



Town of Hudson

MASSACHUSETTS 01749-2134

To: Select Board
Finance Committee

From: Thomas Gregory

Date: January 22, 2024

Re: FY2025 Capital Program Recommendations

The purpose of the memorandum is to provide the Select Board and Finance Committee with information specific to the capital funding recommendations for FY2025. In my December 18, 2023 FY2025 budget filing with the Select Board, I included all of the capital requests submitted by the departments advising that I would have funding recommendations prepared for the January 22, 2024 Select Board meeting. The full list of capital items recommended for funding is attached to the memorandum.

There are multiple funding sources that are being identified to fund the FY2025 capital program. The primary source is Free Cash, which is the customary pay-as-you-go funding source for most General Fund capital acquisitions and projects – these are voted as a block at the Annual Town Meeting each year. In addition, a new water vac truck is being proposed for funding via the Water Enterprise Fund. And, the DPW Stabilization Fund has been identified to fund new DPW computer equipment. At this time, there are no anticipated borrowing authorizations. The summary of funding sources is shown below:

| Funding Source | Amount |
|------------------------|-------------|
| Free Cash | \$3,717,450 |
| Water Enterprise Fund | \$675,000 |
| DPW Stabilization Fund | \$69,000 |
| Total: | \$4,461,450 |

I note that FY2023 Free Cash has not yet been certified and available for appropriation. I expect certification to occur in March once the FY2023 balance sheet is finalized and submitted to the Department of Revenue (DOR). I am using a conservative Free Cash estimate to fund next year's capital program. I anticipate that I will have a decent Free Cash estimate in February. If the estimate is significantly higher than my current estimate, I may subsequently revise these funding recommendations.

The recommendations include the annual \$300,000 Free Cash supplement to the Chapter 90 roadway improvement program. The total roads funding available next year with both sources will be approximately \$880,000 (the FY2024 Chapter 90 apportionment to Hudson is \$577,769). I am recommending that Fire Station #1 receive funding for needed building renovations to occur over the next two to three years. Design funds for the library are being recommended so that the Town can apply for grant funds from the Massachusetts Board of Library Commissioners which will help determine the future building program for the library. And, funds have been identified to replace three (3) police cruisers next year, which is consistent with the Police Department's recommendation for annual vehicle replacements.

Also being recommended for funding in FY2025 is the acquisition of a new Fire Pumper to be funded with \$975,950 from Free Cash. At the Special Town Meeting in November, a borrowing authorization for the same amount was approved which allowed the Town to place the order. The Town's Free Cash position allows this acquisition to be paid with cash on hand, and I will recommend that the borrowing authorization be rescinded in May.

I also note the request to replenish the Stabilization Fund with 50% of the costs associated with the MUNIS acquisition. At the Special Town Meeting in November, \$1.21M was transferred from the Stabilization Fund so that this important project could commence in the current fiscal year. I anticipate a recommendation to replenish the Stabilization Fund with the additional 50% in FY2026.

Capital requests that are not recommended for funding in FY2025 will be considered in a subsequent fiscal year.

I am available to answer any questions relative to these funding recommendations.

cc: Department Heads
Daniel Gale, Director of Finance and Operations, HPS

| FY2025 CAPITAL PROGRAM FUNDING RECOMMENDATIONS | | | | | |
|--|---------------------------------------|---------------|--------------------|------------------------|----------------|
| Department | Request | Dept Priority | Requested Amount | Funding Recommendation | Funding Source |
| COMM DEV | Master Plan Update | 1 | \$125,000 | \$0 | |
| DPW | Roadway Resurfacing | 1 | \$300,000 | \$300,000 | Free Cash |
| | Hydro Excavator Vac Truck (Water) | 2 | \$675,000 | \$675,000 | Water Rates |
| | Wheeled Excavator | 3 | \$253,000 | \$0 | |
| | Computer Equipment | 4 | \$69,000 | \$69,000 | DPW Stabil |
| | ASV Compact Loader | 5 | \$78,500 | \$0 | |
| | Traffic Study (Main / Lewis) | 6 | \$18,500 | \$18,500 | Free Cash |
| | Ford F-550 Utility / Dump | 7 | \$97,000 | \$0 | |
| FIRE | Turnout Gear | 1 | \$200,000 | \$200,000 | Free Cash |
| | Breathing Air Compressor | 2 | \$80,000 | \$80,000 | Free Cash |
| | Station Alerting System | 3 | \$190,000 | \$0 | |
| | UTV & Trailer | 4 | \$63,000 | \$0 | |
| | Station #1 Renovations | 5 | \$462,835 | \$400,000 | Free Cash |
| | Fire Pumper (November 2023) | | \$975,950 | \$975,950 | Free Cash |
| FINANCE | MUNIS (Replenish Stabilization) | 1 | \$1,210,000 | \$605,000 | Free Cash |
| LIBRARY | Design Funds (MBLC Grant Requirement) | 1 | \$150,000 | \$150,000 | Free Cash |
| POLICE | Police Cruisers (3) | 1 | \$215,000 | \$215,000 | Free Cash |
| | Computer Equipment | 2 | \$168,000 | \$168,000 | Free Cash |
| RECREATION | Rimkus Clubhouse Roof Replacement | 1 | \$35,000 | \$35,000 | Free Cash |
| | Riverside Courts Repairs | 2 | \$80,000 | \$0 | |
| | Chamberlain Rink Improvements | 3 | \$150,000 | \$0 | |
| SCHOOL | Modular Classrooms - Mulready | 1 | \$450,000 | \$450,000 | Free Cash |
| | HHS Gym Repairs | 2 | \$120,000 | \$120,000 | Free Cash |
| | Multi-function Activity Bus | 2 | \$80,000 | \$0 | |
| | Pave Parking Lots - Forest Ave | 2 | \$85,000 | \$0 | |
| | Replace Boilers - Forest Ave | 3 | \$382,000 | \$0 | |
| | District Plumbing Repairs | 4 | \$80,000 | \$0 | |
| TOTAL | | | \$6,792,785 | \$4,461,450 | |

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