Town of Westbrook, Connecticut
Five Year Capital Improvement Plan
Fiscal Years 2016-20

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Town of Westbrook Five Year Capital Improvement Plan Fiscal Years 2016-20

SUMMARY

To the Westbrook Board of Selectmen and Board of Finance,

The proposed Capital Improvement Plan (CIP) for the fiscal years 2016-20, as recommended by the Board of Selectmen, is submitted for your review. The table below shows the CIP by function and fiscal year planned, and the total estimated costs for each year. The Funding Sources table on the next page also shows the identified potential sources of funding for the plan. This plan only includes specific projects that are defined, have a specific timeframe and a preliminary cost estimate. It includes projects to be funded from designated Capital and Non-Recurring Expenditure Fund reserves and appropriations from those accounts will be made as needed. Those reserves will also be supplemented by General Fund capital transfers from each year's operating budget.

DEPARTMENT	ESTIMATED COST	2015-16 FUNDED	2016-17 FUNDED	2017-18 FUNDED	2018-19 FUNDED	2019-20 FUNDED	DEFERRED UNFUNDED
TOTAL POLICE DEPARTMENT	$ 170,000	$ 90,000	$ -	$ 40,000	$ -	$ 40,000	$ -
TOTAL FIRE DEPARTMENT	2,110,000	810,000	-	700,000	-	600,000	800,000
TOTAL EMERGENCY MANAGEMENT	140,000	140,000	-	-	-	-	-
TOTAL PUBLIC WORKS DEPARTMENT	433,000	78,000	-	170,000	185,000	-	
TOTAL SENIOR CENTER	15,300	15,300					
TOTAL LAND USE	60,000	30,000	30,000				
TOTAL FACILITIES MANAGEMENT	100,000	100,000	-	-	-	-	-
TOTAL MUNICIPAL AGENCIES	$ 3,028,300	$ 1,263,300	$ 30,000	$ 910,000	$ 185,000	$ 640,000	$ 800,000
BOARD OF EDUCATION							
SUB-TOTAL BOE BUILDINGS	$ 486,975	$ 44,000	$ 179,000	$ 229,000	$ -	$ 34,975	-
SUB-TOTAL BOE SYSTEMWIDE	322,500	86,250	201,250	-	35,000		-
TOTAL BOARD OF EDUCATION	$ 809,475	$ 130,250	$ 380,250	$ 229,000	$ 35,000	$ 34,975	$ -
TOTAL TOWN AND BOARD OF EDUCATION	$ 3,837,775	$ 1,393,550	$ 410,250	$ 1,139,000	$ 220,000	$ 674,975	$ 800,000

Reference to the CIP includes all five years of the plan but the first year of the CIP is called the ***Capital Plan*** because it is intended to be implemented in the very next fiscal year. However, it is still just a plan and projects do not move forward without 1) the approval of the Board of Selectmen (except for Board of Education projects) and 2) funds being appropriated by the Board of Finance and 3) a Town Meeting (if necessary). The sections that follow provide a discussion of the execution of the FY2015 plan, the proposed FY2016 Plan (the Capital Plan) with full project level detail, and then only tables and graphs for the FY2017 through FY2020 capital plans. Detail project requests are contained in Section 2 for Town projects and Section 3 for BOE projects.

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The CIP is prepared each year beginning in December with a call from the Director of Finance for projects from Town managers and the BOE Superintendent. A formal format and process is used for submission with information requested to help decision-makers evaluate and prioritize each project in the existing five year plan, as well as new projects requested. For existing planned projects, the purpose, timing and funding are re-evaluated each year.

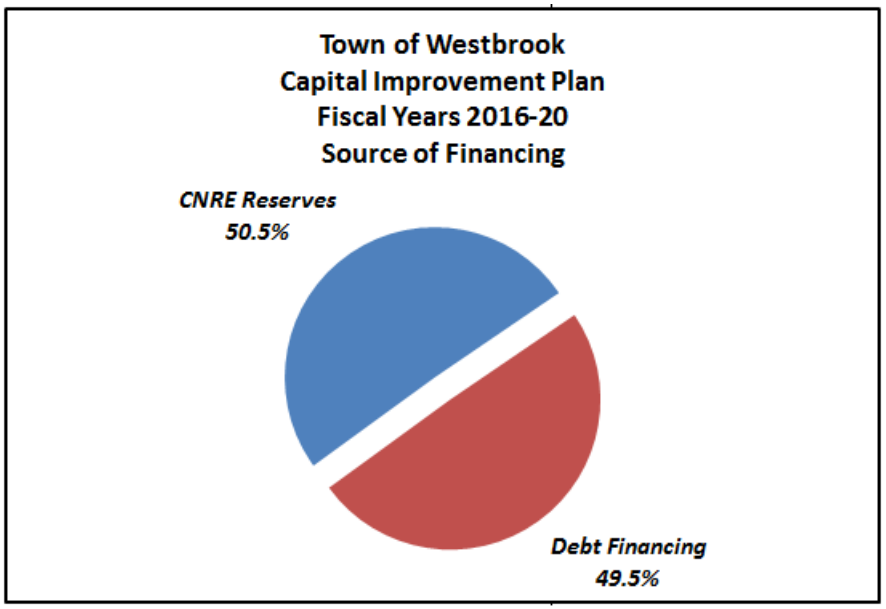
The tables below show the potential sources of funding and investment by function for the entire FY2016-20 CIP: 49.5% or $1.900 million of the $3.837 million CIP is expected to be financed with long-term debt, for which bonds totaling $7,090,000 were authorized at a Town Referendum on May 23, and for which $5 million in bonds were issued in August 2013. Existing CNRE reserves will fund 50.5%, or approximately $1.937 million.

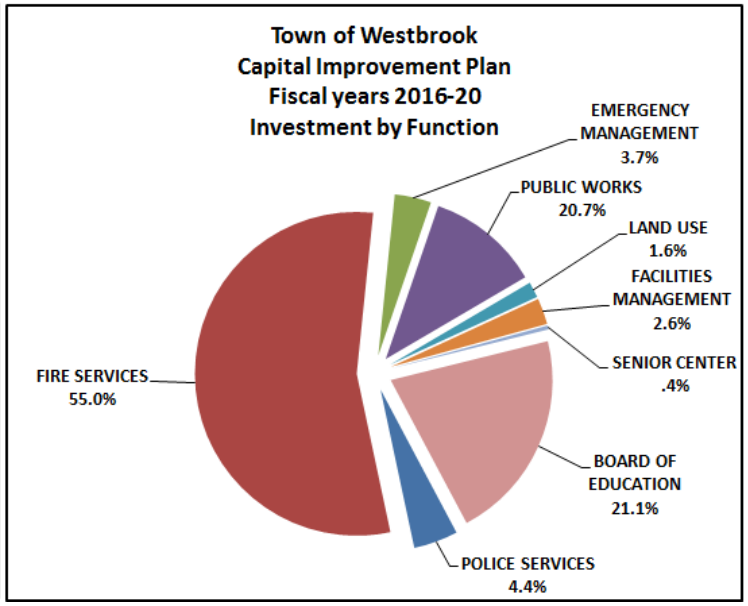
FUNDING SOURCES							
SOURCE	PERCENT	TOTAL	2015-16	2016-17	2017-18	2018-19	2019-20
CNRE Reserves	50.5%	$ 1,937,775	$ 793,550	$ 410,250	$ 439,000	$ 220,000	$ 74,975
Debt Financing	49.5%	$ 1,900,000	600,000	-	700,000		$ 600,000
Grants	0.0%	$ -	-				
Total Funding Sources	100.0%	$ 3,837,775	$ 1,393,550	$ 410,250	$ 1,139,000	$ 220,000	$ 674,975

Functionally, the 5 year plan is allocated 55% for the Fire Department, 11% for Public Works, 21% for Board of Education, and the reminder for other Town agency projects.

FUNCTIONAL INVESTMENT	TOTAL	BONDS	GRANTS	CNRE	TOTAL	PERCENT
POLICE SERVICES	170,000			170,000	170,000	4%
FIRE SERVICES	2,110,000	1,900,000		210,000	2,110,000	55%
EMERGENCY MANAGEMENT	140,000			140,000	140,000	4%
PUBLIC WORKS	433,000			433,000	433,000	11%
LAND USE	60,000			60,000	60,000	2%
FACILITIES MANAGEMENT	100,000			100,000	100,000	3%
SENIOR CENTER	15,300			15,300	15,300	0.4%
BOARD OF EDUCATION	809,475			809,475	809,475	21%
TOTALS	$ 3,837,775	$ 1,900,000	$ -	$ 1,937,775	$ 3,837,775	100%

The pie graphs below show this data in graphic form:





REVIEW OF THE FY2015 CAPITAL PLAN

The following table shows the planned FY2015 projects:

Fiscal Year 2015				
	FY2015	Source oF Funding		
DEPARTMENT	Totals	CNR Reserves	Grants	Debt
POLICE DEPARTMENT				
Speed Machine	5,000	5,000		
TOTAL POLICE DEPARTMENT	$ 5,000	$ 5,000	$ -	$ -
FIRE DEPARTMENT				
TOTAL FIRE DEPARTMENT	$ -	$ -	$ -	$ -
EMERGENCY MANAGEMENT				
Town Communications Interoperability	140,000	75,000	65,000	
AM Radio Station	25,000	25,000		
TOTAL EMERGENCY MANAGEMENT	$ 165,000	$ 100,000	$ 65,000	$ -
PUBLIC WORKS				
Replace 1986 International Dump Truck	150,000	150,000		
Flat Rock Bridges Construction	165,000			165,000
Winthrop Bridge Construction	357,500			357,500
Various Road Projects	180,000	55,000	125,000	
Seawall Repairs	30,000	30,000		
TOTAL PUBLIC WORKS	$ 882,500	$ 235,000	$ 125,000	$ 522,500
FACILITIES MANAGEMENT				
Town Hall Telephone System	17,000	17,000		
TOTAL FACILITIES MANAGEMENT	$ 17,000	$ 17,000	$ -	$ -
TOTAL MUNICIPAL:	1,069,500	357,000	190,000	$ 522,500
Daisy Room Heaters	10,000	10,000		
Exhaust Fans	19,000	19,000		
Generator Switch	-	-		
Security Enhancements	463,612	250,224	213,388	
Cafeteria appliances-conversions	65,000	65,000		
TOTAL BOARD OF EDUCATION	$ 557,612	$ 344,224	$ 213,388	$ -
TOTAL TOWN AND BOARD OF EDUCATION	$ 1,627,112	$ 701,224	$ 403,388	$ 522,500

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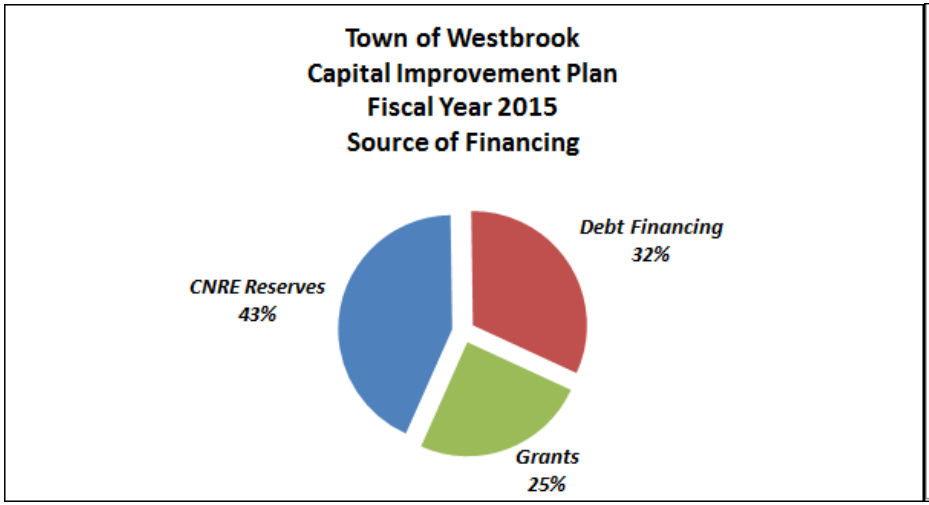
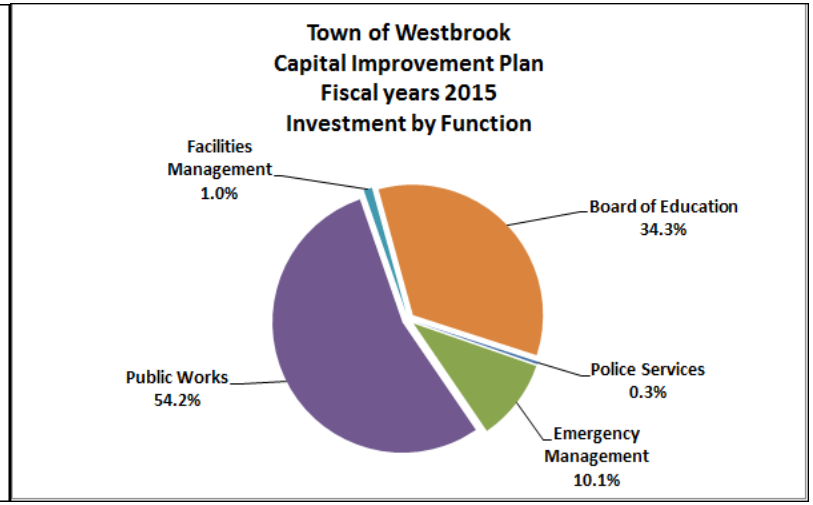
The FY2015 plan was targeted at equipment in the Fire Department and Public Works Department; engineering for repairs to Flat Rock Bridge and Winthrop Road Bridge; and a variety of BOE projects.

The table and pie graphs below show the source of funds and allocation of resources to various Town agencies and Board of Education.

Fiscal Year 2015 Source of Funding and Investment by Function

Financing Sources			Function		
CNRE Reserves	$	701,224	Police Services	$	5,000
Debt Financing		522,500	Fire Services		-
Grants		403,388	Emergency Management		165,000
			Public Works		882,500
			Facilities Management		17,000
			Board of Education		557,612
Total Financing Sources	$	1,627,112	Function Totals	$	1,627,112





Police Department:

1. The Police Advisory and Traffic Authority (PATA) requested $5,000 for a second speed machine. Funding was from the CNRE Unassigned Fund Balance. That machine was acquired at a cost of $4,300 and the $700 unexpended balance will be transferred back to that account.

Fire Department: The Fire Department requested funds to:

1. Replace the generator at the headquarters building at an estimated cost of $80,000. The current generator runs on #2 fuel oil and is inside the building without proper ventilation or an automatic transfer switch. The new generator will also run #2 fuel oil with an automatic transfer switch to power both Headquarters and the Riggio Building, but will be outside the building. ***No source of funding was identified and this request was deferred by the Board of Selectmen.***
2. Replace its existing chief's vehicle with a new command vehicle at an estimated cost of $80,000. This is the first of three vehicles the department requests over the next three years. ***No source of funding was identified and this request was deferred by the Board of Selectmen.***
3. Install an emergency vehicle exhaust fumes removal system at Headquarters and Station 2 at an estimated cost of $180,000 to provide a healthy and safer environment. ***No source of funding was identified and this request was deferred by the Board of Selectmen.*** This request was withdrawn in the FY2016 plan.
4. In the FY2014-18 CIP, the Fire Department requested $400,000 to enhance the department's communications capability by deploying multiple receiver sites around the town and the purchase of new radios that meet or exceed requirements. The receiver sites would be interfaced with the fire department's current repeater. This would permit almost 100% portable radio coverage outside in the town's jurisdiction and inside residential and commercial structures. This would allow firemen to be heard by the dispatcher in the 911 Center as well as being heard by all fire units associated with the event. In addition, the current radio equipment is nearing the end of its life cycle. That request was deferred by the Board of Selectmen during their CIP review last year; it is being resubmitted this year but at a cost of $700,000. ***No source of funding was identified and this request was deferred by the Board of Selectmen.***

Emergency Management Department: The Department of Emergency Services requested funds to:

1. Replace the current town wide radio system (not including the fire department) with a new town wide repeater system and new radio equipment at an estimated cost of $280,000. The project was divided into two phases with $140,000 funded during FY2015 and the remaining $140,000 to be funded in the FY2016 plan. Phase I has been completed.
2. In the FY2014 CIP, the department requested an AM Broadcast radio station, licensed to the Town of Westbrook, at an estimated cost of $25,000. As noted in the Town's Emergency Operations Plan, the town needs to have notifications systems in place to notify residents before, during and after a disaster event. The radio station can be used for other purposes besides an emergency. That request was deferred until FY2015 and then approved, with funding from the CNRE Reserve for Communications Equipment. That equipment has not been acquired.

Public Works Department: The Public Works Department requested funds to:

1. Replace a 1986 International dump truck which is more than 25 years old at an estimated cost of $150,000 (later revised to $165,000) to be funded from the CNRE Reserve Account for Public Works Equipment. That vehicle is expected to be delivered this fiscal year.
2. Renovate the bridges on Flat Rock Place at a cost of $165,000 to be funded with the bonds that were issued in August 2013. That project has not yet started.
3. Replace the bridge on Winthrop Road at a cost of $357,500 to be funded with the bonds that were issued in August 2013. That project has not started due to the delay in a grant award from the State DOT's Local Bridge Program (LBP). The project budget has been revised to a total of $984,160 funded with an LBP grant of $443,507 (45.06%) and Town bond funds of $540,752. The design phase has started.
4. Complete work on a variety of road projects deferred from previous years. These projects, totaling $55,000 is funded from the CNRE Reserve Account for Infrastructure Maintenance. No funds have been spent to date.
5. Repair one more section of seawall at an estimated cost of $30,000. This project is funded from CNRE Reserve Account for Seawalls/Jetties. This project is planned for later this fiscal year.

Westbrook Library:

1. In the FY2013-17 CIP requested $250,000 to finish the lower level of current library building. That request was deferred by the Board of Selectmen during the previous two CIP reviews and is deferred again in the FY2016-20 CIP at the request of the Library Board.

Board of Education: In 2012, the Town updated the 2007 Capital Region Education Council (CREC) Facility Condition Assessment of Daisy Elementary School, Westbrook Middle School and Westbrook High School. Capital requests are based on the recommendations contained in the report. For FY2015, the Board of Education requested $583,257 for the following projects:

Daisy Elementary School:

1. Continue replacement of room heaters at an estimated cost of $10,000. This project was funded from CNRE BOE Capital Reserve Account. Those heaters have not been replaced yet.

Westbrook High School:

1. Continue replacement of exhaust fans at an estimated cost of $19,000. This project was funded from CNRE BOE Capital Reserve Account. The fans have been replaced.
2. Wire all critical circuits to existing generator at the Westbrook High School at an estimated cost of $25,645. Currently, in the event of a power outage, critical functions are not all wired to the existing back-up generator. With minimal cost, the school could potentially

function and could service as an alternative site to other Town needs in the event of an emergency. This project was funded from CNRE BOE Capital Reserve Account. This project is complete.

System-wide Projects:

1. The Board requested $65,000 to convert various cafeteria appliances at all three schools. This project was funded from the CNRE BOE Capital Reserve Account. This project is underway and expected to be finished by the end of this fiscal year.
2. The Board requested $463,612 for additional security improvements, including a replacement of the school phone system. In November 2013, the Board of Education was awarded a $355,637 grant under the 2013 School Security Competitive Grant Program. The State will reimburse up to $105,413 of eligible costs and the Town contributed $250,244. The Town previously committed $107,975 of LOCIP funds to security improvements which will be used for non-grant eligible security improvements. The funding of these projects is shown in the following table.

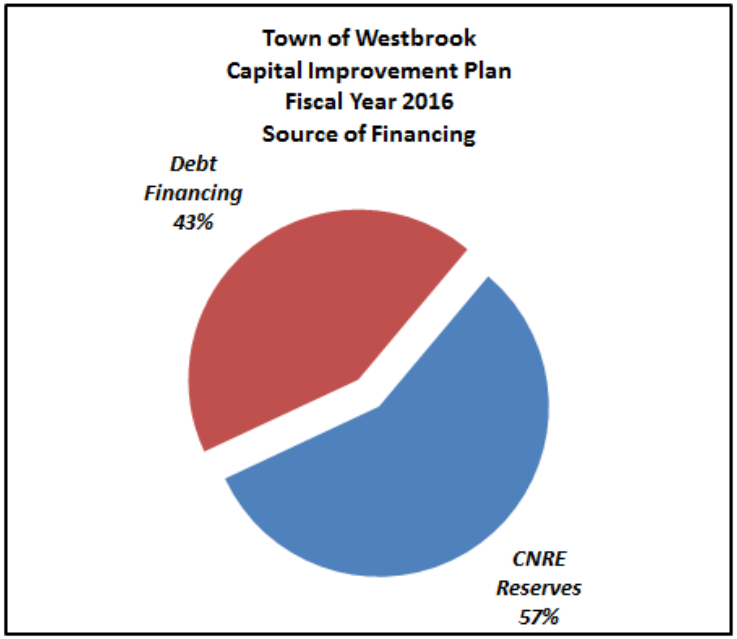
Project 101.2015.NNNN			BOE Capital Reserve	
Security Enhancements	$	463,612	BOE Reserve, 2/28/14	$ 101,256
State Grant	$	(105,413)	Capital Contribution 7/1/14	$ 150,000
Town Match	$	(250,224)	<----------	**$ 251,256**
LOCIP Funds	$	(107,975)		
Unfunded balance	**$**	-		

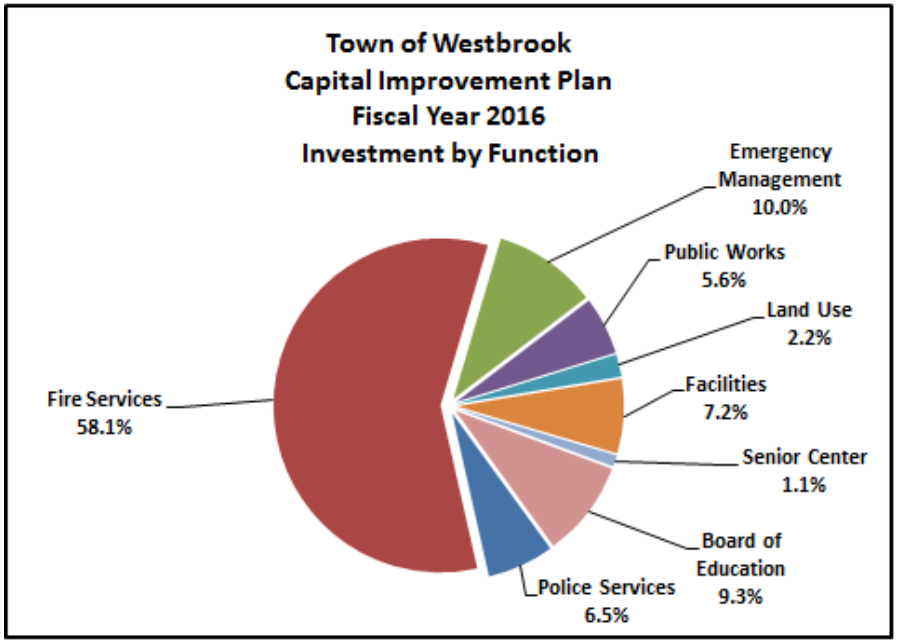
The pages that follow show the proposed capital plan for each year, an identification of each project and its estimated cost. For projects for FY2017 to FY2020, no further details are provided at this time. As each year moves up in the five year plan, that level of detail will be provided. Further detail regarding each Town project in the FY2016 plan is contained in Section 2 and Board projects in Section 3.

Town of Westbrook Five Year Capital Improvement Plan Fiscal Years 2016-20

FISCAL YEAR 2016 CAPITAL PLAN

Fiscal Year 2016 Source of Funding and Investment by Function





Police Services Department:

1. The Town transfers $15,000 per year from the General Fund to the CNRE reserve account for police vehicles. For FY2016, the Police Department requests $35,000 to replace a police vehicle. There is $23,845 in the Reserve for Police Vehicles from 6/30/14 to fund the acquisition; therefore, 15,000 is requested from the FY16 General Fund capital contribution.
2. In 2011 Department of Emergency Services & Public Protection notified all Resident State Trooper towns that it had selected a new mobile and portable standard to replace the existing Astro Spectra 800 MHz system that had been in place for at least ten years. The state awarded a contract to Motorola Solutions for the purchase of the new units. The Town's Constables must have radios that communicate with our Resident State Troopers. This equipment will be acquired from the FY16 General Fund capital contribution.

Requested Investment for the Police Department: $90,000

Fire Department: The Fire Department requests funds to:

1. Replace the generator at the headquarters building at an estimated cost of $100,000. The current generator runs on #2 fuel oil and is inside the building without proper ventilation or an automatic transfer switch. The new generator will also run #2 fuel oil with an automatic transfer switch to power both Headquarters and the Riggio Building, but will be outside the building. ***This request was deferred by the Board of Selectmen last year as there was no source of funding identified and is resubmitted for consideration.*** This project will be funded from the FY16 General Fund capital contribution.
2. Replace its existing chief's vehicle with a new command vehicle at an estimated cost of $50,000. This is the first of three vehicles the department requests over the next three years. ***This request was $80,000 last year deferred by the Board of Selectmen as there was no source of funding identified.*** This vehicle will be acquired from the FY16 General Fund capital contribution.
3. Carry out a variety of building repairs in the Fire Headquarters, a repair to the meeting room wall, interior and exterior painting, and replacement of a retaining wall, at a cost not to exceed $60,000. This project will be funded from the FY16 General Fund capital contribution.

Requested Investment for the Fire Department: $210,000

Emergency Management Department: The Department of Emergency Services requests funds to:

1. Phase II of a project to replace the current town wide radio system (not including the fire department) with a new town wide repeater system and new radio equipment at an estimated cost of $280,000. The project was divided into two phases with $140,000 funded during FY2015 and the remaining $140,000 to be funded in the FY2016 plan. Phase I has been completed.

Requested Investment for Emergency Management: $140,000

Public Works Department: The Public Works Department requests funds to:

1. Repair one more section of seawall at an estimated cost of $30,000. This project will be financed from the balance of $7,200 in the Capital and Non-Recurring Expenditure Fund Reserve for Seawall/Jetty Repairs, and $22,800 from the FY16 General Fund capital contribution.
2. Make necessary repairs to the athletic fields at the Westbrook High School at an estimated cost of $48,000, which will be financed from the balance of $12,540 in the Capital and Non-Recurring Expenditure Fund Reserve for Athletic Fields, and $35,460 from FY16 General Fund capital contribution

Total Investment for Public Works: $78,000

Board of Education: In 2012, the Town updated the 2007 Capital Region Education Council (CREC) Facility Condition Assessment of Daisy Elementary School, Westbrook Middle School and Westbrook High School. Capital requests are based on the recommendations contained in the report. For FY2016, the Board of Education requests for the following projects:

Daisy Elementary School:

1. Continue replacement of room heaters at an estimated cost of $10,000. This project will be funded from CNRE BOE Capital Reserve Account.

Westbrook High School:

2. Continue replacement of exhaust fans at an estimated cost of $19,000. This project will be funded from CNRE BOE Capital Reserve Account.
3. Due to a failure of existing sound board in 2014, it was necessary to rent equipment in order for the fall production to occur. The lighting equipment has exceeded its life expectancy. An assessment should be conducted to determine what existing equipment can still be used and an appropriate replacement recommendation. $15,000 is requested from the BOE Capital Reserve to fund this study.

System-wide Projects:

4. Completion of the district wide telephone system, the total cost of which is $437,500. Some of it, $125,000, was eligible for the state security grant. The remainder of the system will be funded by $86,250 in FY2016 and $201,250 in FY2017.

Total Investment for Board of Education: $130,250

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To help understand the source of funds for the FY2016 Capital Plan, the following table is provided to show how the General Fund Contribution is used to fund projects and contribute to reserves:

Summary of Source of Funds for FY2016 Capital Plan					
#	Department	Request	Requested Amount	Funded From Existing Reserves	Funded From General Fund
1	Police	Police Cruiser	$ 35,000	$ 23,845	$ 11,155
2	Police	Radios	55,000	7,840	47,160
3	Fire	Command Vehicle	50,000	47,160	2,840
4	Fire	Headquarters Building Repairs	60,000		60,000
5	Fire	Headquarters Generator	100,000		100,000
6	Fire	Communications System	TBD		TBD
7	Emergency Management	Phase II Communications	140,000		140,000
8	Public Works	Seawalls	30,000	7,200	22,800
9	Public Works	Athletic Fields	48,000	12,540	35,460
10	Zoning Commission	Rewrite of Zoning Regulations	30,000	30,000	-
11	Senior Center	Kitchen Appliances	15,300	4,330	10,970
12	Facilities Management	Mulvey Center Roof	100,000	27,385	72,615
13	Board of Education	Various Projects	130,250	130,250	-
		Total FY16 Projects	**$ 793,550**	**$ 290,550**	**$ 503,000**
14	Assessor	Revaluation Reserve	50,000		50,000
15	Harbor Patrol	Patrol Boat Reserve	5,000		5,000
		Total Contributions to Reserves	**$ 55,000**	**$ -**	**$ 55,000**
		Total Capital Requirements	**$ 848,550**	**$ 290,550**	**$ 558,000**

Reconciliation	**General Fund Transfer**	**$ 558,000**
	Assigned Reserves	**$ 248,380**
	Unassigned Reserves	**$ 42,170**
	Total Capital Requirements	**$ 848,550**

The shaded cells represent projects that are funded directly from the Unassigned Fund Balance rather than reserves of the General Fund contribution.

The projects listed in the tables on the following pages for FY2017 through FY2020 are in summary form only.

Town of Westbrook Five Year Capital Improvement Plan Fiscal Years 2016-20

Fiscal Year 2017 Capital Improvement Plan

	FY2017	Source oF Funding		
	Totals	CNR Reserves	Grants	Bonds
TOTAL FIRE DEPARTMENT	$ -	$ -	$ -	$ -
TOTAL PUBLIC WORKS	$ -	$ -	$ -	$ -
LAND USE				
Rewrite of Zoning Regulations	30,000	30,000		
TOTAL WPCC	$ 30,000	$ 30,000	$ -	$ -
TOTAL MUNICIPAL	$ 30,000	$ 30,000	$ -	$ -
BOARD OF EDUCATION				
Daisy Room Heaters	10,000	10,000		
Daisy Parking Lot Paving	10,000	10,000		
District-wide Phone System	201,250	201,250		
MS Air conditioning	100,000	100,000		
WHS Theater-Auditorium	40,000	40,000		
MS Exhaust Fans	19,000	19,000		
TOTAL BOARD OF EDUCATION	380,250	380,250	-	-
TOTAL TOWN AND BOARD OF EDUCATION	$ 410,250	$ 410,250	$ -	$ -

Financing Sources		Projects by Function	
CNRE Reserves	$ 410,250	Fire Services	$ -
Debt Financing	-	Land Use	30,000
Funding TBD		Board of Education	380,250
Total Financing Sources	$ 410,250	Functional Totals	$ 410,250

Town of Westbrook Five Year Capital Improvement Plan Fiscal Years 2016-20

Fiscal Year 2018 Capital Improvement Plan

	FY2018	Source oF Funding		
	Totals	CNR Reserves	Grants	Bonds
POLICE DEPARTMENT				
Police Vehicles	40,000	40,000		
TOTAL POLICE DEPARTMENT	**$ 40,000**	**$ 40,000**	**$ -**	**$ -**
FIRE DEPARTMENT				
Replace Engine 467_1977 Mack	700,000			700,000
Command Vehicle				
TOTAL FIRE DEPARTMENT	**$ 700,000**	**$ -**	**$ -**	**$ 700,000**
PUBLIC WORKS				
Replace 1992 International Dump Truck	170,000	170,000		
TOTAL PUBLIC WORKS	**$ 170,000**	**$ 170,000**	**$ -**	**$ -**
TOTAL MUNICIPAL:	**$ 910,000**	**$ 210,000**	**$ -**	**$ 700,000**
BOARD OF EDUCATION				
Exhaust Fans	19,000	19,000		
MS Air conditioning	200,000	200,000		
Repave WHS/BOE Parking Lot	10,000	10,000		
TOTAL BOARD OF EDUCATION	**229,000**	**229,000**	**-**	**-**
TOTAL TOWN AND BOARD OF EDUCATION	**$ 1,139,000**	**$ 439,000**	**$ -**	**$ 700,000**

Financing Sources		Projects by Function	
CNRE Reserves	$ 439,000	**Police Services**	40,000
Debt Financing	700,000	**Fire Services**	700,000
Funding TBD		**Public Works**	170,000
		Board of Education	229,000
Total Financing Sources	**$ 1,139,000**	**Functional Totals**	**$ 1,139,000**

Town of Westbrook Five Year Capital Improvement Plan Fiscal Years 2016-20

Fiscal Year 2019 Capital Improvement Plan

	FY2019	Source oF Funding		
	Totals	CNR Reserves	Grants	Bonds
TOTAL POLICE DEPARTMENT	$ -	$ -	$ -	$ -
TOTAL FIRE DEPARTMENT	$ -	$ -	$ -	$ -
Replace 2000 Elgin Street Sweeper	185,000	185,000		
	-			
TOTAL PUBLIC WORKS	$ 185,000	$ 185,000	$ -	$ -
Community Center				
TOTAL RECREATION	$ -	$ -	$ -	$ -
TOTAL MUNICIPAL:	$ 185,000	$ 185,000	$ -	$ -
BOARD OF EDUCATION				
Facilities Study	35,000	35,000		
TOTAL BOARD OF EDUCATION	35,000	35,000	-	-
TOTAL TOWN AND BOARD OF EDUCATION	$ 220,000	$ 220,000	$ -	$ -

Financing Sources		Projects by Function	
CNRE Reserves	$ 220,000	Public Works	185,000
Funding TBD		Board of Education	35,000
Total Financing Sources	$ 220,000	Total Financing Sources	$ 220,000

Town of Westbrook Five Year Capital Improvement Plan Fiscal Years 2016-20

Fiscal Year 2020 Capital Improvement Plan

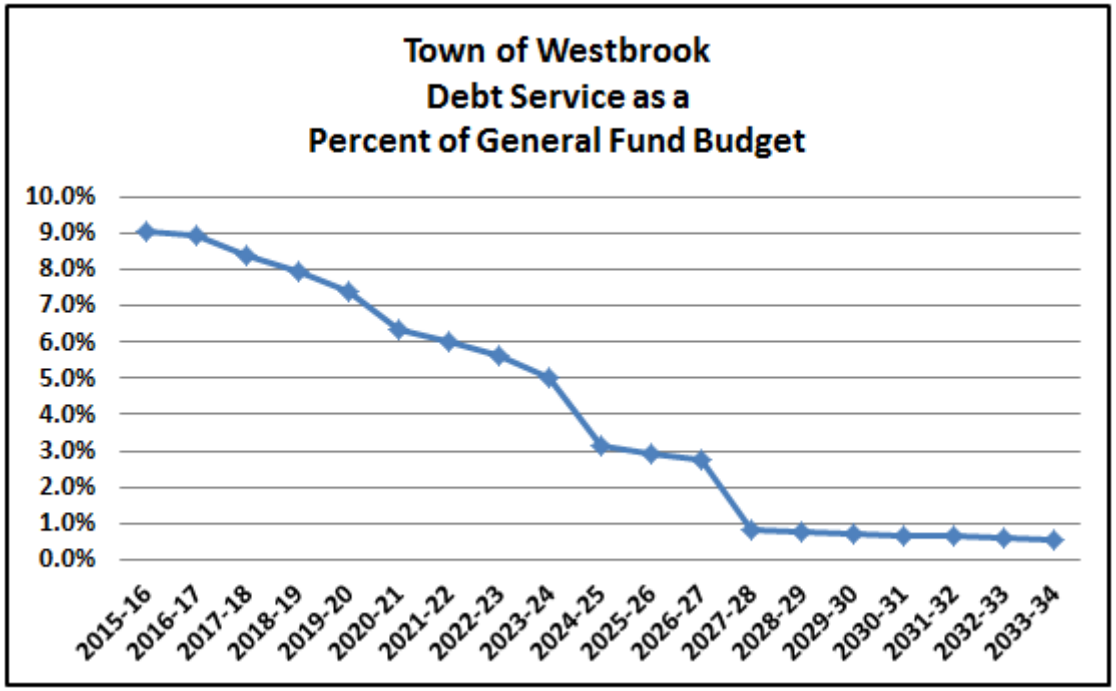
DEPARTMENT	FY2020 Totals	Source oF Funding		
		CNR Reserves	Grants	Debt
POLICE DEPARTMENT				
Police Vehicles	40,000	40,000		
TOTAL POLICE DEPARTMENT	$ 40,000	$ 40,000	$ -	$ -
FIRE DEPARTMENT				
Replace Engine 466_1990 Mack Pumper (4)	600,000			600,000
TOTAL FIRE DEPARTMENT	$ 600,000	$ -	$ -	$ 600,000
TOTAL EMERGENCY MANAGEMENT	$ -	$ -	$ -	$ -
TOTAL PUBLIC WORKS	$ -	$ -	$ -	$ -
TOTAL FACILITIES MANAGEMENT	$ -	$ -	$ -	$ -
TOTAL RECREATION	$ -	$ -	$ -	$ -
TOTAL LIBRARY	$ -	$ -	$ -	$ -
TOTAL MUNICIPAL:	640,000	40,000	-	$ 600,000
WHS Replacement backup generator	34,975	34,975		
TOTAL BOARD OF EDUCATION	$ 34,975	$ 34,975	$ -	$ -
TOTAL TOWN AND BOARD OF EDUCATION	$ 674,975	$ 74,975	$ -	$ 600,000

Financing Sources		Function	
CNRE Reserves	$ 74,975	Police Services	$ 40,000
Debt Financing	600,000	Fire Services	600,000
Grants	-	Emergency Management	-
		Board of Education	34,975
Total Financing Sources	$ 674,975	Function Totals	$ 674,975

FINANCING OPTIONS

CURRENT DEBT SERVICE ANALYSIS

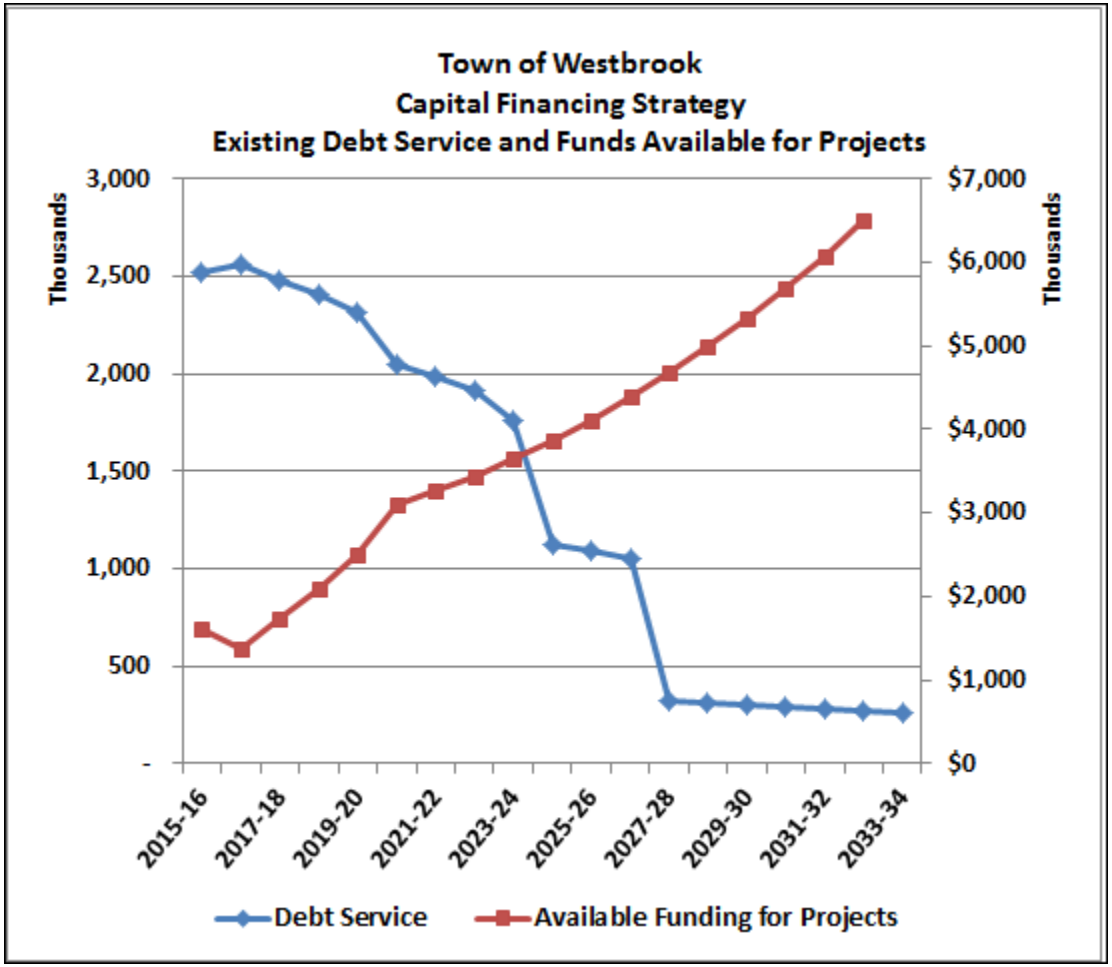
The Town's annual debt service as a percent of the General Fund budget will decrease from 9.4% of the budget this fiscal year to 9.1% of the FY2015-16 budget. It will continue to decline and, if no other debt is issued, the town would be debt free by FY2034:



The municipal credit rating agencies (Moody's Investors' Service, Standard & Poor's) recommend that debt service as a percent of the operating budget be no more than 10%. As a result of two refundings in 2011 and 2012, and the issuance of $5 million in new debt in 2013, the Town has achieved that target during the current fiscal year and will continue to decline below that in future years, assuming no other debt.

A LEVEL CAPITAL CONTRIBUTION STRATEGY

A long-range financial planning option the town should explore is a level capital contribution strategy, which would include debt service ***and*** a contribution to capital requirements that combined do not exceed 10% of the General Fund budget. The graph below shows what such a strategy would look like with our existing debt service if 10% of the annual operating budget (assuming a 2% annual growth) was committed to this strategy:



As the existing debt service declines, the contribution to capital would continue to increase and by FY2024 would be greater than debt service. Once that crossover occurs, the town could fund a minimum of $3 million in projects per year and not use debt to finance those projects. The contribution and available for projects lines above represent the annual contribution to capital and a like amount spent for capital projects in the same year.

CNRE FUNDING

The level capital contribution strategy uses the CNRE as a primary source of funding for projects in the FY2016-20 CIP:

FUNDING SOURCES							
SOURCE	PERCENT	TOTAL	2015-16	2016-17	2017-18	2018-19	2019-20
CNRE Reserves	50.5%	$ 1,937,775	$ 793,550	$ 410,250	$ 439,000	$ 220,000	$ 74,975
Debt Financing	49.5%	$ 1,900,000	600,000	-	700,000		$ 600,000
Grants	0.0%	$ -	-				
Total Funding Sources	100.0%	$ 3,837,775	$ 1,393,550	$ 410,250	$ 1,139,000	$ 220,000	$ 674,975

To implement the level capital strategy required the adoption of a financial policy to provide the policy basis for the program in future years. On September 19, 2012 the Town Board of Finance adopted the policy stated on the next page:

Policy #2013-03: Capital and Non-Recurring Expenditure Fund Reserve Policy

CAPITAL AND NON-RECURRING EXPENDITURE UNASSIGNED FUND BALANCE ACCOUNT

Every attempt should be made to include a contribution from the Town's General Fund in an amount equal to 2% of the annual General Fund Operating Budget to the Town's Capital and Non-recurring Expenditure Fund in order to establish or increase a reserve account balance that may be only be used to offset future capital projects, required grant matches and other capital and non-recurring program needs.

The Unassigned Fund Balance account will also be funded by any unexpended funds from capital projects that have been completed and funded from that account. Upon approval of the Board of Finance unexpended project balances will be transferred into the CNRE Unassigned Fund Balance or the original reserve account that funded the project, unless there is a legal restriction that requires the unexpended balance to be spent otherwise.

The decision to transfer funds into the CNRE Unassigned Fund Balance from the General Fund or to use any of these reserves for eligible projects shall be approved by resolution by the Town Board of Finance.

Based on that policy, the recommended capital contribution from the FY2014-15 General Fund budget was $538,369, but was reduced by $38,369 by the Board of Selectmen and subsequently by another $25,000 by the Board of Finance, for a net transfer of $475,000. Of that amount, $25,000 was transferred to the Open Space Preservation Fund. The FY2016 recommendation is $558,000.

CNRE FUNDING OF FY2016 CAPITAL PLAN

From the table below, it is clear that the CNRE Fund will have sufficient funds to finance all of the projects requested.

	Proforma 6/30/2015	FY16	FY16	Other	Proforma 6/30/2016
Unassigned Fund Balance	$ 120,260	$ 27,585	$ (42,170)		$ 105,676
Assessor's Revaluation	120,616	50,000			170,616
Fire Department	47,160	3,000	(50,000)		160
Public Works Equipment	21,338				21,338
Infrastructure Maintenance	1,643				1,643
Office Equipment	697				697
Harbor Patrol Boat	9,000	5,000			14,000
Dredging	96,251				96,251
Drainage	101,458				101,458
WPPC	50,136				50,136
Communications	3,077	140,000	(140,000)		3,077
Voting Machines	5,090				5,090
Athletic and Recreation Fields	12,540	35,460	(48,000)		(0)
Town Center Revitalization	7,253				7,253
Town Buildings	27,385	233,000	(260,000)		385
Seawalls/Jetties	7,200	22,800	(30,000)		-
Police Vehicles	23,845	11,155	(35,000)		-
Board of Education	142,772		(130,250)		12,522
Planning Funds	25,000	30,000	(30,000)		25,000
Totals	**$ 822,721**	**$ 558,000**	**$ (765,420)**	**$ -**	**$ 615,301**

All of the FY16 project requests can be funded with existing reserves and the General Fund contribution. In the table above, those accounts with projected positive balances at 6/30/15 plus a capital contribution to fund FY2016 requests will show positive balances at 6/30/16. There will also be approximately $105,676 available in the Unassigned Fund Balance that could be used to finance projects that are not in the plan and arise unexpectedly during the fiscal year.

Town of Westbrook Five Year Capital Improvement Plan Fiscal Years 2016-20

The following table shows the effect on the CNRE Fund over the life of the proposed FY2016-20 CIP:

	Analysis of CNRE Fund Based on FY2016-20 Capital Improvement Plan						
	Audited	Proforma	Proforma	Proforma	Proforma	Proforma	Proforma
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
CNRE Reserves, 7/1							
Assigned	$ 932,695	$ 703,060	$ 510,225	$ 657,975	$ 673,975	$ 796,975	$ 900,000
Unassigned	136,700	93,612	$ 79,028	116,404	274,642	563,277	1,035,861
Balance of CNRE Reserves, 7/1	**$ 1,069,396**	**$ 796,673**	**$ 589,253**	**$ 774,379**	**$ 948,617**	**$ 1,360,252**	**$ 1,935,861**
Transfers & Other Sources							
General Fund Transfer	528,774	450,000	558,000	595,376	613,238	631,635	650,584
Closed Projects	62,923	32,146					
Grant Funds		213,388					
Transfers from other funds		26,648					
LOCIP Funds		190,000		-	-	-	-
Total Transfer & Other Sources	$ 591,697	$ 912,182	$ 558,000	$ 595,376	$ 613,238	$ 631,635	$ 650,584
Total Resources Available	1,661,093	1,708,854	1,147,253	1,369,756	1,561,855	1,991,887	2,586,445
Projects Funded from Reserves	(436,700)	(1,158,257)	(765,420)	(410,250)	(439,000)	(220,000)	(74,975)
Net Operating Results	$ 1,224,393	$ 550,597	$ 381,833	$ 959,506	$ 1,122,855	$ 1,771,887	$ 2,511,470
CNRE Reserves, 6/30							
Assigned	$ 932,695	$ 703,060	$ 510,225	$ 657,975	$ 673,975	$ 796,975	$ 900,000
Minimum Unassigned Recommended	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unassigned Available	**36,700**	**(6,388)**	**(20,972)**	**16,404**	**174,642**	**463,277**	**935,861**
Balance of CNRE Reserves, 6/30	**$ 1,069,396**	**$ 796,673**	**$ 589,253**	**$ 774,379**	**$ 948,617**	**$ 1,360,252**	**$ 1,935,861**

Each fiscal year begins with the projected fund balance divided into the Assigned and Unassigned accounts. The Assigned balance represents the balances of those accounts that are being funded on a “layaway” basis where a target amount is funded with “installments” from the General Fund capital contribution each year. Those accounts are shown in the table on the previous page. An example is the Reserve for Assessor Revaluation. The Assessor estimates that $250,000 will be needed for the next revaluation. Each year an amount is allocated to the account so that the estimated reserve of $250,000 would be available in the necessary fiscal year. These are not “legal” reserves, so the Board of Finance could reallocate those funds. However, that has never been done and the integrity of those reserves is respected. We have set a minimum of $100,000 for the Unassigned Fund Balance as a “cushion” to fund unexpected projects during the fiscal year.

The only resources to the CNRE Fund reserves are the General Fund annual capital contribution and the unexpended balances of previously funded projects that are closed. In the table above, those resources are identified. Grants, the annual allocation of Connecticut's Local Capital Improvement Program (LoCIP) funds (discussed further below) and transfers from other funds normally fund capital projects that do not require the application of reserves are not accounted for through the reserve analysis .

In the table above, the shortfall of resources is shown on the line "Unassigned Available" balance of CNRE Reserves at 6/30. For FY2015, the shortfall is only $6,309, and rises to $20,972 in FY2016, before it begins to increase. However, that increase is simply a function of the lack of requested capital projects in those later years of the CIP. The Town's annual capital contribution will increase over the five year CIP, and be available to finance even more capital projects in future years.

			6/30/2014	$1,069,396	Reserves Available for Projects		
Fiscal Year	General Fund Budget (1)	2% Contribution	Actual Contribution	Balance Forward			
				Existing	Committed	Unassigned	Funded
2011-12	25,677,174	513,543	363,000	851,168	838,095	13,072	1,230,575
2012-13	25,673,290	513,466	369,000	791,301	638,992	152,308	609,200
2013-14	26,390,660	527,813	528,774	1,069,396	932,695	136,700	436,700
2014-15	27,521,495	550,430	475,000	796,673	703,060	93,612	1,158,257
2015-16	28,901,771	558,000	558,000	589,253	510,225	79,028	765,420
2016-17	29,768,824	595,376		774,379	657,975	116,404	410,250
2017-18	30,661,889	613,238		948,617	673,975	274,642	439,000
2018-19	31,581,746	631,635		1,360,252	796,975	563,277	220,000
2019-20	32,529,198	650,584		1,935,861	900,000	1,035,861	74,975

Capital Policy Recommendation: Every attempt should be made to include a transfer in an amount equal to 2% of the annual General Fund Operating Budget to the Town's Capital and Non-recurring Expenditure Fund in order to establish or increase a reserve account balance that may be used to offset

(1) Assumed growth in GF budget 3%

LoCIP FUNDING

Connecticut's Local Capital Improvement Program (LoCIP) provides financial assistance to municipalities for eligible projects in the form of entitlement grants funded with State general obligation bonds. Annual entitlements are announced in March; municipalities must apply to the Office of Policy and Management for authorization of projects qualifying for LoCIP funding on the Authorization/Expenditure form included in this package. Once a municipality expends funds for an authorized LoCIP project, it may apply for reimbursement on the form. Reimbursement cannot exceed the municipality's available balance of LoCIP funds.

In prior years the Town was allotted between $42,000 and $45,000. The Town draws on those funds to finance eligible projects, most of which are infrastructure such as roads and bridges. In FY2011, we used an unused balance of $300,000 in the account to reconstruct Old Clinton Road and depleted the account balance. We did not apply to use the FY2012, FY2013 or FY2014 allotments totaling $127,697. In August 2013, the Town applied to use $107,975 of that balance as a contribution to non-grant eligible school security improvements; that project was approved by the Office of Policy and Management and is underway. In August 2014, the Town received $300,000 as reimbursement for the Clinton Road project. Since that project had been funded from Town resources, it became available to the Town to fund other LoCIP eligible projects, including $125,000 to fund various road projects identified by the Director of Public Works that would have been funded in the General Fund Public Works Roads account. Another $65,000 was used to fund part of the $140,000 communications interoperability project. The unexpended balance of that reimbursement is in the Unassigned Fund Balance of the CNRE Fund.

For FY2016, the Town will receive approximately $42,814 as the normal LoCIP grant, assuming the LoCIP grant program is funded by the state. That amount will be used as revenue to the General Fund to offset the Public Works paving program.