department								
Police Chief Vehicle Lease	\$10,470							
Marked Cruiser Lease	\$31,410							
Body Armor Replacement	\$12,750						\$12,750	
Unmarked Cruiser Replacement 2004	\$27,500							
Marked Cruiser Replacement (3) 2008			\$115,000					
Unmarked Cruiser Replacement 2006				\$27,000.00				
Marked SUV Replacement 2008				\$36,000				
Motorcycle Replacement (2) 2007				\$36,000				
Unmarked Cruiser Replacement 2011					\$30,000			
Marked Cruiser Replacement (3) 2011						\$95,000		
8. School Department								
To be determined								
9. Information Technology								
IT Fiber Optic Cabling				\$30,000				
Software Upgrades-Payroll and HR				\$45,000				
Wireless Project								

Town of Oak Bluffs Capital Improvement Program
Fiscal Years 2013-2018

	Prior	Budget	Proposed						Funds Req'd
	Appropriation	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2018	After 2018
10. Sailing Camp									
Rebuild Rear deck									
Kitchen Structural Repair									
Roof Repair			\$30,000						
Sprinkler System					\$20,000				
Renovate Lower Level						\$25,000			
11. Selectmen									
Town Hall Architectural Study		\$15,000							
Town Hall Renovation(est. \$2,500,000)					\$248,250	\$242,823	\$237,395		\$2,420,395
12. Shellfish Department									
Farm Pond Restoration			\$60,000						
Remote Water Quality Monitors			\$16,000						
Replace Outboard Motor				\$15,000					
Replace Upweller					\$20,000				
Replace 4x4 Pickup Truck						\$30,000			
13. Wastewater Department									
Sewer Plant Improvements	\$828,862								
Sewer System Expansion									
Sewer Plant Upgrade and Expansion									
14. Natural Resources Infrastructure									
Fish Pier Construction			\$900,000						
North Bluff Seawall and Boardwalk				\$4,500,000					
N Bluff to Inkwell Beach Nourish and Groins						\$6,000,000			
East Chop Bluff Stabilization	\$25,000							\$10,000,000	
TOTAL	\$1,470,670	\$301,000	\$1,704,898	\$5,855,644	\$1,294,613	\$7,168,754	\$10,933,643		\$6,319,646

Town of Oak Bluffs Capital Improvement Program
Fiscal Years 2013-2018

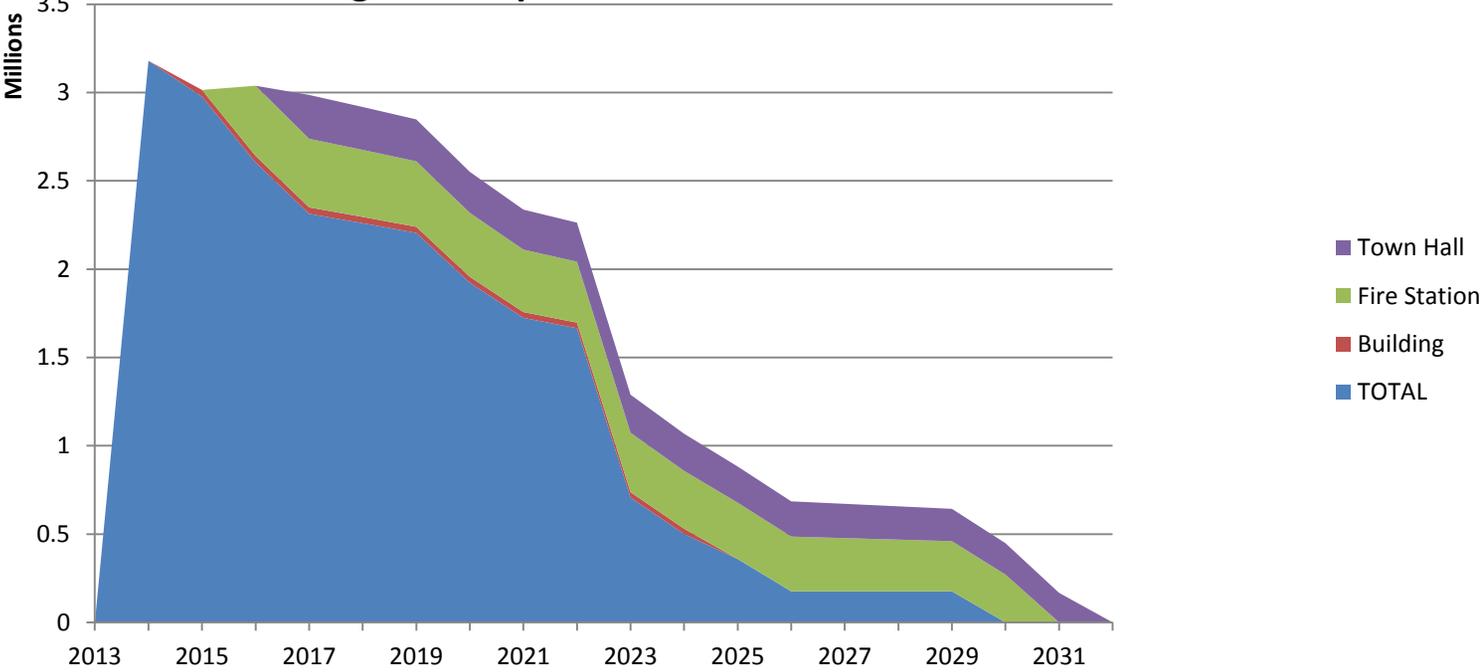
	Prior	Budget	Proposed					Funds Req'd
	Appropriation	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	After 2018
2. SOURCES OF FUNDS								
Ambulance Reserve Fund	\$616,808	\$0	\$370,348	\$544,348	\$365,000	\$242,000	\$212,750	\$100,000
Available Funds		\$135,000	\$303,000	\$344,500	\$225,000	\$238,000	\$48,000	\$0
Bonded Debt - Excluded from Prop 2 1/2		\$0	\$0	\$397,000	\$636,573	\$622,468	\$608,363	\$5,923,322
Bonded Debt - Not Excluded from Prop 2 1/2		\$0	\$38,425	\$37,483	\$36,540	\$35,598	\$34,655	\$159,137
Bonded Debt - Revenue Based		\$0	\$33,125	\$32,313	\$31,500	\$30,688	\$29,875	\$137,187
Waterways Fund		\$25,000						
Community Preservation Funds	\$25,000	\$141,000	\$60,000	\$0	\$0	\$0	\$0	\$0
State and Federal Grants	\$828,862	\$0	\$900,000	\$4,500,000	\$0	\$6,000,000	\$10,000,000	\$0
TOTAL	\$1,470,670	\$301,000	\$1,704,898	\$5,855,644	\$1,294,613	\$7,168,754	\$10,933,643	\$6,319,646

TOWN OF OAK BLUFFS
2013-2028
TOTAL TAX LEVY DEBT SERVICE EXISTING AND PROPOSED
 Total All Declining Principal and Interest Payments

Existing Debt				Proposed Debt			
Fiscal Year	Total Principal	Total Interest	TOTAL EXISTING	Building Maintenance	Fire Station	Town Hall	TOTAL PLANNED DEBT
2013	2,314,313	865,456	3,179,769				3,179,769
2014	2,272,385	703,942	2,976,327	38,425			3,014,752
2015	2,001,767	602,288	2,604,055	37,483	397,000		3,038,538
2016	1,802,677	510,616	2,313,293	36,540	388,323	248,250	2,986,406
2017	1,833,742	426,425	2,260,167	35,598	379,645	242,823	2,918,233
2018	1,864,861	340,203	2,205,064	34,655	370,968	237,395	2,848,082
2019	1,666,139	256,668	1,922,807	33,713	362,290	231,968	2,550,778
2020	1,542,981	181,274	1,724,255	32,770	353,613	226,540	2,337,178
2021	1,555,535	110,041	1,665,576	31,828	344,935	221,113	2,263,452
2022	644,201	62,139	706,340	30,885	336,258	215,685	1,289,168
2023	462,316	38,029	500,345	29,943	327,580	210,258	1,068,126
2024	335,493	23,419	358,912		318,903	204,830	882,645
2025	163,736	11,864	175,600		310,225	199,403	685,228
2026	167,044	8,556	175,600		301,548	193,975	671,123
2027	170,419	5,181	175,600		292,870	188,548	657,018
2028	173,861	1,739	175,600		284,193	183,120	642,913
2029			0		270,515	177,693	448,208
2030			0			167,265	167,265
2031			0				0
2032			0				0
2033			0				0
2034			0				0
2035							
2036							
2037							
2035							
2036							
2037							
Totals	18,971,470	4,147,840	23,119,310				31,648,882

Office of the Town Administrator
 For financial planning purposes only

Total Existing and Proposed Debt



Town of Oak Bluffs
Capital Improvement Program
Building Maintenance Program
\$290,000 for 10 Years @ 3.25% Interest

YEAR	PRINCIPAL OUTSTANDING	PRINCIPAL PAYMENT	INTEREST	TOTAL PAYMENT
	290,000			
1	261,000	29,000	9,425	38,425
2	232,000	29,000	8,483	37,483
3	203,000	29,000	7,540	36,540
4	174,000	29,000	6,598	35,598
5	145,000	29,000	5,655	34,655
6	116,000	29,000	4,713	33,713
7	87,000	29,000	3,770	32,770
8	58,000	29,000	2,828	31,828
9	29,000	29,000	1,885	30,885
10	0	29,000	943	29,943
		290,000	51,838	341,838

Office of the Town Administrator
 For Financial Planning Purposes Only

Town of Oak Bluffs
Capital Improvement Program
Fire Station Sample Bond Payment Schedule
\$4,000,000 for 15 Years @ 3.25% Interest

YEAR	PRINCIPAL OUTSTANDING	PRINCIPAL PAYMENT	INTEREST	TOTAL PAYMENT
	4,000,000			
1	3,733,000	267,000	130,000	397,000
2	3,466,000	267,000	121,323	388,323
3	3,199,000	267,000	112,645	379,645
4	2,932,000	267,000	103,968	370,968
5	2,665,000	267,000	95,290	362,290
6	2,398,000	267,000	86,613	353,613
7	2,131,000	267,000	77,935	344,935
8	1,864,000	267,000	69,258	336,258
9	1,597,000	267,000	60,580	327,580
10	1,330,000	267,000	51,903	318,903
11	1,063,000	267,000	43,225	310,225
12	796,000	267,000	34,548	301,548
13	529,000	267,000	25,870	292,870
14	262,000	267,000	17,193	284,193
15	0	262,000	8,515	270,515
		4,000,000	1,038,863	5,038,863

Office of the Administrator

***Town of Oak Bluffs
Capital Improvement Program
Town Hall Sample Bond Payment Schedule
\$2,500,000 for 15 Years @ 3.25% Interest***

YEAR	PRINCIPAL OUTSTANDING	PRINCIPAL PAYMENT	INTEREST	TOTAL PAYMENT
	2,500,000			
1	2,333,000	167,000	81,250	248,250
2	2,166,000	167,000	75,823	242,823
3	1,999,000	167,000	70,395	237,395
4	1,832,000	167,000	64,968	231,968
5	1,665,000	167,000	59,540	226,540
6	1,498,000	167,000	54,113	221,113
7	1,331,000	167,000	48,685	215,685
8	1,164,000	167,000	43,258	210,258
9	997,000	167,000	37,830	204,830
10	830,000	167,000	32,403	199,403
11	663,000	167,000	26,975	193,975
12	496,000	167,000	21,548	188,548
13	329,000	167,000	16,120	183,120
14	162,000	167,000	10,693	177,693
15	0	162,000	5,265	167,265
		2,500,000	648,863	3,148,863

Office of the Administrator

Town of Oak Bluffs
Capital Improvement Program
Harbor Fuel System
\$250,000 for 10 Years @ 3.25% Interest

YEAR	PRINCIPAL OUTSTANDING	PRINCIPAL PAYMENT	INTEREST	TOTAL PAYMENT
	250,000			
1	225,000	25,000	8,125	33,125
2	200,000	25,000	7,313	32,313
3	175,000	25,000	6,500	31,500
4	150,000	25,000	5,688	30,688
5	125,000	25,000	4,875	29,875
6	100,000	25,000	4,063	29,063
7	75,000	25,000	3,250	28,250
8	50,000	25,000	2,438	27,438
9	25,000	25,000	1,625	26,625
10	0	25,000	813	25,813
		250,000	44,688	294,688

Office of the Administrator

Statement of Values: Town of Oak Bluffs
 Effective Dates: 7/1/12-13
 Total Insured Value: \$46,651,827

Location Name	Address	City	Building	Contents	Construction	Area	Year	#	Roof Cover
Tradewinds Elementary School	50 Tradewind Rd.	Oak Bluffs	19,636,181.00	1,690,225.00		128898	1996	2	
Wastewater Plant	County Rd	Oak Bluffs	7,217,794.00	460,225.00		11880	2001	1	
Library	56 Rear School Rd	Oak Bluffs	3,850,925.00	1,025,000.00		256	2005	2	
Filtering/Wastewater	County Rd	Oak Bluffs	727,750.00	1,436,025.00		2050	2001	1	
Highway Garage	347 Rear County Rd	Oak Bluffs	1,591,887.00	90,200.00		16348	1980	1	
Police Station	21 Oak Bluffs Ave.	Oak Bluffs	1,430,900.00	99,425.00		6352	1963	1	
Town Hall	52 Pacific Ave.	Oak Bluffs	1,209,500.00	309,550.00		6850	2000	2	
Fire & Ambulance	Wing Road	Oak Bluffs	928,650.00	205,000.00		7540	1980	1	
Noyes Building	80 Pennacook Ave	Oak Bluffs	1,000,000.00	25,000.00		4000	1950	2	
Transfer/Recycling Center	347 Rear County Rd.	Oak Bluffs	780,763.00	1,025.00		5480	1998	1	
Highway Storage Shed	347 Rear County Rd.	Oak Bluffs	512,910.00	7,175.00		3600	1980	1	
Meeting/ Function Hall - LRO	177 Barnes Rd.	Oak Bluffs	454,629.00	7,175.00		3310	1960	1	
Council On Aging Center	21 Wamsutta Ave.	Oak Bluffs	357,725.00	11,275.00		2350	1983	2	
Pumping Station	County Rd	Oak Bluffs	225,500.00	0.00		250	2003	1	
Pumping Station	Lake St	Oak Bluffs	225,500.00	0.00		250	2003	1	
Pumping Station	Viera Park	Oak Bluffs	225,500.00	0.00		250	2003	1	
Public Bathrooms	Kennebec Ave	Oak Bluffs	154,775.00	1,025.00		480	1997	1	
Park Dept. Office	18 Wamsutta Ave	Oak Bluffs	105,485.00	6,150.00		768	1995	1	
Fire & Ambulance Garage	Wing Rd	Oak Bluffs	51,250.00	30,750.00		500	2009	1	
Public Bathrooms	Lake Rd	Oak Bluffs	79,114.00	2,050.00		576	1996	1	
Ocean Park Bandstand	main street	Oak Bluffs	76,875.00	4,100.00		250	1940	1	
Dwelling	177 Rear Barnes	Oak Bluffs	74,169.00	5,125.00		540	2003	1	
Garage/Storage	177 Rear Barnes	Oak Bluffs	74,169.00	0.00		540	2003	1	
Dog Kennel	347 Rear County Rd	Oak Bluffs	65,928.00	3,075.00		480	1980	1	
Cemetery Garage	Pacific Ave.	Oak Bluffs	60,434.00	7,175.00		440	1970	1	
Harbor Master's Office	1 Circuit Ave Ext.	Oak Bluffs	59,450.00	7,175.00		225	1999	1	
Transfer Weigh Station	County Rd.	Oak Bluffs	32,964.00	7,175.00		240	1998	1	



Acts 2008
CHAPTER 88 AN ACT RELATIVE TO A CERTAIN RESERVE FUND IN THE TOWN OF OAK BLUFFS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. Chapter 234 of the acts of 1993 is hereby amended by striking out section 1 and 2, as amended by chapter 72 of the acts of 1999, and inserting in place thereof the following 2 sections:-

Section 1. Notwithstanding any general or special law to the contrary, the town of Oak Bluffs may establish in the town treasury a reserve fund which shall be kept separate and apart from all other monies by the town treasurer and into which all monies received from the provision of ambulance services shall be deposited. The town treasurer shall expend those funds in accordance with section 2.

Section 2. The reserve fund shall be used for the purchase and equipping of public safety vehicles with a priority for ambulance and police and fire department vehicles and for the payment of emergency medical technicians and paramedics and for the compensation for ambulance transfers outside of the county of Dukes County. Purchases of public safety vehicles shall be authorized by a majority vote at an annual or special town meeting. The funds may be used for the payment of compensation to emergency medical technicians and paramedics or for equipment purchases if authorized by the board of selectmen or its designee.

SECTION 2. Any actions and proceedings taken by the town of Oak Bluffs in connection with the reserve fund established pursuant to chapter 234 of the acts of 1993 prior to the effective date of this act are hereby ratified, validated and confirmed to the same extent as if such actions and proceedings had been in full compliance with law.

SECTION 3. This act shall take effect upon its passage.

Approved April 17 , 2008

Expenditures taken from Ambulance Reserve Fund

<u>1999</u>		<u>2007</u>	
Ambulance Reserve Fund Established		Ladder Truck Lease (1 of 7)	\$ 174,254.00
Lease 5 Police Cruisers (1 of 3)	\$ 48,108.26	Phone System for Fire Station	\$ 18,886.00
<u>2000</u>		Police Motorcycles	\$ 36,730.00
New Rescue Truck Lease (1 of 10)	\$ 25,192.00	New Emergency Management Vehicle	\$ 34,669.00
Lease 5 Police Cruisers (2 of 3)	\$ 48,108.26	Rescue Truck Lease (8 of 10)	\$ 5,950.00
EMT-I Program (3 Students)	\$ 10,000.00	Ambupro Ambulance Software	\$ 36,500.00
<u>2001</u>		Ambulance Radios & Pagers	\$ 6,500.00
Lease 5 Police Cruisers (3 of 3)	\$ 48,108.26	New Ambulance	\$ 140,000.00
New Ambulance	\$ 120,000.00	Re-Chassis Ambulance	\$ 95,999.00
Rescue Truck lease (2 of 10)	\$ 25,192.00	New Shellfish Truck	\$ 25,949.00
<u>2002</u>		<u>2008</u>	
4 Police Cruiser lease (1 of 3)	\$ 53,067.60	New Police SUV	\$ 34,713.00
Fire Department Turnout Gear	\$ 45,000.00	Refurbish Police SUV for Fire Dept.	\$ 7,078.00
Fire Department Scott Packs	\$ 40,000.00	Police Vehicle Equipment	\$ 7,742.00
Rescue Truck Lease (3 of 10)	\$ 25,192.00	Ladder Truck Lease (2 of 7)	\$ 97,329.51
<u>2003</u>		Rescue Truck Lease (9 of 10)	\$ 3,175.00
Lease 2 Police Motorcycles	\$ 5,600.00	Fire Department Rescue Tools	\$ 45,000.00
Rescue Truck Lease (4 of 10)	\$ 25,192.00	Fire Department Radios	\$ 10,000.00
4 Police Cruiser Lease (2 of 3)	\$ 53,067.60	Paramedic Training	\$ 25,000.00
<u>2004</u>		Ambulance Auto Ventilator	\$ 16,000.00
Paramedic Training and Equipment	\$ 53,366.00	Ambulance Software	\$ 12,500.00
Lease 2 Police Motorcycles	\$ 5,600.00	<u>2009</u>	
Rescue Truck Lease (5 of 10)	\$ 25,192.00	Ladder Truck Lease (3 of 7)	\$ 97,329.51
4 Police Cruiser Lease (3 of 3)	\$ 53,067.60	Rescue Truck Lease (10 of 10)	\$ 1,641.00
Dive Boat stinger deck monitor	\$ 2,450.00	Police Vehicle Equipment	\$ 3,307.67
<u>2005</u>		<u>2010</u>	
New Ambulance	\$ 115,598.00	Ladder Truck Lease (4 of 7)	\$ 97,329.51
Extended Police Motorcycle lease	\$ 2,333.30	<u>2011</u>	
Rescue Truck Lease (6 of 10)	\$ 25,192.00	Ladder Truck Lease (5 of 7)	\$ 97,329.51
Purchase 3 Police Cruisers	\$ 91,569.60	New Ambulance Lease (1 of 5)	\$ 53,348.17
<u>2006</u>		Police Chief Vehicle Lease (1 of 3)	\$ 10,469.96
Dive Equipment	\$ 18,962.00	3 Police Cruiser Lease (1 of 3)	\$ 31,409.89
Lease 2 Police Motorcycles	\$ 6,600.00	Police Equipment	\$ 2,110.00
Rescue Truck Lease (7 of 10)	\$ 25,192.00	<u>2012</u>	
Police Chief's vehicle	\$ 25,475.00	Ladder Truck Lease (6 of 7)	\$ 97,329.51
		New Ambulance Lease (2 of 5)	\$ 53,348.17
		Police Chief Vehicle Lease (2 of 3)	\$ 10,469.96
		3 Police Cruiser Lease (2 of 3)	\$ 31,409.89
		Total \$ 2,443,232.74	



TOWN OF OAK BLUFFS

Post Office Box 1327 • Oak Bluffs, MA 02557
Telephone 508-693-3554 • Fax 508-696-7736

Board of Selectmen

Kathleen A. Burton, *Chairman*
Gail M. Barmakian
Gregory A. Coogan
Michael J. Santoro
Walter W. Vail

Michael M. Dutton
Town Administrator

DATE: September 27, 2011

TO: All Department Heads

FROM: Robert Whritenour, Interim Town Administrator

RE: FY 2013 CAPITAL IMPROVEMENT PROGRAM - PREPARATION OF CAPITAL REQUESTS

Attached please find the following materials necessary for the preparation of your Capital Improvement Program requests for fiscal year 2013, along with an update of the plan for the ensuing five-year period from fiscal year 2014 through fiscal year 2018:

1. Project Request Forms (3)
2. Capital Improvement Program Summary Form

Please take great care this year in updating our plan to reflect any capital items that you feel will be needed *over the next six years*. It is especially critical to me to get a good handle on all of the Town's capital needs, and to put together a meaningful plan which will help us to get through the next several years. With funds limited as a result of the continuing recession it will be very difficult to fund even projects that have been planned over time. It is hard to imagine finding funds to support any capital improvements that have not been part of the planning process. We will do the best we can to see through those necessary projects that have been anticipated and justified over time, so be sure to include necessary projects in the plan.

When preparing capital requests, please remember that initial funding will be limited. While it is critical that you place a request now for any capital items you will need over the next six years, please do not expect to be successful in funding many first time requests in the early years of the program.

Also, please spend an adequate amount of time researching and preparing your Project Request Forms in order to provide a more complete justification of each individual project. Attach additional explanatory material to the Project Request Form as necessary. Much time will be spent reviewing projects with Department Heads, and

September 27, 2011

I would like to make this process as simple as possible. With more information and narrative explanation up-front, we can help to streamline the later reviews, especially as we seek the support of the Capital Planning Committee, Selectmen and Finance Committee for our plan. More importantly, with funding so tight, projects without ample detail and justification simply will not be able to compete for inclusion in the plan.

Please remember that you must submit a capital request for all capital outlays, even those, which were approved under, last year's program, but still require funding. A "capital outlay" is the acquisition of land or any purchase of \$10,000 or more for anything, which has a useful life of at least three years. A separate Project Request Form is required for each capital outlay, and a single Summary Form is required to list all projects requested. As an example, if you are requesting three separate capital outlays, you should submit three individual Project Request Forms and one single Summary Form.

Please note that the ***deadline for completing all request forms and submitting them to my office is Tuesday, October 18, 2011.*** All of the forms are available in an electronic Microsoft Word or Excel format. If you would like the forms e-mailed to you, please contact the Selectmen's office.

As always, I invite you to see me any time for assistance or to review budget issues and concerns. Please, also, try to be as complete as possible and do not leave out projects which you feel will be required for the Town. It is very important that our decisions are based on an understanding of all of the Town's needs.

Thank you in advance for your hard work and commitment to the capital planning process. Making a case for our needs is the first important step to progress. I look forward to working with all of you on the CIP.

cc: Selectmen
Finance Committee
Capital Planning Committee

TOWN OF OAK BLUFFS
Capital Improvement Program

Project Request Form
(Please Type All Responses)

Date: _____

Project No. _____

1. **Department:** _____
2. **Project or Equipment (Short Title):** _____
3. **Description and Purpose of Project or Equipment:** _____

Estimate life of project or equipment _____ Years

4. **STATUS OF PROJECT OR EQUIPMENT:**

SITE: Secured Not Secured Not Required

SURVEY OF NEED: Under Study Completed Not Required

PRELIMINARY PLANS
OR SPECIFICATIONS: Under Study Completed Not Required

FINAL PLANS OR
SPECIFICATIONS: Under Study Completed Not Required

5. **PRIORITY**

Urgent

Necessary

Desirable

6. **COST ESTIMATES**

Preliminary Final

Land Cost \$ _____

Construction Cost \$ _____

Equipment Cost \$ _____

Other Cost \$ _____

Total Cost \$ _____

7. **EFFECT ON ANNUAL OPERATING BUDGET:**

Operational (+)(-) \$ _____

Maintenance (+)(-) \$ _____

Total (+)(-) \$ _____

Revenue From Project \$ _____/YR

New Personnel Required \$ _____

8. **SOURCE OF FUNDS:**

Current Revenue \$ _____

Bond Issue \$ _____ Years _____

Short Term Note \$ _____ Years _____

Other (describe) _____

9. **YEAR PROPOSED FOR CONSTRUCTION OR ACQUISITION: FY** _____

10. **COMMENTS AND JUSTIFICATION** (Please attach a sheet describing need in detail include the cost of not completing this project):

11. **SIGNATURE** _____ **TITLE** _____

Town Of Oak Bluffs

CAPITAL IMPROVEMENT BUDGET POLICIES

- **The town will make all capital improvements in accordance with an adopted capital improvement program.**
- **The town will develop a multi-year plan for capital improvements and update it annually.**
- **The town will enact an annual capital budget based on the multi-year capital improvement plan. Future capital expenditures necessitated by aging infrastructure, environmental needs or changes in demographics or in development patterns within the Town will be calculated and included in capital budget projections.**
- **The town will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts.**
- **The town will use intergovernmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and priorities, and whose operating and maintenance costs have been included in operating budget forecasts.**
- **The town will maintain all its assets at a level adequate to protect the town's capital investment and to minimize future maintenance and replacement costs.**
- **The town, as part of its capital planning process, will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection, a maintenance and replacement schedule will be developed and followed.**
- **The town will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Town Meeting for approval.**
- **The town will determine the least costly financing method for all new projects.**

Town of Oak Bluffs

DEBT POLICIES

- **The town will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.**
- **When the town finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.**
- **Total debt service for general obligation debt will not exceed twelve percent of total annual locally generated operating revenue.**
- **Total general-obligation debt will not exceed that provided in the state statutes.**
- **Where possible, the town will use special assessment, revenues or other self-supporting bonds, instead of general obligation bonds.**
- **The town will not use long-term debt for current operations.**
- **The town will retire bond anticipation debt within six months after completion of the project.**
- **The town will maintain good communications with bond rating agencies about its financial condition. The town will follow a policy of full disclosure on every financial report and bond prospectus.**
- **To prevent debt service payments from competing with operating needs, the Town will seek to exempt all long-term general obligation bonds from the provisions of Proposition 2 ½.**