



TOWN OF BERLIN
CAPITAL REQUESTS

Administrative Procedures

The Town of Berlin Capital Improvement Planning Committee (CIPC) bylaw governs the process by which CAPITAL requests should be received, reviewed, prioritized, and recommended for Town Meeting approval.

CAPITAL is defined as major non-recurring tangible assets and projects which:

- 1) are purchased or undertaken at intervals of not less than five years,
- 2) have a useful life of at least five years, and
- 3) cost over \$10,000

The following administrative procedures are established to assure compliance with the bylaw:

All department heads, officers, boards, commissions and committees shall submit capital requests in accordance with the timelines and established procedures set forth annually in writing by CIPC.

Capital improvement requests not submitted by the established deadline shall not be considered by CIPC for funding in the coming year, and shall not be included in CIPC's annual report of Capital Improvement Budget recommendations for the coming year.

Town Meeting Warrant Capital Article Submissions

The Board of Selectmen has statutory authority for calling Town Meetings, and for Town Meeting warrants, including the placement of articles (GL c.39, s.10).

- Any capital improvement warrant article requests submitted to the Town Administrator for placement on the warrant must first be reviewed and recommended by CIPC in accordance with the bylaw, established timelines and other established procedures.
- Capital improvement warrant article requests that have not met the above requirements will be referred back to CIPC for review and comment before being placed on the warrant.
- The Town Administrator shall include in the draft warrant presented to the Board of Selectmen, only those capital articles reviewed and recommended

by CIPC for the current year, and shall include with the draft warrant, CIPC's current RECOMMENDED CAPITAL IMPROVEMENT PLAN.

- The Town Administrator shall provide to the Board of Selectmen with the draft warrant, a separate list of any other requested capital articles that have not met the above requirements and have been referred back to CIPC.

INSTRUCTIONS FOR COMPLETING CAPITAL PROJECT SUBMISSION FORM

When completing the CIP submission forms, please do your best to fully complete each section because more detail makes the review process easier. Feel free to attach any helpful supplementary information. If possible, complete the forms electronically by typing in the text boxes and indicating checkmarks by typing "X" in the spaces provided.

1. Date Prepared/Date of Last Edit
 - a. Record the date this project was first submitted
 - b. If applicable, the date of the most recent substantive edit (i.e., other than correcting a typo)
2. Capital Expenditure or Extraordinary Expense
 - a. Check the appropriate box
 - i. The Town of Berlin Bylaw defines capital expenditures as those requests for town funding of an item(s) that will be bonded over multiple years.
 - ii. Extraordinary expenses are defined as any request for town funding of capital or expense items submitted outside of the entity's operating budget in the form of an independent town meeting article(s).
 - b. Both require this form to be completed in its entirety
3. Department: Department originating the request and responsible for the project
4. Project Title: Give the project a sufficiently descriptive title
5. Prepared By/Phone Number/Email: Name and contact information of the person overseeing the project
6. Requested Project Year: Fiscal year that funding need is anticipated
7. Purpose of Project Request: Choose one of the categories below
 - a. New
 - i. new construction or a capital expenditure, applies to all infrastructure, land and equipment requests
 - b. Addition/Alteration

- c. Upgrade/Expansion
 - d. Repair/Reconstruction
 - e. Replacement
 - i. Identify the item being replaced, as well as it's condition and residual value
 - ii. State outcome of item being replaced, i.e. trade in, etc.
8. Project Request Submitted Last Year
- a. Yes
 - i. This project was submitted in a previous year but not approved
 - ii. For this submission, make any necessary updates to the description and cost estimates
 - b. No
 - i. This is a first-time submission
 - c. Requested Prior to Last year
 - i. This project was submitted in a previous year but not approved
 - ii. For this submission, make any necessary updates to the description and cost estimates.
 - iii. Please indicate the year(s) of prior submissions
 - iv. If a Multiyear Project – This project will span several phases over multiple fiscal years before being completed
 - 1. Indicate the project phase for the forthcoming year and the total number of project phases
 - 2. If this is the first submission of a Multiyear project, also select New
9. Department Priority Ranking: Check the appropriate checkbox based on the definitions below:
- a. Very High
 - i. Typically, Urgent or Legally Required
 - 1. Completing this project will address an imminent risk to the safety of the public or municipal personnel, and/or it will prevent the imminent destruction or collapse of public infrastructure and loss of assets
 - 2. Alternatively, this project is required to bring the community into compliance with federal or state safety, environmental, accessibility, or other regulations and legal requirements
 - b. High
 - i. Typically, Maintain Service
 - 1. Completing this project is necessary to ensure level service for the upcoming fiscal year
 - 2. This priority type may include projects that replace old or worn-out equipment, dramatically rehabilitate aging facilities, or facilitate a department's ability to meet increased service demands
 - c. Medium

- i. Typically, Enhancement
 - 1. Completing this project will provide a benefit to the community over and above the existing service level
 - 2. or it will result in cost savings or other efficiencies
 - d. Low
- 10. Department Priority Classification
 - a. Check ALL that Apply
 - b. If possible, please rank in order of importance
 - c. The CIPC uses these criteria to determine the Capital Improvement Plan and project importance, please consider carefully
- 11. Basis of Cost Estimate
 - a. Please check to indicate the source of the estimate
 - b. Documentation, if applicable, must be provided
 - i. Written bid or quote provided by vendor
- 12. Estimated Useful Life
 - a. Please determine the average useful life of the expenditure
 - b. Description:
 - i. Provide a basic description of the proposed project or equipment purchase, including:
 - ii. If a building:
 - 1. location
 - 2. type of building
 - 3. intended use(s)
 - 4. whether land acquisition will be necessary (if a building)
 - iii. project timeline, including expected date for breaking ground
 - iv. discussion of primary cost drivers
 - v. stakeholders involved
 - c. Provide your justification for the project
 - i. Highlight the specific benefits that will directly result from completing the project.
 - 1. These details may depend on the chosen priority level. For instance,
 - a. If the priority level is Medium or Low, you should fully describe any and all new benefits the project offers, including any cost savings or efficiencies
 - b. This information is particularly important for projects classified as “Urgent/Legally Required” and “Maintain Service”
 - 2. Just as importantly, state how the project will benefit community and administrative stakeholders
 - 3. You should also explain what will happen if the project is not approved by fully describing the potential consequences to the community
- 13. Project Cost Summary, Recommended Financing Sources and Operating Budget Impact

- a. Project Cost Estimate
 - i. Equipment/Furnishings
 - 1. heavy equipment
 - 2. vehicles
 - 3. major building fixtures
 - ii. Design/Engineering/Permitting
 - 1. engineering or design work required for the project
 - iii. Construction
 - 1. new building construction or capital improvement to existing infrastructure
 - iv. Site Acquisition
 - 1. purchase of land or property necessary for the project
 - v. Site Improvements
 - 1. site work required for project
 - vi. Feasibility Study
 - 1. feasibility studies required for the project
- b. Funding Source(s): For the given project, put a checkmark next to all applicable sources:
 - i. Taxation/Cap. Outlay Expenditure Excl.
 - 1. funded with cash from standard general fund revenues (i.e., cash capital), including property taxes, motor vehicle excise, local receipts, and other available funds
 - ii. Grants
 - 1. Check this box if you anticipate that the project will be eligible for partial or full grant funding
 - iii. Stabilization
 - 1. funded by an appropriation from the stabilization fund.
 - iv. CPA
 - 1. Check this box if:
 - a. the project qualifies for one of the four allowable uses of Community Preservation Act funds
 - i. On a separate sheet, please
 - 1. Note the CPA Purpose
 - 2. Input the proposed amount of CPA funds for each year
 - ii. Be sure that the project's narrative description explains how it qualifies for CPA funding.
 - b. Community Preservation Act Submissions: For communities that have adopted the Community Preservation Act (CPA), M.G.L. c. 44B, a project may qualify for full or partial CPA funding if its purpose aligns with at least one of the following:
 - i. Open space – to acquire, create, or preserve open spaces
 - ii. Historic resources – to acquire, preserve, rehabilitate, or restore historic buildings, structures, documents, or artifacts

- iii. Recreation – to acquire, preserve, rehabilitate, or restore recreational land and facilities
- iv. Community housing – to acquire, create, preserve, or support low- and moderate-income housing for families and seniors
- c. When considering submitting a project for CPA funding, please keep in mind that there are some restrictions. Below are useful definitions for the types of CPA projects allowed
 - i. Capital improvement: Per Section 2 of the CPA statute, this applies to “reconstruction or alteration of real property,” distinct from new construction, and the project must:
 - 1. “materially add” or “appreciably prolong” the useful life of the property;
 - 2. become “permanently affixed” in a way that “removal would cause material damage to the property or article itself”; and
 - 3. become a “permanent installation” or remain for an “indefinite period of time”
 - ii. Rehabilitation: Rehabilitation involves making “capital improvements, or the making of extraordinary repairs, to historic resources, open spaces, lands for recreational use and community housing.” This includes making improvements to comply with the Americans with Disabilities Act. For recreation projects, note that this also includes the replacement of playground equipment or other capital improvements that “make the land...or the related facilities more functional for the intended recreational use”
- d. Use of CPA dollars for maintenance projects is prohibited. Maintenance here refers to “incidental repairs which neither materially add to the value of the property nor appreciably prolong the property’s life, but keep the property in a condition of fitness, efficiency or readiness.” Note that there is a significant difference between maintenance, capital improvements, and rehabilitation
- v. Free Cash
 - 1. Funded through appropriation from certified free cash
- vi. Bond Authorization
 - 1. Financed through the issuance of standard, general obligation bonds, with the subsequent debt service funded through the tax levy in the operating budget
- vii. Mitigation Fund – funded by mitigation fund receipts

- viii. Other – another funding category not listed above. The project description should adequately explain why this category was chosen
- c. Expected Impact on Operating Budgets:
 - i. Put the dollar estimates into the appropriate boxes in the Operating Budget Impact table
 - ii. If necessary, explain the project’s temporary and/or long-term impact on the operating budget
 - iii. Oftentimes, capital projects (especially construction ones) can result in increased operating costs. Some may only be necessary for the project’s duration (e.g., increased use of one building while another is demolished and reconstructed). Others may be longer lasting, such as a new building resulting in increased utility costs or the hiring of additional maintenance personnel

Please return all completed forms and associated documentation to the Town Administrator on or before November 1st. All capital requests submitted after November 1st will not be considered for the current years fiscal budget, and will need to be resubmitted for the following year.

After your requests are submitted, they will be evaluated based on the criteria below.

1. Risks to Public Safety and Health: What is the project’s impact on existing public health and safety conditions? Does it address an existing concern, or is there is an increased risk for unforeseen consequences?
2. Deterioration of Town facilities
 - a. Infrastructure: How does the request address the community’s needs within the context of existing infrastructure problems, and how well does it integrate with that infrastructure?
3. Education, Historic, Cultural or Community Value
4. Coordination with other Capital Requests
5. Legal Requirements: Is the project necessary to bring the community into compliance with a legal requirement or regulation mandated by the state or federal government?
6. Efficiency: Will the project make services more cost-effective by decreasing the amount of time and labor or overall costs?
7. Systematic Replacement
8. Equitable Provision of Service and Facilities
 - a. Impact on Townspeople: Is the project necessary to support a new or expanded service the municipality is offering? An example might be the purchase of equipment needed to support and maintain a new park or recreational area.
 - b. Impact on Service and/or Personnel: if a department has recently increased staff, is the request necessary for equipment for the new staff to perform their work?
9. Protection and Conservation of Resources

Once reviewed, CIPC will contact the appropriate department head, officers, boards, commissions and committees should additional information be required. Inquiry by the preparing department head, officers, boards, commissions and committees into the review process, and the status of current capital request, is always welcome.

The CIPC shall then prepare an annual capital plan, including the costs thereof, and make recommendations to the Board of Selectmen and the Finance Committee on capital items which should be funded. This annual capital plan shall be submitted to the Board of Selectmen by January 31st of the year.