

**CAPITAL IMPROVEMENT PLAN  
CITY OF SHARON, PENNSYLVANIA  
CY 2016- CY 2020**

**CITY OF SHARON CAPITAL PLAN  
PRESENTED JULY 31, 2015  
ADOPTED BY DECEMBER 31, 2015**

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## City of Sharon

Office of the City Manager

July 31, 2015

City Council  
155 W. Connelly Blvd  
Sharon, PA 16146

Dear Members of Council:

Attached is the City's most recent effort at developing a 5-year capital improvement plan. Since the adoption of the Home Rule Charter, the City of Sharon has never developed a true capital plan, such as the Charter requires. Since the charter, most large capital investments have been done on a yearly basis depending on what the given financial conditions would allow for. Each budget year, department heads would generate a list of immediate capital needs, but due to lack of funding, no real effort was made at developing long-term needs.

A capital plan serves a number of purposes, all of which appear in the plan itself. I am using this opportunity to briefly explain how the plan was developed, what the city may hopefully accomplish with it and give some thoughts as to the most critical issue – lack of funding. At the outset, I want to be clear that the capital plan I am presenting contains the investments and purchases that the City of Sharon needs, but not necessarily ones it can afford. The plan calls for an additional \$1 million of spending each year, for the next five years. However, the plan is not a pie-in-the-sky list of every imaginable vehicle, tool or investment that can be dreamt up - it isn't a wish list. It is instead meant to be a realistic picture of the investments that Sharon truly needs, even if some of those investments seem out of reach. To the extent it was possible, I attempted to program the expenses in a way that gives earlier priority to particular items, yet overall attempts to keep annual spending level from year to year.

I would like to thank the staff and department heads of the city for helping to bring this plan to the table. Chief Smith, Chief Fiscus and John Cave each spent considerable time coming up with plans and meeting with me to discuss what this plan may accomplish. At the risk of being perceived as unrealistic, there was some initial reluctance on the part of the staff, myself included, to share all of the capital needs. However, over the course of developing this plan, the staff came to the realization that there is a big difference between what is needed, and what can be afforded; one is a funding issue and the other is a challenge to look internally at what the departments need. I would like to say that the plan is needs-based, not wants-based or price-based. From that standpoint, I think the plan is a good step in the right direction for the city because we have now put to paper what our needs are and assigned some costs.

The capital plan directly intersects with the city's general fund and annual general fund preparation. The general fund preparation will determine what level of capital contribution the city is able to make for 2016. The capital plan also coincides with the city's decision to conduct a street inventory. In June, the city received four (4) proposals that would survey the city's current road conditions, make assessments on what is needed for resurfacing and attach a price tag to the construction. The city council is currently reviewing those proposals and it is my expectation that the city will conduct a plan that will tell us what the city must spend annually to catch-up, remain status quo or continue falling behind on road resurfacing.

The City of Sharon cannot change its financial history, but it can influence its future. The city fell behind for decades in the area of capital expense for a variety of reasons, and now the cost of deferring maintenance & investment is actually the greater cost. Right now, the City of Sharon is in catch-up mode in a number of areas, most notably in the street department & with respect to road maintenance. The General Accounting Office reports that deferring \$1 in highway resurfacing for just two years can require spending \$4 in reconstruction costs to repair the damage.<sup>1</sup> The reality is that unless an effort is made to catch-up and get ahead of the ball soon, there are roads in the city that may not see resurfacing for 50 years. The funding cannot be set aside unless it is actually set aside and difficult financial choices are made.

My expectation is to have dialogue on the items in this plan, and have department heads elaborate on the capital needs facing their departments. It is an opportunity for the department heads to explain to Council why they have chosen these priorities.

Sincerely,



Scott Andrejchak

City Manager

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<sup>1</sup> <http://www.gao.gov/assets/90/86546.pdf>

## INTRODUCTION

The home rule charter of the City of Sharon requires that a plan be adopted that contains long-range plans and objectives.

### §906 of the Home Rule Charter:

It is the intent of this charter that Council shall adopt long range plans and objectives to provide for the orderly growth of the City. The City Manager *shall* prepare and submit annually to Council a five (5) year capital program report at least three (3) months prior to the final date for submission of the budget. Projects which will result in major additions or changes to the City, such as recreation and sanitation facilities or roadways, shall be included in the capital program report. Such other capital expenditures for equipment with a useful life of two (2) years or less shall be part of the operating budget.

The annual capital program report shall contain:

- (a) A clear general summary of its contents;
- (b) A list of capital improvements which are proposed to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements;
- (c) Cost estimates, method of financing and recommended schedules for each such improvement;
- (d) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired;
- (e) The estimated annual amortization costs;

The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.

### §908 of the Home Rule Charter:

- (a) Publication: Council shall publish the proposed Capital Program Report immediately upon its receipt from the City Manager.
- (b) Public Hearing: Council shall hold a minimum of one (1) public hearing on the proposed Capital Program at which time residents of the City may express their views on the proposed capital program. Such required public hearing shall be not less than twenty-one (21) days nor more than thirty (30) days after the date of publication.

- (c) Method of Publication and Notice of Hearing. Council shall publish in one or more newspapers of general circulation in the City, and on the official City website, a general summary of the Capital Program and a notice stating:
- 1) The times and places where copies of the summary of the Capital Program are available for review by the public, and
  - 2) The time and place of the required public hearing on the Capital Program and such other public hearings as the Council may decide to hold, and
  - 3) The times and places where a complete copy of the Capital Program along with accompanying maps, charts, reports and other data are available for inspection by the public.
- (d) Adoption. Council shall by resolution adopt a Capital Program with or without amendment, after public hearing and on or before the last day of the ninth (9<sup>th</sup>) month of the current fiscal year.

#### Capital Improvement Program Calendar

July 31, 2015: Submission of Capital Improvement Plan & Immediate Publication

Hearing: 21-30 Days After Publication

Adoption: On or before September 30, 2015

## Capital Improvements Explained

Most of the time, capital expenses are significant and require funding beyond what a general operating fund can support. This requires that a plan be established and regularly updated so that it reflects the needs of the community at a given time. The plan becomes an important tool for any municipality. Items that enter into the plan are prioritized, their cost is estimated and they become financial goals for the municipality on an annual basis.

In practice, the purpose of capital programming is to assign priorities to the improvements which represent major financial investments and which are not paid for through the general fund. The capital plan is based on the needs and recommendations of the city's elected officials, staff and the public, through a public hearing process.

There are several benefits to a capital improvement plan:

1. Focus attention on community goals and needs  
Capital projects directly relate to community objectives, economic growth and financial capability. By planning ahead for projects that are needed most, the city can adopt financial alternatives for the more important projects. It also helps us provide residents with a more accurate picture of what the community needs and what its assets are.
2. Optimize the use of public funds  
Planning of public assets in an organized way helps avoid the likelihood of costly mistakes. The capital plan will help guide the city council in making sensible annual budget decisions as well as financing decisions.
3. Encourage more efficient government administration  
The capital improvement plan requires departments to analyze and forecast their future needs. This continues close coordination and cooperation between city departments, management and the elected officials. Such a relationship is a necessary component of a sound local government.
4. Improvement project implementation  
The capital improvement plan requires accurate scheduling, cost estimating and efficient use of financial resources. Utilizing this strategy will ultimately aid the city in implementing future projects on schedule.
5. Increase likelihood of accessing grant funds  
Capital improvement plans can increase the likelihood of accessing grant funding. When funding agencies see that an organization has a plan to fund a specific program or purchase, it is more likely for the funding agency to consider awarding a grant for the project.

What are Capital Improvements?

Capital improvements are major projects requiring the expenditure of public funds, over and above annual operating expenses, for the replacement, construction or purchase of physical assets of the community. These may include the purchase, repair or replacement of the following:

Buildings Land Equipment  
Machinery Vehicles Sewers  
Parks Streets Sidewalks

What is Capital Improvements Programming?

Programming is the preparation and updating of a proposed schedule of public works and related equipment to be built or purchased by the local government for the next five (5) years. All of these future projects are listed in the order of priority along with a cost estimate. Capital improvement programming is based on the city's needs. The programming will only work if it is followed on a yearly basis, updated and most importantly – funded by General Fund contributions.

## **Capital Improvements Program Narrative**

### **PUBLIC WORKS**

The Sharon Public Works Department is complemented with five (5) fulltime employees. The complement includes one (1) fulltime mechanic, one (1) foreman and three (3) equipment operators. On a seasonal basis, the department includes a part-time staff that ranges from two (2) to seven (7) additional employees. The Department is a 24-7 operation that provides winter maintenance, street repairs, grass cutting, sign production and placement, boarding up vacant houses, trash removal, line painting, maintaining the city building, catch basin clean-outs, fleet maintenance and assisting downtown events.

### **Equipment Needs**

The department's equipment needs are great. Unfortunately, many important investments and capital purchases have been postponed. The most immediate need is vehicle replacement. The department currently has the following equipment:

- 1) Two (2) 2013 ten ton salt trucks with (new) plow and spreader
- 2) Two (2) 2001 ten ton salt trucks with plow and spreader
- 3) 1994 ten ton salt truck with plow and spreader
- 4) 1995 ten ton salt truck with plow and spreader
- 5) 2006 1-ton patch truck (plow and spreader can be added)
- 6) 1995 passenger van (sign truck)
- 7) 2005 1-ton truck with lift gate
- 8) 2208 3/4 ton pickup truck
- 9) 1998 Highlift
- 10) 1985 John Deer Tractor

The most immediate needs are salt trucks and a newer high lift. The 1994 and 1995 salt trucks need replaced; they have already exceeded their service life. In addition, the high-lift is aging and will need replaced. The high-life is currently being serviced but it is also nearing the end of its service life. Another 1-ton truck is also needed to plow alleys; the existing truck is crucial for certain areas of the city. When the 2006 1-ton truck is down, it can be days before alleys are serviced.

### **Storm Water Collection System Rehabilitation**

### **Street Improvement Program**

### **FIRE DEPARTMENT**

The Sharon Fire Department is commissioned by the city charter until the title of the Department of Fire-Rescue. It is complemented with twelve (12) fulltime firefighters, twenty (20) part-time firefighters and a fulltime chief.



The Department is a full-service, 24-7 operation that provides fire suppression, rescue, hazardous materials mitigation and fire prevention services. Secondary functions include code enforcement, rental property inspections and city building grounds maintenance. The Department provides service and protection to approximately 14,000 residents and another 10,000 visitors and workforce in our city daily.

### Equipment Needs

In order to continue to provide the current level of service, the Department must maintain and replace certain necessary equipment. The Department utilizes a fleet of 3 fire apparatus, 1 command vehicle and 1 utility vehicle;

1. 2008 Spartan Crimson Pumper
2. 2001 KME 100ft Ladder Truck
3. 1995 KME Pumper
4. 2010 Ford Explorer Command Vehicle
5. 2007 Ford F150 Utility Vehicle

The replacement cost of fire apparatus is high, but the capital outlay is less daunting when amortized over a multiple-year period. In addition, the service life for most fire apparatus is 20-30 years. The 1995 KME Fire Pumper continues to deteriorate and is increasingly costly to maintain and repair. The City has not funded a vehicle purchase in the Department since 2001. In 2008, the Department was fortunate to receive FEMA funding that allowed for the replacement of a 1988 engine. The department continues to seek funding through alternative means and through grants in order to replace the 1995 KME pumper. In addition, although they are maintained and in good repair, the 2007 Utility Truck and 2010 Command Vehicle should be slated for replacement in the capital plan.

Structural Firefighting self-contained breathing apparatus also have a mandated life expectancy of 15 years. The Fire Department previously replaced half of its compliment of SCBAs in 2008 utilizing a FEMA Fire Act Grant. The SCBAs not replaced are approaching the point that they will be deemed out of compliance with the (NFPA) National Fire Protection Agency and should be considered for gradual replacement; units will be due for replacement in 2017 and another 3 in 2019. The cost of an SCBA is \$5,125.00 per unit. The Fire Department will continue to seek alternative funding sources for the capital purchase. Three units will be due for replacement in 2017 and another three in 2019.

### POLICE DEPARTMENT

The Sharon Police Department is commissioned by the City's Home Rule Charter under the title of Department of Public Affairs. The department provides services and protection to approximately 14,000 residents and answers 25,000 calls each year. The department is complemented by twenty-eight (28) fulltime officers and a fulltime police chief. The department is a full-service, 24-7 operation that consists of a Patrol Division, Investigation Division, Juvenile Division and a structured Command Staff. Each division is lead by an Officer in Charge that reports directly to the Chief of Police.

## Equipment Needs

In order to continue to provide the current level of service that residents of Sharon have come to expect, the department must continually maintain and replace the equipment that is necessary to carry out its duties. The department utilizes a fleet of twelve (12) marked patrol cars that are replaced every four years. The assignment of the cars is done in a manner that optimizes the life of the vehicle while realizing a healthy residual value of the cars that are taken out of service. The department also maintains six (6) unmarked administrative and detective units which are replaced every eight years.

In 2016, the contractual obligation to replace officers' ballistic vests is due. The department will apply for a federal grant which will hopefully reimburse the cost of the vests, up to 50%. However, the grant is not a guarantee so the full amount of the purchases must be budgeted for. In addition to the need for new ballistic vests, the city's insurance carrier has recommended that the department institute a standard-issue and carry policy for TASER. This will require the purchase of twenty-eight (28) TASERs.

## PHYSICAL PLANT

The Sharon City Building was dedicated in 1978 and since that time, there has been no major improvements made to the structure. The city building houses nearly all the city's workforce with the exception of the city street department. The third floor houses the city's administrative operations and tax office while the second and third floors house the Police and Fire Departments, respectively. Beyond aesthetic improvements that are long overdue, there are a number of items that will soon need to be addressed in order to make the building functional for the next 20 years.

\*As of July 29, 2015, information from Western Reserve Mechanical is that the HVAC system can remain functional for a cost of \$125,000. This information comes in contrast to earlier information that suggested full replacement and \$300,000 expense. At this time, Chief Smith has been extremely helpful is working with Western Reserve to get the system working properly again and during upcoming hearings on this plan, he will be able to share more information about the HVAC system.