



# RECOMMENDATIONS TO SELECT BOARD

CAPITAL PLANNING TASK FORCE

JUNE 7, 2021



# Capital Planning Task Force Members

- Terri Ackerman, member Select Board
- Stephen Crane, Town Manager
- Laurie Hunter, Superintendent of Schools
- Kerry Lafleur, Town Finance Director
- Karle Packard, citizen (capital budget background)
- Cynthia Rainey, Clerk, member School Committee
- Jared Stanton, Director of Finance & Operations CPS/CCRSD
- Elise Woodward, Chair (architectural background)
- *Open Seat (citizen at-large)*
- Parashar Patel, liaison from Finance Committee

## FORMER MEMBERS

- Todd Benjamin, citizen (citizen at-large) 2019-2020
- Dee Ortner, liaison from Finance Committee 2019-2020
- Hugh Lauer, citizen (capital budget background)



# Agenda

## CONTEXT

- Background, Charge from Select Board
- Options Analysis
- What We Heard from Citizens

## RECOMMENDATIONS

- CPTF Recommendations

## DISCUSSION



# Background

**Charge:** Capital Planning Task Force (CPTF) charged by the Select Board in September 2019 to develop:

- a process for town-wide capital planning
- 10-year time horizon updated annually

**Purpose:** Identify a process for anticipating / funding very large projects that may require debt exclusion including:

- Criteria for evaluating projects
- Timing and prioritizing projects
- Protecting from climate impacts (evaluating vulnerability of capital assets)
- Balancing competing priorities
- Balancing affordability and smoothing debt obligation



# Background

- **Meetings:** CPTF held 8 public meetings in person November 2019-March 2020 with public comment
- **Paused:** March 2020-September 2020
- **Meetings:** CPTF held 16 public meetings virtually March 2020 – May 2021 with public comment
- **Met with Fin Com:** October 2020
- **Public Forum:** December 2020 to receive citizen comment – maintained email account for comment
- **Met with School Committee:** May 2021
- **Adjusted Timeframe:** Recommendations due to Select Board by June 30, 2021



# Capital Planning Options Analysis

- Confirmed authority of Town Manager in Town Charter for capital planning
- Reviewed Best Practices from MMA and Other Towns
- Considered advantages and disadvantages of a Standing Capital Planning Committee vs. enhancing the existing process
- Collected Public Comment
- Considered three options



# Capital Planning Options Analysis

Structure	Considerations
<ul style="list-style-type: none"> <li>• Status quo</li> <li>• Schools' and Town's large capital spending project</li> </ul>	<ul style="list-style-type: none"> <li>• Schools' and town's Tier III concepts/potential projects "percolate" independently within each entity's administration and elected bodies</li> <li>• Multiple opportunities for public input, however difficult to know when to provide input for most residents because of lack of clear processes and timelines as potential projects are considered</li> <li>• No clear "milestones", factors, or processes determine when project planning starts</li> <li>• No clear plan or vision that unifies Tier III (or even Tier II) potential projects</li> </ul>
<ul style="list-style-type: none"> <li>• Enhance/modify current Town and Schools capital planning processes</li> </ul>	<ul style="list-style-type: none"> <li>• Does not create additional layer to planning and approval</li> <li>• Leverages existing processes within Town departments, Schools</li> <li>• Can build in annual opportunity for public input of consolidated plan (if consolidated plan is recommended as an enhancement)</li> <li>• Can create clear processes, milestones for identifying potential Tier III projects, start of project planning and ongoing monitoring of Tier III projects</li> <li>• Can create unified Tier III plan (or even Tier III) for potential and approved Tier III projects</li> </ul>
<ul style="list-style-type: none"> <li>• Advisory standing committee</li> <li>• Membership mix of town, school officials, residents</li> <li>• Includes Finance Committee liaison</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitates sharing of needs/requests across all stakeholders (Town departments, Schools, etc.)</li> <li>• Additional opportunity for public input</li> <li>• "focal" point for long-term planning across all units of town, including identification of potential Tier III projects, start of planning and ongoing monitoring of Tier III project</li> <li>• Additional layer to planning and approval</li> <li>• No authority...makes recommendations to Town Manager and School Board</li> <li>• Could be duplicative of process/work already performed by schools and town</li> <li>• Depending on number of "citizen" volunteers, could be difficult to recruit volunteers</li> <li>• Will require substantial staff support from CFO and School Finance Director</li> </ul>



# What We Heard from Citizens

- Public interest in 10+ year Capital Planning
- Support for a standing committee
- Support for predictable process with public input
- Important to balance citizen's tax burden with civic values
- Support for climate criteria
- Support for integration of expenditures to meet multiple needs





# CPTF Recommendations



# Recommendations

- A. A long-term capital planning process for very large projects be adopted by the Select Board and School Committee incorporating the following elements:
- A long-term capital plan that is updated on an annual basis and includes School and Town projects
  - Project evaluation criteria
  - A specific process to create and update the long-term capital plan
  - A specific timetable for presentation of the long-term capital plan in public forums to encourage input from citizens.



## Recommendations

B. A “very large project” (referred to as a Tier III project) be defined as any project exceeding a cost of \$5 million or a project that has two or more phases totaling \$5 million or more (2020 dollars).

C. Recommendations from this report be formally integrated into current town and school policies and practices for capital planning to create a 10-year Capital Plan and debt capacity analysis, for use by the Finance Committee for preparation of 5-year tax projections.



## Recommendations

D. A debt template be designed to summarize and present future Tier III “very large projects” to analyze impact on taxpayers, potential sequencing of projects, and for updating annually.

E. Annually, make available for citizen input the integrated Town and School Tier III project list showing, priorities, climate criteria evaluation, project timing, and debt sequencing.



# Project Evaluation Criteria

(linked to The Sustainable Concord Plan)

- How will the project improve safety for employees, residents, etc.?
- Does the project have a legal mandate?
- How will the project account for climate projections and improve the Town's ability to respond to environmental threats and emergencies?
- How will the project reduce green house gas (GHG) emissions?
- How will the project contribute to the Town's goals for Built Environment, Energy, Mobility, Natural Resources, Preparedness?
- Will the project result in additional municipal expenses and/or create revenue opportunities?
- Is the project a long-term solution to the need being addressed?
- Were alternative solutions, including funding, available?
- How will the project create operational efficiencies or improve interdepartmental coordination?
- Were stakeholders engaged in the planning process?
- Can the project be phased?



# Sample Debt Template

06/03/21

## Proposed Template for Large Capital Projects

Project Name	Sequence #	Criteria Checked ?	Estimated TOT Cost	Approp. To Date	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Future years
<b>All existing</b>															
non-exempt					\$ 2,838,726	\$ 2,163,971	\$ 1,886,821	\$ 1,594,375	\$ 1,286,065	\$ 1,077,125	\$ 584,275	\$ 248,525	\$ 33,274	\$ -	
exempt					\$ 2,986,504	\$ 2,861,614	\$ 2,730,624	\$ 1,987,494	\$ 1,480,650	\$ 1,425,250	\$ 624,750	\$ -	\$ -	\$ -	
total:					\$ 5,825,230	\$ 5,025,585	\$ 4,617,445	\$ 3,581,869	\$ 2,766,715	\$ 2,502,375	\$ 1,209,025	\$ 248,525	\$ 33,274	\$ -	
<b>New</b>															
<b>Middle School</b>	1	yes	\$100,000,000	1,500,000											
year 1= \$35M (BAN)					\$ 1,225,000										
year 2= \$70M (BAN)						\$ 2,450,000									
year 3= \$100M (BAN)							\$ 3,500,000								
year 4= \$100M (bond, 25 years level)								\$ 7,360,000	\$ 7,360,600	\$ 7,355,800	\$ 7,355,600	\$ 7,359,600	\$ 7,357,400	\$ 7,359,000	\$ 95,655,200
<b>Project A</b>	4	no	\$45,000,000												
Year 1= \$4M (bond, 10 years, R)												\$ 773,919	\$ 730,450	\$ 626,700	\$ 2,587,900
Year 2= \$45M (bond, 20 years)												\$ 3,690,000	\$ 3,608,000	\$ -	\$ 50,922,000
<b>Project B</b>	3	in process	\$30,000,000												
Year 1= \$3M (bond, 10 years, R)						\$ 480,000	\$ 465,600	\$ 451,200	\$ 436,800	\$ 422,400	\$ 288,000	\$ 2,784,010	\$ 268,800	\$ -	\$ 508,800
Year 3= \$27M (bond, 20 years)							\$ 2,430,000	\$ 2,376,000	\$ 2,322,000	\$ 2,268,000	\$ 2,214,000	\$ 2,160,000	\$ -	\$ -	\$ 24,570,000
<b>Project C</b>	5	no	\$55,000,000												
Year 1= \$5M (bond, 10 years, R)															\$ 5,998,000
Year 3= \$10M (bond, 20 years)															\$ 14,200,000
Year 4= \$20M (bond, 20 years)															\$ 28,400,000
Year 5= \$20M (bond, 20 years)															\$ 28,400,000
<b>Project D</b>	2	yes	\$5,000,000												
Year 1= \$2M (bond, 10 years, R)					\$ 320,000	\$ 310,400	\$ 300,800	\$ 291,200	\$ 281,600	\$ 192,000	\$ 185,600	\$ 179,200	\$ 172,800	\$ 166,400	\$ -
Year 2= \$2M (bond, 10 years, R)						\$ 320,000	\$ 310,400	\$ 300,800	\$ 291,200	\$ 281,600	\$ 192,000	\$ 185,600	\$ 179,200	\$ 172,800	\$ 166,400
Year 3= \$1M (bond, 10 years, R)							\$ 160,000	\$ 155,200	\$ 150,400	\$ 145,600	\$ 140,800	\$ 96,000	\$ 92,800	\$ 89,600	\$ 169,600



## Annual Long-term Capital Planning Process Timeframe

- After Town Meeting, Town and School leadership update long-term capital plan
- September – joint meeting of Select Board and School Committee to present draft long-term capital plan **for public comment**
- November – Town Manager and School Superintendent present long-term capital plan to FinCom with focus on long-range impact to Town finances and residents **for public comment**
- December – joint meeting of Select Board and School Committee to discuss and approve **with public comment** revised long-term capital plan and incorporate specific spending into Warrant



# Recommendations

In summary, the recommendations of this Task Force are intended to establish a framework for systematic fiscal planning:

- To strengthen the responsibility and leadership of Town and School for integrated fiscal planning,
- To meet multiple objectives with each investment,
- To maintain high quality facilities,
- To improve community sustainability, and
- To balance citizens' values and tax burdens.





# DISCUSSION