

7 June 2021

Ms. Linda Escobedo
Chair Select Board
P.O. Box 535
Concord, MA 01742

Re: Capital Planning Task Force Report

Dear Ms. Escobedo:

The Capital Planning Task Force is pleased to submit its Final Report, with recommendations approved at our April 14, 2021, meeting. The Task Force, established by the Select Board in September 2019, met in person from November 2019 – March 2020, when its work was paused by requirements of the Covid-19 pandemic. In September 2020, the Task Force resumed meeting regularly by Zoom through May 2021 in order to fulfill the Select Board's charge.

This Final Report is the product of the Task Force's fact-gathering, public outreach, and deliberations. It is comprised of goals and recommendations, with supporting information. The work of the Task Force was guided by the following:

1. A commitment to articulating a clear and predictable process for planning large projects with attention to sequencing debt evenly over the life of very large projects.
2. A recognition that Concord citizens desire annual information and understanding about the long-term capital planning needs of the community.
3. A recognition that Concord citizens desire opportunities to participate in and contribute to municipal decisions on spending.
4. An interest in formalizing the responsibility and commitment of town and school leadership for integrated town and school project expenses and outcomes.
5. A commitment to Concord's sustainability principles.

We want to express our deep appreciation for the public's participation and support. Many residents attended our meetings and our public forum. We received many useful comments during our work. The commitment these citizens have shown to our community, their genuine interest and attention to detail has been remarkable and inspiring. We have tried hard to listen, and to incorporate the best thinking and practices into these recommendations.

I know I am speaking for all nine members of the Task Force when I say that the work we did was both challenging and gratifying. We thank the Select Board for giving us the opportunity to contribute to better understanding of our Town's capital planning process and to positioning it for the future.

Sincerely



Elise F. Woodward, Chair

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I. Executive Summary

The Select Board established the Capital Planning Task Force in November 2019 and charged it to develop a process for town-wide capital planning, anticipating that this process would be used annually to develop a 10-year Capital Plan for all foreseeable Town and School capital expenditures.

This final report is the result of the Task Force's fact-gathering, public outreach, and deliberations. It includes recommendations and supporting information.

A key rationale for the Task Force's recommendations is an actionable strategy including the following ideas:

1. Through responsibility and commitment from Town and School leadership to collaborate, seek citizen input, and use shared decision making to meet community needs, the Town is better positioned to quickly implement an annual capital planning process to identify future capital projects.
2. By evaluating future capital projects to meet departmental and community needs, for climate impact and protection of vulnerable assets, for timing and prioritization, and balancing affordability with utility, the Town will enhance its integrated financial policies.
3. Through commitment to integrated fiscal policy and citizen input, the Town will effectively balance its needs for facility improvements with affordability and predictable debt sequencing.
4. Planning annually for 10+ years with citizen participation, integrated with the annual budget process, will enhance public understanding of Town and School needs, provide opportunities for prioritization of projects, and anticipate future debt and managing the Concord citizens' tax burden.

Recommendations

The Task Force recommends that the following immediate steps be taken:

A. A long-term capital planning process for very large projects be adopted by the Select Board and School Committee incorporating the following elements:

1. **A long-term capital planning process that is updated on an annual basis** and identifies all foreseeable School and Town projects, including findings from the current Town and School building assessments and non-building infrastructure. The plan should also identify strategic land parcels and buildings for potential municipal purchase and use.
2. **Project evaluation criteria** that include elements related to the financial impact to Concord, its residents, and businesses; the potential to improve operational efficiencies;

elements related to climate change, vulnerability of capital assets, and inclusion of stakeholders in the planning process.

3. **A specific process to create and update the long-term capital plan.** The annual update of the long-term capital plan should update project information from the previous year's plan and continue identifying non-building infrastructure and strategic land parcels and buildings for potential municipal purchase and use. The long-term capital plan should include a projection of future debt and debt service payments and an itemized summary, by project and total, of the projected tax impact of very large projects.
4. **A specific timetable for presentation of the long-term capital plan in public forums** to encourage input from citizens, aligned with the annual operating budget sequence (September to January for illustration purposes).

B. A "very large project" (hereafter 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. The long-term capital planning 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.

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.

These recommendations 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.

II. The Capital Planning Task Force

Members (2020-2021)

- 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/CCRS
- Elise Woodward, Chair (architectural background)
- Parashar Patel, liaison from Finance Committee
- *Open Seat (citizen-at-large)*

Former Members (2019-2020)

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

Background

In the past few years there has arisen the potential for a number of large capital projects that are expected to be funded by debt that will require approval by Town citizens to override the limits of Mass. General Law Chapter 59, Section 21C (Proposition 2-1/2). In addition to a new Middle School, potential large projects may include development of the 2229 Main Street site, and major work on the Public Works Complex, the Public Safety Complex, the Town House, and the West Concord Fire Station. The time frame for implementing these projects has not been determined, but the needs appear to exist at the present time. In addition, there may be opportunities for land acquisition as envisioned in, and aligned with, Concord's Comprehensive Long Range Plan.

In January 2019, the Finance Committee, with assistance from the Finance Director, analyzed how Concord's taxes might be affected IF the debt service requirements of these projects were to be added to existing debt for recent projects within a five-year schedule. The analysis showed that the impact of the debt service on taxes paid by households with properties in the median range of value for these projects alone would be significant.¹

A similar situation faced the Town in 2002-2003 when six major building projects, including rebuilding the three elementary schools, the middle school, and the high school were foreseen. At that time, a Facilities Planning Committee was charged with considering conditions at all Town buildings and developing a timing and sequencing plan including financing, "which will

¹ *Debt Service - Impact of Existing & Projected*, powerpoint presentation dated January 24, 2019. See Appendix G.

adequately provide for the upkeep of Town buildings and their improvement as required, either by obsolescence or needs, most immediately school buildings, in such a manner as to minimize the impact on the Town's resources.”² A twenty-year plan was developed with a priority given to the school building projects that would be initiated at five year intervals. Recommendations for the capital planning process, for maintenance budgets for the Town’s buildings, and for implementation of other construction projects were also included in the Committee’s report.

With inspiration from this model, in 2019 the Finance Committee submitted a letter to the Select Board suggesting that a committee be formed to develop a plan for the Town’s capital projects. In response, the Charge (see Appendix A) for the current Capital Planning Task Force was developed by the Select Board and the Task Force was convened to develop a process for town-wide capital planning.

The charge was also informed by the fiscal planning recommendations of “Envision Concord 2030” the Comprehensive Long Range Plan completed in 2018. This plan recommended 4 goals:

1. Establish a process for long-term (12-15 year) fiscal planning including a long-term capital spending plan, a department-by-department illustration of anticipated level of service provision corresponding to three fiscal scenarios.
2. Establish a process for setting a “fiscal guardrail” (i.e., identify the highest amount of spending-without commensurate revenue generation- that protects the Town’s ability to maintain the balance between livability and values described in the Community Criteria.)
3. Evaluate new spending opportunities using integrated planning principles with a view to achieving multiple objectives with any specific investment. This includes actively seeking short-term capital investment ideas that will result in long-term cost-savings or revenue generation (e.g., transit, centralization of Town offices, etc.).
4. Proactively strengthen Town-School fiscal coordination.

In carrying out this charge, the Task Force has confronted several distinct important issues:

- At present the Town does not publish a comprehensive estimate of future capital costs that is easily accessible and clear to voters. “Easily accessible” in this context means that the information appears in one place, is easily available for citizen review, and is consistent in its timeframe.
- The current process for sequencing and evaluating capital projects, regardless of the size, is not presented in a predictable way that is clear to voters.
- Currently, the scope of the capital planning process covers projects and equipment purchases that are funded within the Levy Limit as part of an annual Capital Plan article at Town Meeting and that individually cost less than \$5 million (Tier I and Tier II projects).

² See *Facilities Planning Committee Report* dated June 25, 2003.
<https://concordma.gov/DocumentCenter/View/4143/Facilities-Planning-Report-PDF?bidId=>

Larger (Tier III) capital projects are developed “ad-hoc” outside of the current annual budget plan process. The need for a process to identify and plan for these large projects is paramount. Consequently, one of the first issues that the Capital Planning Task Force undertook was to define the scope of capital planning that it was considering (i.e., very large Tier III projects).

- The current five-year time horizon does not capture Tier III projects until funds are appropriated for early feasibility studies thereby giving taxpayers a perception that such projects “came out of the blue”. A longer-range view than five years is needed to more accurately anticipate future projects, the needs they will address, and the funding implications for the Town.
- Better collaboration between Town and Schools is needed so that projects do not conflict with one another, facility needs for both entities are met efficiently, and sharp, cumulative increases in debt service costs are avoided.

The recommendations of the Capital Planning Task Force are intended to respond to these issues and to maintain our Town’s fiscal sustainability over the long term.

Task Force Approach

In September 2019, the Capital Planning Task Force (CPTF) was charged by the Select Board to develop a process for town-wide capital planning to be used annually to develop a 10-year capital plan. The Charge is included in Appendix A. Its purpose was to identify a process for anticipating and funding very large projects that may require debt exclusion with criteria for:

- Evaluating projects
- Timing and prioritizing projects
- Protecting from climate impacts (evaluating vulnerability of capital assets)
- Balancing competing priorities
- Balancing Affordability

The Task Force met first in November 2019, and held 8 public meetings, approximately every two weeks, between November 2019 and March 2020, when its work was paused due to restrictions by the Covid-19 pandemic. From September 2020 – May 2021, the Task Force reconvened for 16 virtual meetings via Zoom.

The Task Force maintained minutes of each meeting to record its actions, votes, and discussions. Minutes are posted on the town website. <https://concordma.gov/2540/Capital-Planning-Task-Force>

All Task Force meetings were attended by members of the public who had opportunities to comment at each meeting. In addition, the Task Force held one public forum in December 2020. The public meeting was attended by approximately 16 Concord citizens. Public engagement has been steady and insightful.

The Task Force also met virtually with the Finance Committee in October 2020, and with the School Committee in May 2021, and received comment from those committees. Finally, the Task Force maintained an email account for citizens to submit comments at any time. The Task Force also received four letters with suggestions for its deliberations. As part of its data gathering, the Task Force collected information from other cities and towns regarding the capital planning processes in those municipalities, and collected relevant information on best capital planning practices from the Massachusetts Municipal Association (MMA). Relevant materials gathered during this work are included in Appendix C.

What We Heard from Citizens

Public input has been important to the work of the Task Force. Relevant materials gathered during this work are included in Appendix B. From the outset, the Task Force invited participation from people attending regular Task Force meetings and at the public forum, and through email. Response was steady with several dedicated attendees at regular meetings. Much of the public comment was supportive of the Task Force's efforts. General comments included:

- 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

In addition, the Task Force contacted individuals in other municipalities to consider best practices of interest to the committee's work and received several letters from the Finance Committee, League of Women Voters, and citizens.

Existing Capital Planning Annual Process (Tier I and II Projects)

Existing Town and School Capital Planning annual processes and timelines are complementary and coordinated with the annual budget process in advance of the annual town meeting. (See Appendix D.) The Five-Year Capital Improvement Plans identify Tier I and Tier II projects that are funded within the levy limit annually. Because these existing processes are well-established, accommodating capital expenditures for smaller investments within the annual budget, the Task Force recommends the large capital expenditure planning process be synchronized with these existing budgetary processes to allow the maximum opportunity for citizen input. The Town's 5-year capital budget may be found on the Finance Department page of the Town's website www.concordma.gov and the School's 5-year capital budget may be found on the Concord Public Schools website. <https://www.concordps.org/wp-content/uploads/2021/02/FY22-Capital-Plan-900K-for-SC-2-9-21.pdf>

Options Analysis

The Task Force’s approach was considered and deliberative, discussing options, best practices, receiving public comment, considering the advantages and disadvantages of options and the impact our recommendations would have on taxpayers.

- As part of the deliberations, it was noted that a Capital Planning process exists and is used each year for Tier I and Tier II projects, as well as for Tier III projects once they are approved. It was agreed that the process needs to be more clear to voters with descriptions and rationale for the capital planning decisions that are proposed each year.
- There was agreement that Fiscal Sustainability should be referred to and utilized, based on the definitions put forth by Envision Concord and the Finance Committee and that the threshold of \$1 million should be in 2020 dollars.
- The Task Force defined a "very large project" as one exceeding a cost of \$5 Million or any project with two or more phases totaling \$5 Million.
- To systematize considerations for new projects, including impact on climate, the Task Force proposed and developed evaluation criteria for all potential Tier III projects.

The Task Force evaluated several options for a long-term capital planning process ranging from keeping the current process to enhancing the current process to creating a standing committee responsible for long-term capital planning. (See Table 1 below.)

Table 1 Options for Capital Planning Structure

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

Many of the citizen comments advocated for a new standing Capital Planning Committee, and the Task Force considered this information in depth. However, we concluded that the essence of the challenge for capital planning in Concord is to predictably balance meeting future needs while predicting debt so that citizens’ tax burdens are managed for fiscal sustainability. The Task Force determined that the authority and responsibility for these fiscal decisions rests with the leadership of the town and the schools. Commitment on the part of leadership to proactively

plan to meet future needs, support Concord's sustainability principles, coordinate to meet multiple objectives with each investment, and strengthen citizen access and input to the planning process will deliver the desired results, without encumbering the process with additional committees.

Best Practices from Massachusetts Municipal Association (MMA) and Other Municipalities

Important to the Task Force was an understanding of MMA standards for capital planning and climate change. The recommended framework includes developing and maintaining a multi-year Capital Improvements Program integrated with the overall revenue and spending plan of the municipality. The primary goals of this program include assessment of capital assets, identifying the need for new assets, debt affordability analysis and protecting capital assets from the impact of climate change. MMA standards highlighted the importance of keeping the public informed regarding future needs and projects, coordinating overlapping units of government to reduce duplication, and careful planning and focusing attention on community objectives and fiscal capacity. No mention of a municipality's organizational structure was included in the MMA analysis.

The Task Force also obtained information regarding the capital planning processes of other municipalities: Westford, Longmeadow, Lincoln, Bedford, Chelmsford, and Arlington. These towns have differing governmental structures, but all have a Capital Planning Committee or Capital Expenditures Committee that are advisory to the Town Manager, the Town Meeting, and/or the Select Board. In each context, the committee considers all capital expenditures, not only the very large expenditures, and the committee is established by each town's charter. Concord's Town Charter, by contrast, does not mention the capital planning function, and assigns authority and responsibility to the Town Manager and elected boards for all decisions. In addition, the CPTF's charge is to develop recommendations only for very large capital projects, not all capital expenditures.

Despite these differences, the Task Force found the elements of "best practices" within these samples of capital planning entities to be useful in formulating our recommendations.

A summary is included in Appendix C.

Task Force Deliberations

After much discussion and debate, consensus formed on many items. However, the Task Force was divided on whether or not to recommend a new standing Capital Planning Committee be established. There was agreement on the importance of achieving a robust capital planning process that would be predictable and renewed annually. The Task Force also agreed that the process should provide clear information to town residents, multiple opportunities for public input, and improved collaborations between Town and School committees and boards. Yet there was concern about creating another committee and adding bureaucracy. Further debate, as well as research into other towns' systems and best practices, did not yield a clear path

forward. Finally, a consensus emerged to create a specific process without a standing Capital Planning Committee, but including the best elements of such committees. These elements describe specific meetings, timetables, debt templates and project evaluation criteria with multiple opportunities for public input. This final recommendation, if adopted, will achieve a strong and specific annual capital planning process in the smoothest and least complicated manner, and will provide predictable debt sequencing and information to citizens, updated annually.

III. Recommended Capital Planning Process for 10-year Capital Plan

Overall Recommendations – Tier III Projects

The Capital Planning Task Force presents the following 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:

1. A long-term capital plan that is updated on an annual basis and includes School and Town projects.
2. Project evaluation criteria
3. A specific process to create and update the long-term capital plan
4. A specific timetable for presentation of the long-term capital plan in public forums to encourage input from citizens.

B. A “very large project” (hereafter 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. The long-term capital planning 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.

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. See Appendix E.

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.

A Commitment to Integrated Decision Making

Concord’s financial strength and economic soundness will be reinforced through regular communication, coordination of funding requests, seeking public ideas and comments, and the integrated decision making of town and school leaders. As demographics are changing in the community, annual fiscal coordination must ensure equity for the fiscal stability of all residents.

These recommendations acknowledge the responsibility and commitment of town and school leadership for integrated town and school capital planning and make provisions for improving the overall visibility and efficiency of fiscal planning to benefit everyone.

The existing collaboration between the Town Manager, the School Superintendent and the department heads of the Senior Management Team has been in place for more than a decade. Prioritizing facility maintenance, improvement and replacement projects is part of this coordinated decision-making. While not yet formalized into a 10-year Capital Plan, with a specific sequence of projects, the prioritization of municipal projects is summarized in the Facilities Assessment and Master Plan – Municipal Priorities – September 2019, included as Appendix H.

Evaluating and Prioritizing Projects

Concord's long-term capital plan should include all Tier III projects and have a ten-year time horizon.³ The plan should include all known information necessary for a clear and effective process, such as (but not limited to) projected project location(s), demonstrated need, estimated construction cost, potential offsets or savings, estimated annual operating cost, climate impacts, and vulnerabilities. The initial long-term capital plan should incorporate findings from the current Town and School building assessments and incorporate non-building infrastructure. The initial plan should also identify strategic land parcels and buildings for potential municipal purchase and use.

Sequencing Debt

An important aspect of a 10-year Capital Plan is the integration of priorities for capital improvements across all town and school departmental needs. In addition, long-term capital planning will be supported by debt capacity analysis to consider the maximum amount of spending necessary to meet community needs and maintain fiscal stability of citizens. Because capital planning is an iterative process, an annual update of the long-term capital plan should update project information from the previous year's plan and continue identifying non-building infrastructure and strategic land parcels and buildings for potential municipal purchase and use.

The long-term capital plan should also include a projection of future debt and debt service payments (see Figure 1).

³ See Appendix D for definitions of Tier I and Tier II projects and the capital planning process for those investments.

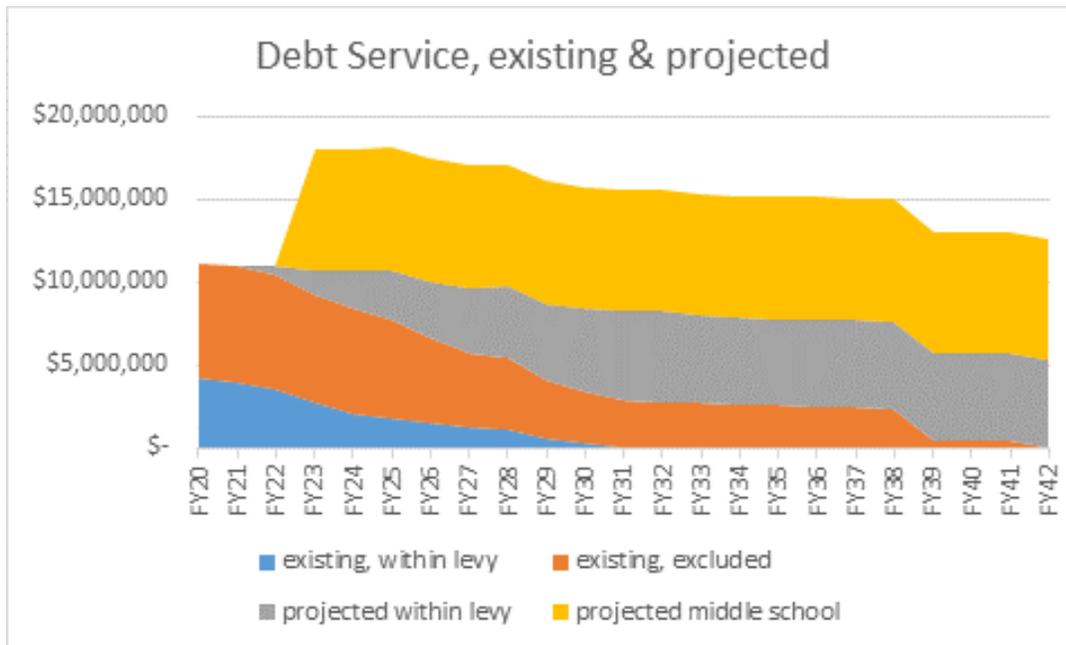


Figure 1 – Debt Service FY20 – FY42: existing & projected

The Figures below show sample templates of upcoming projects. They include the recommended sequence number of the project, a checkbox for whether the criteria have been evaluated, the estimated total project cost, and the estimated annual cost of the debt service.

The template should include all potential Tier III projects known at that time, including those far in the future. For example, the hypothetical Project A is estimated to begin in FY30, is #4 in the sequence because its criteria are not yet evaluated. Project B is in the process of criteria evaluation and is otherwise ready to proceed as soon as debt-smoothing will allow. Very little is known at this point about Project C, listed as sequence #5, and is not expected to begin until at least FY32. Project D illustrates a multi-phase project with a total expenditure exceeding \$5 million, and will be sequenced when debt-smoothing will allow.

It is envisioned that each year, the template from the previous year will be updated in the capital planning process outlined in this report.

These templates are included in Appendix E as full pages.

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
All existing															
non-exempt					\$ 395	\$ 301	\$ 263	\$ 222	\$ 179	\$ 150	\$ 81	\$ 35	\$ 5	\$ -	
exempt					\$ 416	\$ 398	\$ 380	\$ 277	\$ 206	\$ 198	\$ 87	\$ -	\$ -	\$ -	
total:					\$ 810	\$ 699	\$ 642	\$ 498	\$ 385	\$ 348	\$ 168	\$ 35	\$ 5	\$ -	
New															
Middle School	1	yes	\$10,000,000	1,500,000		\$ 170									
year 1 = \$35M (BAN)															
year 2 = \$70M (BAN)						\$ 341									
year 3 = \$100M (BAN)							\$ 487								
year 4 = \$100M (bond, 25 years level)								\$ 1,024	\$ 1,024	\$ 1,023	\$ 1,023	\$ 1,024	\$ 1,024	\$ 1,024	\$ 13,809
Project A	4	no	\$45,000,000									\$ 108	\$ 102	\$ 87	\$ 360
Year 1 = \$4M (bond, 10 years, R)															
Year 2 = \$45M (bond, 20 years)													\$ 513	\$ 502	\$ 7,085
Project B	3	in process	\$30,000,000			\$ 67	\$ 65	\$ 63	\$ 61	\$ 59	\$ 40	\$ 387	\$ 37	\$ 71	
Year 1 = \$3M (bond, 10 years, R)															
Year 3 = \$27M (bond, 20 years)							\$ 338	\$ 331	\$ 323	\$ 316	\$ 308	\$ 301	\$ 301	\$ 3,419	
Project C	5	no	\$55,000,000												\$ 835
Year 1 = \$5M (bond, 10 years, R)															\$ 1,976
Year 3 = \$10M (bond, 20 years)															\$ 3,951
Year 4 = \$10M (bond, 20 years)															\$ 3,951
Year 5 = \$10M (bond, 20 years)															\$ 3,951
Project D	2	yes	\$ 5,000,000		\$ 45	\$ 43	\$ 42	\$ 41	\$ 39	\$ 27	\$ 26	\$ 25	\$ 24	\$ 23	
Year 1 = \$2M (bond, 10 years, R)															
Year 2 = \$2M (bond, 10 years, R)					\$ 45	\$ 43	\$ 42	\$ 41	\$ 39	\$ 27	\$ 26	\$ 25	\$ 24	\$ 23	
Year 3 = \$1M (bond, 10 years, R)						\$ 22	\$ 22	\$ 21	\$ 20	\$ 20	\$ 13	\$ 13	\$ 12	\$ 24	
totals:					\$ 1,025	\$ 1,128	\$ 1,304	\$ 1,691	\$ 1,911	\$ 1,849	\$ 1,646	\$ 1,586	\$ 2,401	\$ 2,011	\$ 35,003
Total Assesed Value	\$		6,670,507,850												
Median Value	\$		928,330												

Figure 2: Illustrative Projected Tax Impact of Tier III Projects

The long-term capital plan should also include an itemized summary, by project and total, of the estimated debt service payments for Tier III projects (see Figure 3). The relevant elements of both the initial plan and annual updates should be included in the annual Finance Committee report. In addition, the entire long-range plan should be easily accessible in one location on the town website.

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
All existing															
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	\$ 2,851,814	\$ 2,730,624	\$ 1,987,494	\$ 1,480,650	\$ 1,425,250	\$ 628,750	\$ -	\$ -	\$ -	
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	\$ -	
New															
Middle School	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	\$ 7,360,000	\$ 7,355,800	\$ 7,355,600	\$ 7,359,600	\$ 7,357,400	\$ 7,359,000	\$ 95,652,000
Project A	4	no	\$45,000,000												
Year 1 = \$4M (bond, 10 years, R)											\$ 773,919	\$ 730,450	\$ 626,700	\$ -	2,587,900
Year 2= \$43M (bond, 20 years)												\$ 3,690,000	\$ 3,608,000	\$ -	50,922,000
Project 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
Project C	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
Project D	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	\$ 86,400

Figure 3: Illustrative Estimated Debt Service Payments for Tier III Projects.

Tax Impact Calculator

Also useful to citizens will be an interactive Tax Impact Calculator to show the changes to an individual’s taxes with the anticipated debt sequence shown here as an example. The Task Force recommends this be available to citizens on the town’s website with the capital plan. See Appendix F.

Data:	
Total Assessed Valuation	\$ 6,670,507,650
Median Value	\$ 928,100
Average Value	\$ 1,018,214
Formula: (Amount to Fund/ Total Assessed Value) * Assessed Value	
Amount to Fund:	\$ 100,000,000
Total Assessed Value:	\$ 6,670,507,650
Assessed Value	\$ 900,000
Estimated Impact:	\$ 13,492.23
Input in highlighted cells only	
Assessed Value is the value of an individual's property	

Figure 4 – Calculator for individual tax impact prediction

Annual Timeline

The Task Force recommends that the Select Board and School Committee adopt the following process for updating the long-term capital plan:

- Every year, following the annual Town Meeting, the School Committee and Select Board should publish specific dates for the steps described below. (Months below are for illustrative purposes.)
- The Town Manager and School Superintendent should begin updating the initial long-term capital plan. The Select Board and School Committee should provide guidance, as necessary, during the update process. This process should also provide opportunities for town residents to be informed of potential changes and updates to the long-term capital plan.
- In September, the Select Board and School Committee should hold a public forum to present the draft long-term capital plan. In addition to input at the forum, the public should have an opportunity to provide input through written comments within 45 days of the hearing.
- In early November or December, the Finance Committee should hold a meeting for the Town Manager and School Superintendent to present a revised draft long-term capital plan and to invite public comment. The meeting should focus on the long-range impact to town residents and town finances, including sustainability, resilience, maintenance

costs, and smoothing of the debt curve. The revised plan reviewed at the meeting should summarize public comments received by the deadline.

- After the presentation to the Finance Committee, the Town Manager and School Superintendent should revise the draft plan and present it to a joint hearing of the School Committee and Select Board in December. The School Committee and Select Board should discuss and approve the final annual long-term capital plan at this joint hearing.
- Any specific spending proposed for the upcoming Town Meeting should be incorporated into the warrant articles for that Town Meeting.
- The process should be repeated for the next annual update to the long-term capital plan.

Project Criteria – Considering Climate Impacts

Each Tier III project should be evaluated using project evaluation criteria that includes elements related to the financial impact to Concord, its residents, and businesses; the potential to improve operational efficiencies; and inclusion of stakeholders in the planning process. The criteria should also include elements related to climate change, vulnerability of capital assets, such as drinking water, wastewater systems, communications and utility systems, buildings and other structures.

The Task Force recommends each project be evaluated with the following criteria:

- Does the project have a legal mandate?
- Is the project a long-term solution to the need being addressed?
- 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 greenhouse 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?
- Were alternative solutions, including funding, available?
- Will the project be phased?
- How will the project create operational efficiencies or improve interdepartmental coordination?
- How will the project improve safety for employees, residents, etc.?
- Were stakeholders engaged in the planning process?

A More Visible and Formally Defined Public Process

As noted earlier, the Task Force quickly agreed that Concord's long-range capital planning process should be more visible and allow for multiple opportunities for public input. The Task Force concludes that the formally defined annual process described in this report will raise the visibility of Tier III projects, the debt implications of such investments, and provide additional opportunities for public input.

A more visible process, the recommended ten-year time horizon and a distinct section in the annual Finance Committee Report, will diminish perceptions that Tier III projects have “come out of the blue”. In addition to visibility of early Tier III projects at public meetings of the relevant authorizing body, the recommended process will provide at least three meetings each year for public input on all Tier III projects. Because such projects frequently take several years to move from concept to feasibility, even before design, there will be at least six to nine opportunities over the course of two to three years for the public to offer input at the earliest stages.

Additional opportunities for input, at least three times per year through the long-range capital planning process, will to be available during the course of the project. In addition, opportunities for public input will also be available through public meetings of any committees formed to oversee individual Tier III projects as well as during meetings of the responsible Board or Committee. Such an enhanced, predictable opportunity for public input will provide citizens a maximum opportunity to understand and to influence the process.

As stated in the Background section of this report, in order to carry out its Charge, the Task Force confronted several distinct, important issues. The Task Force recommendations will address these issues as follows:

- At present the Town does not publish a comprehensive estimate of future capital costs that is easily accessible and clear to voters. “Easily accessible” in this context means that the information appears in one place, is easily available for citizen review, and is consistent in its timeframe.

The Long Term Capital Plan and template recommended by the Task Force will create a collaborative process between the Town and School resulting in a comprehensive view of total Tier III expected capital costs over the next 10 years. See Recommendations A3 and A4.

- The current process for sequencing and evaluating capital projects, regardless of the size, is not presented in a predictable way that is clear to voters.

The Task Force recommendation of specific project criteria for evaluating and sequencing large capital projects will be accessible to the public for questions and comment. See Recommendations A2, A3, and A4.

- Currently, the scope of the capital planning process covers projects and equipment purchases that are funded within the Levy Limit as part of an annual Capital Plan article at Town Meeting and that individually cost less than \$5 million (Tier I and Tier II projects). Larger (Tier III) capital projects are developed “ad-hoc” outside of the current annual budget plan process. The need for a process to identify and plan for these large projects is paramount.

The Task Force recommends that the Long Term Capital Plan apply specifically to Very Large Tier III Projects. See Recommendation B.

- The current five-year time horizon does not capture Tier III projects until funds are appropriated for early feasibility studies thereby giving taxpayers a perception that such projects “came out of the blue”. A longer-range view than five years is needed to more accurately anticipate future projects, the needs they will address, and the funding implications for the Town.

The Task Force recommends a plan with a 10-year template, as specified in its charge, and that the plan and template be updated annually. See Recommendations B and C.

- Better collaboration between Town and Schools is needed so that projects do not conflict with one another, facility needs for both entities are met efficiently, and sharp, cumulative increases in debt service costs are avoided.

The recommended process specifies tasks and meeting dates by which Town and School officials collaborate each year to build the capital plan. See Recommendations A3 and A4.

Putting Recommendations into Practice

An important lesson learned from the 2003 effort to develop a long-term capital plan for Concord is that the process recommendations were not adopted. While individual projects of that plan were eventually completed, no process was put in place to ensure that the plan would be updated on a regular basis, or that the projects would be sequenced in a predictable timeframe. Instead, planning for all capital projects continued within the respective Town and School processes with no integrated process established for very large projects.

By contrast, the Capital Planning Task Force’s recommendations support an actionable strategy including the following ideas:

1. Through responsibility and commitment from Town and School leadership to collaborate, seek citizen input, and use shared decision making to meet community needs, the Town is better positioned to quickly implement an annual capital planning process to identify future capital projects.
2. By evaluating future capital projects to meet departmental and community needs, for climate impact and protection of vulnerable assets, for timing and prioritization, and balancing affordability with utility, the Town will enhance its integrated financial policies.
3. Through commitment to integrated fiscal policy and citizen input, the Town will effectively balance its needs for facility

improvements with affordability and predictable debt sequencing.

4. Planning annually for 10+ years with citizen participation, integrated with the annual budget process, will enhance public understanding of Town and School needs, provide opportunities for prioritization of projects, and anticipate future debt and managing the Concord citizens' tax burden.

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.

The members of the Task Force invite the Select Board and School Committee to discuss these recommendations and take public comment. After receiving public input, the recommendations (or a modified version) should be adopted formally and immediate steps taken to integrate the recommendations into Town and School processes for capital planning in the autumn of 2021. In addition to a new Middle School, potential large projects may include development of the 2229 Main Street site, and major work on the Public Works Complex, the Public Safety Complex, the Town House, and the West Concord Fire Station. The time frame for implementing these projects has not been determined, but the needs appear to exist at the present time. In addition, there may be opportunities for land acquisition as envisioned in, and aligned with, Concord's Comprehensive Long Range Plan. By implementing and trialing these recommendations, refinements may be identified and implemented to improve the capital planning process.

IV. APPENDICES

- A. Charge: Concord Capital Planning Task Force
- B. What We Heard from Citizens
- C. Best Practices from MMA and Other Municipalities
- D. Existing Capital Planning Process (Tier I and II Projects)
- E. Debt Sequencing Template: Executive Summary
- F. Tax Impact Calculator
- G. Debt Service Presentation – Impact of Existing & Projected January 24, 2019
- H. Facilities Assessment and Master Plan – Municipal Priorities September 2019

Charge
Concord Capital Planning Task Force

A. Purpose and Background

The purpose of the Concord Capital Planning Team is to develop a process for town-wide capital planning. This process will then be used annually to develop a 10-year capital plan, including all foreseeable Town and Concord Public School capital projects.

The major objectives of capital planning are to provide a comprehensive view of the expected capital costs and to help integrate fiscal policies among the Select Board, the School Committee, and the Finance Committee, with the offices of Town Manager, School Superintendent, and their staffs. Integrated fiscal policy among these officials is essential because the Town and Schools desire to:

- Build and maintain high quality infrastructure
- Manage Concord citizens' tax burden, with minimal reliance on Proposition 2-1/2 Overrides and Exclusions
- Maintain Concord's Aaa bond rating
- Have a transparent process for capital planning, with input from the public.

Currently, Capital Planning in Concord has three distinct funding layers;

- Minor capital items are funded within the operating town and CPS budgets, as recommended by the Town Manager and the School Superintendent.
- Intermediate and large capital expenditures for the Town and CPS are generally funded within the Levy Limit via an annual Capital Plan article at Town Meeting, as recommended by the Town Manager.
- Very large projects are each funded in a distinct article(s) at Town Meeting and usually funded via debt exclusions to Proposition 2 ½.

The current process for the first two layers is fairly well-developed and transparent. The Capital Planning Task Force is charged with developing a process for the third layer of funding, the very large projects.

B. Membership

The Capital Planning Committee shall be comprised of nine members appointed by the Select Board. The term of office shall be 6 months.

Membership shall be as follows:

- One member of the Select Board, or their designee
- One member of the CPS and CCHS School Committee, or their designee
- Town Manager, or their designee
- Town Finance Director, or their designee
- Superintendent of Schools, or their designee
- School Director of Finance & Operations, or their designee
- One citizen with a background in architecture

- One citizen with a background in capital budget planning
- One citizen at large

In addition, the Finance Committee shall appoint a representative to be a liaison to the Task Force.

The Committee shall elect a chair, keep minutes of its deliberations, observe the Open Meeting and Public Records law, and comply with other laws and regulations fostering a free and open discussion of ideas.

C. Duties and Responsibilities

The Concord Capital Task Force shall develop a process for town-wide capital planning:

- Determine and define specifically what constitutes a “very large” project to be included in the annual Capital Plan
- Develop a template format for the Town and Concord Public Schools to complete annually. The template shall include all the information that will be needed for a transparent and effective process, such as (but not limited to) projected project location(s), demonstrated need, estimated construction cost, potential offsets/savings, estimated annual operating cost, climate impacts and vulnerabilities.
- Determine the process for evaluation, timing, and prioritization of projects, balancing the priorities of different stakeholders, and balancing service demand with affordability.
- Recommend specific policies and practices to ensure that planning of capital projects will take into account protection from climate impacts. This includes evaluation of the vulnerability of capital assets, such as drinking water, wastewater systems, communications and utility systems, buildings and other structures.
- In developing this process, the Task Force should seek to apply “best practices” used in other towns’ and states’ capital plans.
- The Task Force should also study the 2002-3 report of the Concord Facilities Planning Committee and explore why the report’s recommendations were not implemented. In some cases, the committee will want to incorporate elements of that report; in other cases they will recommend improvements for the new process.

The Capital Planning Task Force shall encourage input from the public, including at least one public hearing. It is also recommended that task force members meet with groups such as the Tax Fairness Committee to understand the “affordability” component of capital projects.

The Task Force shall report their recommendations to the Select Board no later than March 1, 2020.

D. Other Considerations

The Committee shall comply with the provisions of the Open Meeting Law, the Public Records Law, the Conflict of Interest Law and all other applicable laws and regulations of the Commonwealth, as well as all relevant Bylaws and Administrative Policies of the Town.

What We Heard From Citizens

Citizen Comment

The Capital Planning Task Force welcomed citizen comments at each of its meetings. Input was received from 4 citizens at 9 different meetings between September 2019 and May 2021. Their comments and questions are included in the meeting minutes and also in this Appendix.

In addition, the Task Force held a Public Forum via Zoom on December 9, 2020. 4 citizens commented at the Forum, and their comments are included in this Appendix.

The Town Web site included a page for the Capital Planning Task Force, with an email address that citizens could utilize to send input and ask questions. No emails were received at this address. However, the Task Force received two letters from the Concord Finance Committee and one letter from the Concord Carlisle League of Women Voters. Additionally, the Task Force received an email from Dean Banfield, commenting as a citizen. These communications recommended a standing Capital Planning Committee and are included in this Appendix.

Including:

- Public Comments received at CPTF meetings
- Public Comments received at Public Forum held Dec 9, 2020
- Emails received to the CPTF email address-NONE as of May 26, 2021
- Correspondence received from the Finance Committee (2) and the League of Women Voters (1) and email from Dean Banfield (1)

Public Comments Received at CPTF Meetings – November 2012 through May 2021

Nov 5, 2019: Under Public Comment, Karlen Reed recommended the Task Force update and utilize its page on the Town website.

A letter was read into the record from Dorie Kehoe, who was unable to be present at this meeting:

Hi Kerry, I am SO pleased that this committee is going to get off the ground this evening. I had hoped to attend as an observer, but my car decided to get sick and is now in the car clinic overnight! However, I am hoping that you will be willing to pass along my suggestion, below, at the Public Comment Period.

“Concord can learn from similar communities. I very strongly urge the Capital Planning Task force to reach out—from the very beginning—to other Towns which have a Capital Planning Group to ask for tips for success. With a short tenure, it is important that the Task Force make every week count. This Task Force is extremely important to Concord and we can do the job better if successful approaches are learned from other Nov 4wns at the very beginning.”

Many thanks,

Dorrie Kehoe

Jan 6, 2020: Ms. Reed suggested that the Appendices for the report include the current Capital Plans from the Town, School, and Enterprise Funds.

Jan 14, 2020: Ms. Reed inquired who will be the parties to decide if a project is “very large”? She also commended the Task Force for its work.

Nov 4, 2020: Karlen Reed asked that the committee be clear on the status quo option at the public forum.

Nov 18, 2020: Karlen Reed asked 3 questions:

1. Why did you choose 5 million vs. 3 million as a very large project?
2. If you choose to have an advisory standing committee will it be a public body?
3. If you choose a standing committee, why must it be advisory?

Jan 6, 2021: Karlen Reed, 83 Whits End. Ms. Reed is looking forward to more detail on the Enhanced Process

Mar 3, 2021: Karlen Reed noted the importance of the Task Force’s deliberations and cheered us on.

Pamela Dritt noted the importance of considering all areas and not benefit one area while costing another, such as broadband.

Mar 17, 2021: Karlen Reed commented that she recommends the enhanced process. As this allows more flexibility for the town and schools. She sees some merits in a standing committee, but does not feel it is necessary at this time.

Dean Banfield commented that the Finance Committee is looking to the town to establish a committee. He referenced the 2003 report that he did not feel was followed. He believes that the standing committee would be most successful as this would be their only job. He referenced the CPC and the Finance Committee as most successful in their process. He strongly recommends a committee.

Mar 31, 2021: Ms. Reed commented that the graph would be very useful. Please keep in mind that how you choose an enhanced process or a standing committee—this will not be perfect. Allow flexibility of adjustment, because you will need that flexibility.

April 28, 2021: Karlen Reed, 83 Whit’s End. Ms. Reed stated that the committee is doing a good job and she looks forward to reading the report, because it is starting to make sense.

Susan Bates was in agreement with Ms. Reed and was glad to attend and see the discussion.

May 12, 2021: Karlen Reed, 83 Whit’s End. Ms. Reed asked Mr. Patel to specifically state the role of the Finance Committee in this process.

May 26, 2021: Karlen Reed, 83 Whit’s End. Ms. Reed requested that a final paragraph be added in the Putting Recommendations into Action section to identify possible Tier III projects in the coming 10-year time frame as examples.

Karlen Reed: Why was the 5-million-dollar threshold selected vs. a 3-million-dollar for a very large project? Mr. Crane's answered the question. He indicated that the committee was trying to find the right number to get to a debt exclusion for a project.

Dorie Kehoe, 51 McArthur Rd., Asked that we explain if this is a standing committee that we are proposing. Ms. Woodward described Option 3 which is a Standing Committee. Ms. Kehoe commented that she really wants it to be a standing committee and asked if the committee had looked at other towns that have standing committees. Mr. Parashar commented that he had looked at other communities. Ms. Woodward stated that there are many neighboring towns have standing building committees which is not part of our charge. Ms. Kehoe would like to see something more all-encompassing.

Mary Hartman, Concord Finance Committee, thanked the committee for their work. The Finance Committee sent a letter to the task force and she read a short portion of the letter. Mr. Crane and Ms. Woodward both addressed Ms. Hartman's comments. Mr. Parashar also commented on the value of a ten-year plan

Linda Escobedo, chair of the Concord Select Board, thanked the committee for their work.

Emails received to the CPTF email address – NONE

Correspondence

Letter received from the League of Women Voters dated February 9, 2020 (see attached)

Letter received from the Concord Finance Committee dated October 30, 2020 (see attached)

Letter received from the Concord Finance Committee dated February 15, 2019 (see attached)

Email received from Dean Banfield dated March 31, 2021

Dear Chair Woodward,

I have been following the progress of the Capital Planning Task Force and I do think some very good work has been done by the committee. As there has yet to be a final determination regarding exactly how the Town moves forward with planning for large capital projects (I think the \$5M number is a very good definition), I thought I would offer my thoughts.

Your committee has arrived at some very good steps that will drive a good annual cycle of re-assessment: a) a facilities assessment, with anticipated maintenance schedule, b) a template for 'pipeline' projects, identifying urgency, scope and stage of evaluation, c) a parallel inventory of land, both available and possibly needed to accomplish priorities.

The question for me is, whether this set of steps and artifacts should be undertaken by the administrations of both the Town and the Schools, and then presented for approval to a joint School

Committee/Select Board session OR whether the work of assembling and prioritizing those projects will be the work of a committee, taking input from both administrations. I would prefer to see this be the work of a standing committee, rather than a collaboration between the Town and School administrations.

These are the primary benefits of a standing committee in my view:

- A committee can help arbitrate between separate administrative priorities from different segments, schools and the town.
- A committee will have citizens, who are primary participants in the prioritization process. In addition, citizens who wish to weigh in will have a clear avenue, the committee itself, to which to voice their opinions, and meetings to attend at which they can offer public comment during the annual priority development. An administrative process will be a bit more opaque and would need multiple public hearings each year to allow citizens to see 'how the sausage is made' and offer critiques before each year's joint review meeting.
- While the joint Select Board/School Committee/FinCom review of the priorities established by the committee may choose to adjust the priorities recommended, the chances of this are low, as the detailed analysis undertaken would need to be considered deficient in some way and in need of adjustment.
- And finally, I believe that a committee is the best vehicle to ensure that the process established by the Task Force is both executed AND reviewed annually for improvements. No matter how detailed the initial process specification is, there are bound to be elements that are identified as either unworkable, or could benefit from adjustment. Having a committee overseeing this process as its sole function will ensure that the way it arrives at its annual prioritization schedule is subject to some form of continuous improvement.

To me, the need for something structural in the town, whether it is an 'enhanced process' or a standing committee executing an annual review has been made clear this year. A very structured capital effort to create a new middle school has recently been destabilized after arriving at a unanimous conclusion regarding the scope, budget and preferred design for the new building. A vocal group of concerned citizens has injected new priorities into the committee process and is requesting that the scope be expanded for the project to support 'community needs' beyond those requested by the school administration. If we had a stronger process, there might have been some placeholder for these apparently unmet needs, and those might have been incorporated into the plans at the outset, rather than at the 11th hour.

Best,
Dean Banfield
73 Walden Terrace

MA Ethics Commission Disclaimer: I am a member of the Concord Finance Committee, but I have written this letter in my capacity as a citizen. I am representing only myself and not the views of any other person or group.

Date: February 9, 2020

To: Capital Planning Task Force, Todd Benjamin Chair
Concord Select Board, Mike Lawson, Chair

Subject: Suggestions for Capital Planning Task Force Report

Dear Mr. Benjamin and Mr. Lawson,

The League of Women Voters appreciates the work of the Capital Planning Task Force and hopes that its final recommendations to the Concord Select Board and Town Manager include a recommendation for the establishment of a permanent Capital Planning Committee. The critical role such a committee can play was made clear to us at the League's January First Friday, where Mark Kost, Chair of the Westford Capital Planning Committee, described the role that such an entity can play. We recommend that any final recommendation that the Task Force presents to the Concord Select Board and Town Manager include the following:

- · That the Concord Select Board establish a permanent Capital Planning Committee to evaluate and recommend to the Select Board and Town Manager its evaluations and views on large capital projects;
- · That the Task Force define the meaning of the word "large" when referring to capital projects as meaning \$2 million or more, either as a single sum or a total in multi-year installment phases;
- · That all applications for funding a large capital project include reasonably accurate and complete cost estimates or quotes;
- · That all applications for large capital projects include information on total implementation and long-term operating costs and that these costs be included in determining whether the threshold of "large" is reached; and
- · That all offers of large capital gifts to the Town go first to the Capital Planning Committee for review and analysis to assess implementation and long-term operating costs.

Mr. Kost has advised our members that he is willing to answer any questions the Capital Planning Task Force may have regarding the merits of a permanent Capital Planning Committee.

We appreciate the daunting challenge and work of your Task Force, and we look forward to hearing your thoughts as your deliberations progress.

Julie Rohwein, President
League of Women Voters of Concord-Carlisle

CC: Stephen Crane, Concord Town Manager
Concord Finance Committee



Town of Concord
Finance Committee
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742-0535

To: Elise Woodward, Chair, Capital Planning Task Force

MCH

From: Mary Hartman, Chair, Finance Committee

Cc: Select Board, Kerry Lafleur, Stephen Crane

Date: October 30, 2020

Thank you for your presentation to the Finance Committee (FinCom). We have some suggestions as you develop your recommendations for consideration by the Select Board.

The FinCom is responsible for advising the town on financial matters including making recommendations on articles at Town Meetings. We review operating budgets annually and recommend guidelines for changes in property taxes that balance the need for continued delivery of excellent services with affordable, stable tax growth. Large Capital projects, on the other hand, are reviewed by the FinCom when requested, generally at the time they are added to the Warrant. These large funding requests can significantly increase tax bills over periods of ten plus years. We estimate that the impact of a \$90 million Middle School would impact the median tax bill by over 6% or \$1,000/year. Without the context of a long-term capital plan, our ability to understand the financial implication of funding such requests is limited to the request at hand.

The FinCom believes it would be helpful to have a Capital Plan that smooths debt service for these legitimate yet expensive capital needs. A Capital Plan, together with the institutional commitment to adhere to that plan, enables the town to integrate priorities among the school and town departments and time these projects and their resulting debt service to smooth out the impact on property tax. Recommendations at Town Meeting by the FinCom will be supported by a debt capacity analysis tied to the Capital Plan. Additionally, the FinCom can more accurately compile their 5-Year tax projection, to include planned capital spending. This information will provide citizens with a clearer forecast of their tax bills and avoid unpleasant surprises. In short, it will make it easier to have predictable and stable year-over-year tax increases.

Thank you for asking for our input. We hope you find these helpful.



Town of Concord
Finance Committee
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742

30

February 15, 2019

Thomas McKean
Chair of the Concord Select Board

Re: The need for a new Facilities Planning Committee

Dear Mr. McKean

Various entities within Concord's Town government are considering the need for large scale capital projects, with an estimated total value of \$155 million. The entities concerned would like to see these projects completed or substantially under way in the next five years.

If, in a five year time frame, the required debt service for these new projects were to be added to the Town's existing debt service obligations, it would have a significant effect on the Town's overall real estate tax burden. Based on very rough estimates of the total capital required by each of the contemplated projects, the Finance Director recently completed an analysis of how Concord's taxes might be affected if the debt service requirements of these projects were to be added to those of our existing facilities. That analysis is attached for reference.

In January 2002, faced with a similar confluence of desired capital projects, the Select Board appointed a "Facilities Planning Committee". Taken from that committee's report, which is attached for reference, the committee's charge was:

"Purpose: To develop and recommend to the Board of Selectmen, and also for the use of the School Committee, a needs assessment, sequencing, and financing plan for the maintenance, upkeep, repair, reconstruction, additions, and new construction for all Town buildings, particularly School Buildings, and those projects not part of the Capital Plan, over the next twenty (20) years. This plan will take into account and coordinate with any and all expected capital expenditures over the same time period. The goal is to develop a timing and sequencing plan, including financing, which will adequately provide for the upkeep of Town buildings and their improvement as required, either by obsolescence or needs, most immediately school buildings, in such a manner as to minimize the impact on the Town's resources."

Having reviewed the Finance Director's debt service analysis, the Finance Committee, at its meeting on Monday, February 11, 2019, voted unanimously to recommend to the Select Board that it consider establishing a new Facilities Planning Committee.

Given the discussed exigencies of the new middle school, the Select Board may wish to abridge both the scope and time frame for such a new planning committee. At a very minimum, "to minimize the impact on the Town's resources", the new committee should develop a priority order and schedule for the undertaking of the contemplated capital projects.

Thank you very much for your consideration.

Regards,

Tom Tarpey, Chair

APPENDIX C

Best Practices from MMA and other Municipalities

MMA Capital Planning and Climate Change

- Develop and maintain a multi-year Capital Improvements Program (CIP) integrated into the overall revenue and spending plan of the municipality
 - Assess the state of repair of existing capital assets
 - Assess need for new assets
 - Capital debt policy and debt affordability analysis
 - Schedule for approval and funding of repair, renovation, and new construction projects
 - Identify sources of revenue and finance
 - Protect capital assets from impact of climate changes
- Division of Local Services (DLS) CIP manual
 - Facilitate coordination between capital needs and operating budgets
 - Encourage careful planning and design to avoid costly mistakes
 - Focus attention on community objectives and fiscal capacity
 - Enhance credit rating, control of tax rate and avoid sudden changes in debt service
 - Identify the most economical means of financing capital projects
 - Coordinate overlapping units of government to reduce duplication
 - Keep public informed regarding future needs and projects

Westford Capital Planning Committee

- Members appointed by the Town Manager to make recommendations to Town Manager
- Capital Definition: Major non-recurring tangible assets and projects which are;
 - Purchased or undertaken at intervals not less than 5 years
 - Have a useful life of at least 5 years, and,
 - Cost over \$10,000
- Process: Fully integrated into annual budget process
 - 5-year capital submissions integrated into annual department budget process and due at same time (August/September)
 - Committee meets roughly 8-10 times (September-November) on Friday mornings from 8:30-10:30 (open meetings) and schedules each department to review their requests
 - Each request is prioritized by the department from 1-5 (most to least critical)
 - Each project labeled such as: safety, maintenance, regulatory, etc.
 - Committee's Final meeting (November) includes a "straw-person" developed by the Chair to start the deliberation process and narrow the numerous projects reviewed to something more manageable

- Project list voted on by members by end of meeting for Town Manager to go forward with to BOS, FinCom and ultimately to Town Meeting
- Considers all capital funding sources
 - Operating Funds
 - Excluded and non-excluded debt (“fall-off” schedules for 20 years are in their models)
 - Treasurer determines whether project is 5/10/15/20 year qualified
 - Enterprise funds (ie, ambulance, recreation, water, etc)
 - CPA (CPC must approve those projects as well)
 - Capital Stabilization (established to have a rainy-day fund to deal with down years)
 - Chapter 90

Town of Longmeadow – Capital Planning Committee

- Six members appointed by Select Board make recommendations to SB before Annual Town Meeting
- Function and Purpose:
 - Solicit and review requests from all Town departments for capital projects:
 - Major repairs exceeding \$25,000 with a useful life of 5+ years
 - Purchase of major equipment exceeding \$10,000 with a useful life of 5+ years
 - Submit a recommendation to the Select Board for funding from the Capital Stabilization Fund (2.5% of the General Fund revenue)
 - Review past capital appropriations
 - Develop a long-range plan for replacement of town capital assets

Lexington Capital Expenditures Committee

- Members appointed by the Town Moderator to make recommendations to Town Meeting
- Representative Town Meeting
- Capital Expenditure Requests (5 year horizon)
 - Identified by Town Boards and Departments
 - Relative need, timing, cost
 - Effect of expenditures on financial position of the Town
- Report and recommendations issued annually with proposed dates

Lincoln Capital Planning Committee

- Five At-Large members plus 4 representative members make recommendations to Town
- Mission: to act as an effective advisory board to review proposed capital projects, and to make annual recommendations to the town for responsible capital planning and budgeting

- The CapCom shall work with the FinCom to enhance the Town’s capacity to identify, prioritize, and understand the financial implications of capital projects and land acquisitions.
- The CapCom reviews and makes recommendations regarding capital projects and maintenance expenditures funded by annual appropriations.
- The CapCom develops and consults with the FinCom on a long-term capital plan to address timing and estimated costs of capital projects of the Town, LSRHS and water department.

Bedford Capital Expenditure Committee

[Chelmsford has similar model]

- Established by Charter – mission differs from FinCom
- Role: The CapEx shall review and comment upon all studies of capital requirements of the Town and all warrant articles for capital expenditures
- Definition of Capital Expenditures: items and projects that are expected to last more than one year and have significant value (level reviewed annually)
- Role: Prepare and annually update a 6 year plan for capital projects (new construction, major improvements to existing town property, major purchase of equipment by all departments) submitted to the Selectmen and Fin Com
- Based on Town wide priorities
- “Guard rails”
 - Percent of Town overall budget
 - Overall debt burden
 - Department by department capital needs
 - Facilities update
 - Vehicles/heavy equipment

Town of Arlington – Capital Planning Committee

- Produces an annual Capital Report to Town Meeting
 - Focuses on major projects
 - Highlights spending strategy with a year to year comparison
- Role
 - Sets standards and priorities
 - Provides continuity and institutional memory
 - Inspires managers to plan ahead
 - Communicates short-term and long-term needs to Town Manager, FinCom, Town Meeting, Citizens
 - Exhibits predictability
- Five year Capital Plan
 - Current FY Capital Budget
 - List of Town-owned buildings and their status
 - Three year history of capital budgets
 - Forecasts new debt service in the 5-year plan

APPENDIX D

Existing Capital Planning Annual Process (Tier I and II Projects)

Existing Town and School Capital Planning annual processes and timelines are complementary and coordinated with the annual budget process in advance of the annual town meeting. The Five Year Capital Improvement Plans identify Tier I and Tier II projects that are funded within the levy limit annually. Because these existing processes are well-established, accommodating capital expenditures for smaller investments within the annual budget, the Task Force recommends the large capital expenditure planning process be synchronized with these existing budgetary processes to allow the maximum opportunity for citizen input.

Existing Town Capital Planning Annual Process (Tier I and II Projects)

Each year, the Town Manager is responsible for presenting a Five Year Capital Improvement Plan (CIP). This plan is separate and distinct from the Operating Budget and must meet the Town's Capital Spending Policy Target that seeks to allocate 7 – 8% of the Town's budget to capital replacement and acquisition. Of this amount, no more than 5% should be allocated to debt service. The remaining 2 – 3% of capital expense is paid from cash. The restriction on the total debt service allocation from the budget establishes the "within levy limit" amount of new debt that can be issued during the program years.

The debt portion of the CIP is intended for the replacement and acquisition of items costing \$100,000 or more and having a useful life of five (5) or more years, while the cash portion is intended for items costing less than \$100,000 and having a useful life of one (1) or more years. The plan is prepared after careful review of all requests submitted, and keeping within the spending targets.

The process for developing the 5-Year Capital Improvement Program usually takes several months. In a normal year, the Chief Financial Officer (CFO) initiates the process by emailing out of a packet of documents to Department Heads and Concord Public Schools to formally request information on departmental needs. These documents include an Instructions Memo, the previous year's 5-Year Capital Outlay Plan and 5-Year Debt Schedule, and the following forms: Form 1 – Land Acquisition, Form 2 – Equipment Request, Form 3 – Equipment Request Inventory, Form 4 – Capital Projects Request, and Form 5 – Withdrawal Request. Department Heads and CPS are given about 5 weeks to assess their capital needs and respond to this inquiry.

After receiving the submitted forms, the Chief Finance Officer gathers all the capital requests and organizes them into cash projects and Debt projects. If additional information about an item is required, the CFO will communicate with the Department Head. The next steps in the process are outlined below:

- Step 1- Review Approved Capital Outlay Plan: This is the summary of all items included in the portion of the CIP funded through cash. While a 5-year plan is prepared and presented, only the first year of the plan is appropriated and funded by Town Meeting; years 2 – 5 serve as a guide for future capital spending. Reviews focus on explaining any changes in the timing, scope or cost of items included.
- Step 2- Review Approved Debt Plan: This is the summary of all items included in the portion of the CIP funded through the issuance of debt. While a 5-year plan is prepared and presented, only the first year of the plan is appropriated and funded by Town meeting; years 2 – 5 serve as a guide for future capital spending. Reviews focus on explaining any changes in the timing, scope or cost of items included.
- Forms 1, 2 and 4 are required for all additions to the Capital Improvement Plan, regardless of the year in which funding is requested. A Purchase Priority Value is proposed by the Department based on being “urgent” if it is required within the next fiscal year, “necessary” if the item is an integral part of the department’s long-term plan, or “desirable” for department success.
- Step 3- Form 1, Land Acquisition Request: This request would be submitted if a land acquisition were identified as part of the plan. Special attention is paid to the funding source section, particularly if other matching sources of revenue are available.
- Step 4 – Form 2, Capital Equipment Request: The costs reflect the current year cost. A uniform methodology is then used to quantify future costs.
- Step 5- Form 3, Capital Equipment Request Inventory: Departments provide a full inventory of capital equipment requests, specifically noting estimated trade-in value where appropriate.
- Step 6 – Form 4, Capital Project Request: This form is used for any non-equipment capital requests, including any special projects or studies costing \$10,000 or more that are not included in the Operating Budget request.
- Step 6- Form 5, Capital Item Withdrawal Request: This form identifies any item currently shown in the CIP the Department proposes to withdraw. Reasons for withdrawal and expectations for resubmittal should be noted at the time.
- Step 7 – Submit all forms: The Department submits all forms for the Finance Department by a date certain.

Existing Town Capital Planning Annual Process Timeline

- Early August
 - Capital request forms distributed to Departments for current fiscal year and five year plan
- Early September
 - Departments submit requests to Finance Department for current fiscal year and five year plan
- October – November

- Compare requests to available funds per policy
- Finance Department Compiles Capital Plan
- Town Manager reviews requests with Departments
- Town Manager recommendation submitted to Select Board as part of Annual Town Budget (ATB)
- December
 - DRAFT ATB preview presented and posted on website

Existing Town Capital Planning Annual Needs Assessment

- Annual update to Town building assessment
- Review non-building infrastructure and project life cycle/replacement schedule
- Identify strategic parcels/buildings for possible municipal purchase and use

Existing CPS and CCHS Capital Planning Annual Process Timeline (Tier I and II Projects)

- July 1 to August 31
 - Prior year's funded capital projects are completed before school resumes
 - Capital Planning list is reviewed at each school and site
- September 1 to October 31
 - Concord Public Schools
Town Manager releases preliminary Capital Project amounts to each department; Projects budgeted within this amount
 - Concord Carlisle Regional School District
Completion of Building Project (road, parking, restrooms)
5 Year Capital Plan is being developed for CCHS
- November 1-December 31
 - CPS and CCRSD capital projects are voted by the School Committee, presented to Finance Committee and Select Board
- January 1-Town Meeting
 - Concord Finance Committee Hearing
 - Additional School Committee, Finance Committee and Select Board presentations
 - Town Meeting
- May 1-June 30
 - Award contracts and prepare final project timelines

Existing CPS and CCHS Annual Needs Assessment

(scope and scale of project determines level of need: Tier I, II)

- Environmental Concerns (Asbestos & Lead)
- Painting (Interior and Exterior)
- Flooring, Stairwells, Security

- Classrooms, Libraries, Labs, Bathrooms, and Modular Units
- Carpeting Needs
- Furniture Needs
- Lawnmowers, Snow Blowers, Snow Plows
- Roofs, Roof Top Units (RTU's), HVAC Systems (Energy Recovery Units), Boilers, AC Chillers
- Windows, Doors, Ceiling Tiles, and Lighting
- Walkways and Sidewalks, Parking Lots, and Driveways
- Fields and Playgrounds (including Fencing)
- Water, Sewer, Gas, Electrical, Sprinklers, & Plumbing
- Gyms (Weight Room), Auditoriums, Kitchens, and Cafeterias
- District Vehicles & Buses

New Facilities are generally projects too large to fund within the annual budget and are considered very large, Tier III, projects, such as the replacement Concord Middle School.

APPENDIX E

Debt Sequencing Template: Executive Summary

Two proposed templates for large capital projects are shown in the recommendations: Figure 2 – Illustrative Projected Tax Impact of Tier III Projects and Figure 3 – Illustrative Debt Service Payments for Tier III Projects. The recommendations anticipate that both templates will be useful in the annual Capital Planning process. Samples are shown on the two following pages.

An Executive Summary is included to amplify the information on the templates.

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
All existing															
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	\$ -	
New															
Middle School	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
Project A	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	
Project 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		
Project C	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	
Project D	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

Executive Summary: FY 2023 Long-Term Capital Plan

Project	LTCP Criteria Status	Initial Spending Estimate (\$ mil.)	Initial Project Time (years)	Previous Yrs. Spend (\$ mil.)	FY 2023 Request? (\$ mil.)	Remaining Years Spend (\$ mil.)	Total Est. Spending (\$ mil.)
Middle School	Yes	100.0		0.0	5.0	95.0	100.0
Project A	Too Early	45.0	5	0.0	0.0	45.0	45.0
Project B	Yes	30.0	2	0.0	0.0	30.0	30.0
Project C	In Process	55.0	3	0.0	0.0	55.0	55.0
Project D	Yes	50.0	4	0.0	0.5	49.5	50.0
Total		280.0	N/A	N/A	5.5	274.5	280.0

NOTE: Projects are hypothetical examples for illustrative purposes only.

Executive Summary: Impact to Average Single-Family Tax Bill

Project	Initial Spending Estimate (\$ mil.)	Length of Debt (years)	Impact of Debt and Deb Service on Tax Bill During Debt Periodd (2021\$)	FY 2023 Impact on Tax Bill	Impact in Peak Year (2021\$)	Peak Fiscal Year
Middle School	100.0	20	20,000	500	1,200	2028
Project A	45.0	10	5,000	0.0	750	2029
Project B	30.0	3	1,200	0.0	500	2024
Project C	55.0	5	2,500	0.0	600	2027
Project D	50.0	5	2,400	200	600	2024
Total	280.0	N/A	N/A	700	N/A	N/A

Assumptions:

- Median value of single-family home
- Tax bill for median value single-family home
- Assumptions re: future growth in property values, etc.

NOTE: Projects are hypothetical examples for illustrative purposes only.

Executive Summary:

FY 2023 Long-Term Capital Plan

Project	LTCP Criteria Status	Initial Spending Estimate (\$ mil.)	Initial Project Time (years)	Previous Yrs. Spend (\$ mil.)	FY 2023 Request? (\$ mil.)	Remaining Years Spend (\$ mil.)	Total Est. Spending (mil.)
Existing Debt				500	10	590	1100
Middle School	Yes	100	3	0	5	95	100
Project A	Too Early	45	5	0	0	45	45
Project B	Yes	30	2	0	0	30	30
Project C	In Process	55	3	0	0	55	55
Project D	Yes	50	4	0	0.5	49.5	50
Total		280	N/A	N/A	15.5	864.5	1380

NOTE: Projects A thru D are hypothetical examples for illustrative purposes only.

Executive Summary: FY 2023 Long-Term Capital Plan

Project	LTCP Criteria Status	Initial Spending Estimate (\$ mil.)	FY 2023 Est. Cost (Median house)	Peak Year Est. Cost (Median house)
Existing Debt		1100	810	498
Middle School	Yes	100	170	1024
Project A Too Early		45	0	0
Project B	Yes	30	0	65
Project C	In Process	55	0	111
Project D	Yes	50	45	105
Total		1380	1025	1803

NOTE: Projects A thru D are hypothetical examples for illustrative purposes only.

APPENDIX F
Tax Calculator

Use the calculator below to estimate the tax impact of a Tier 3 capital project

Instructions:

1. Enter your Assessed Value without commas or decimal points into the form below and click Calculate.

2. If you do not know your assessed value, you can look it up here:
<http://gis.vgsi.com/concordma/Search.aspx>

Enter Assessed Property Value:				
			Reset Form	Calculate
Fiscal Year Tax Bill:	Estimated Rate Impact:	Monthly	Quarterly	Annual
2022	\$0.07			
2023	\$0.36			
2024	\$0.57			
2025	\$0.90			
2026	\$1.07			

* Estimates are based on FY2021 Tax Rate and assessed property values and are subject to change. Intended for informational purposes only.

** Bond term is estimated at xx years [10 – 30 years depending upon project]. Debt payments and associated tax rate impact may drop over the course of the repayment term depending upon how the debt is structured.

If you have any questions about this calculator, contact the Finance Department at (978) 318-3090.

If you have questions about your property's assessed value, please contact the Assessors' Office at (978) 318-3072.

APPENDIX G

Debt Service Presentation – Impact of Existing & Projected
January 24, 2019

Debt Service Impact of Existing & Projected

--Draft Document--

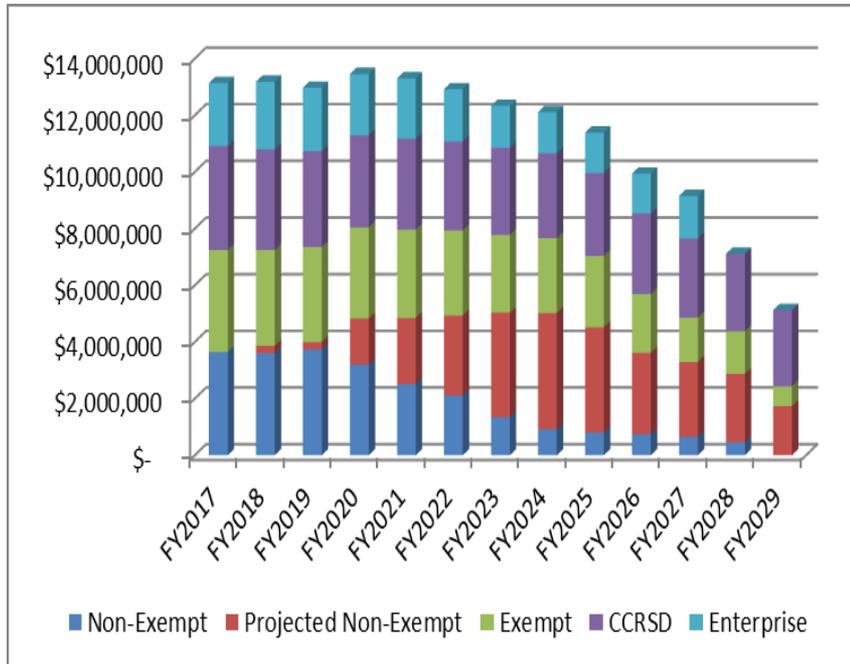
January 24, 2019

Debt Issuance

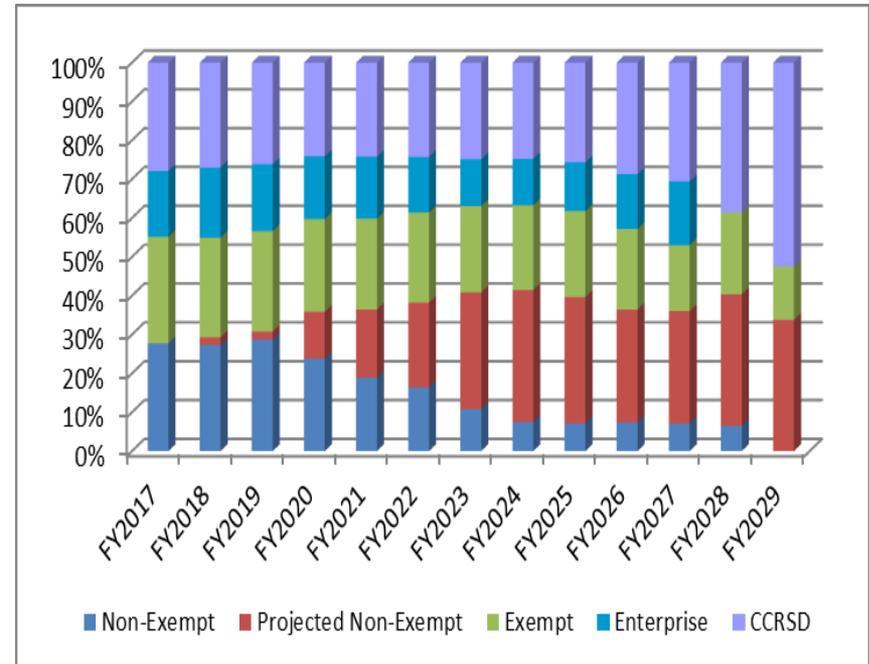
- **Non-Exempt**- projects authorized & financed within the levy limit
 - Town meeting vote
- **Exempt**- projects authorized & financed outside the levy limit
 - Town meeting vote; and
 - Ballot approval

All Debt, FY17 -29

Annual Debt Service Payments



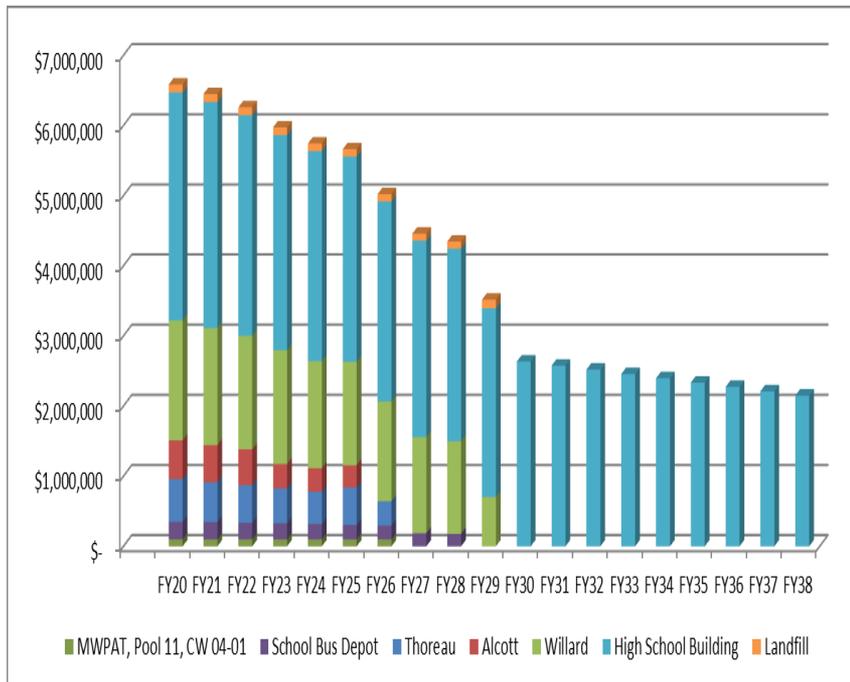
Distribution of Debt, by category



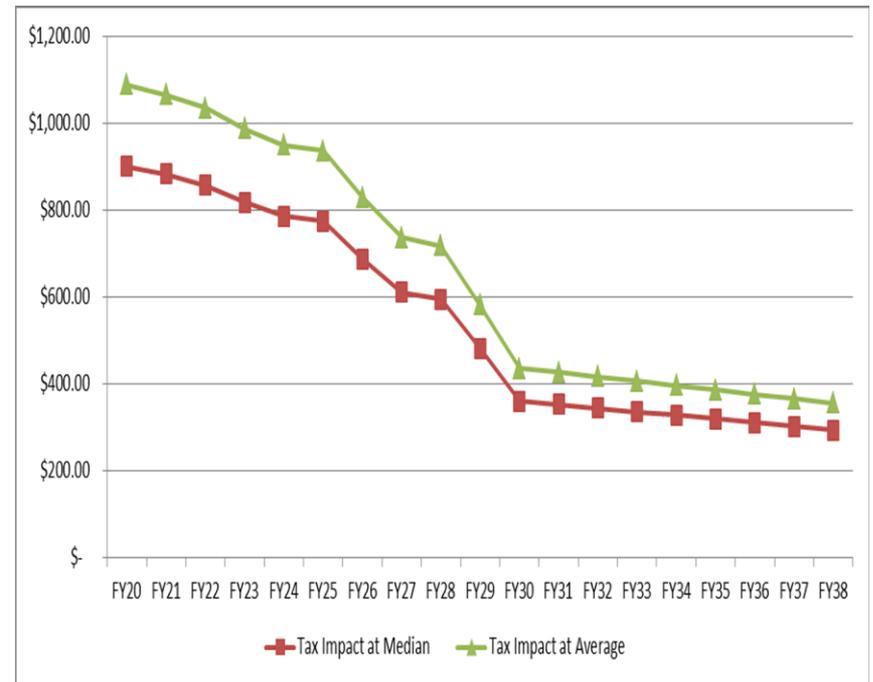
Only debt schedule existing beyond FY29 is CCHS Building

Cumulative Existing Exempt Debt

Annual Debt Service Payments

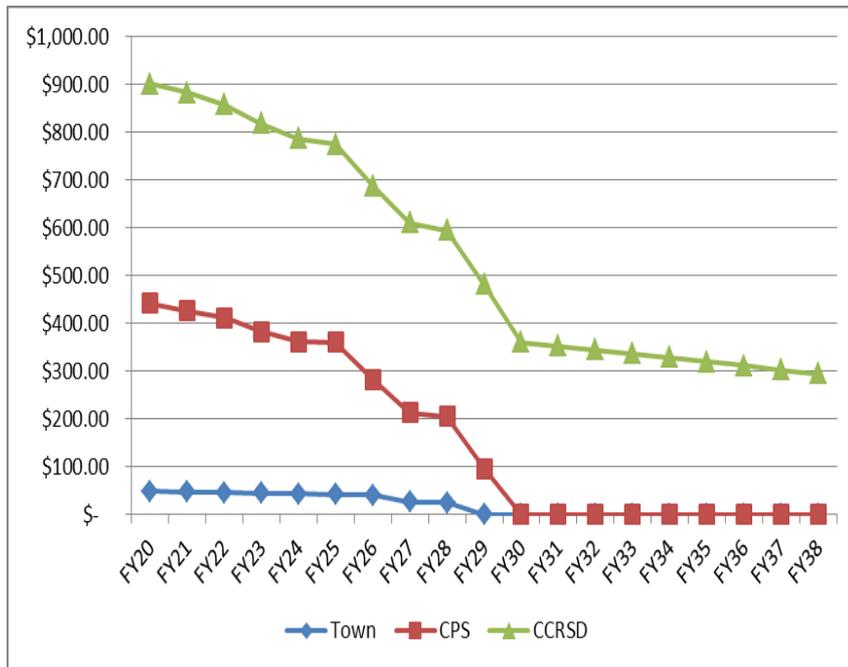


Impact to Taxpayer

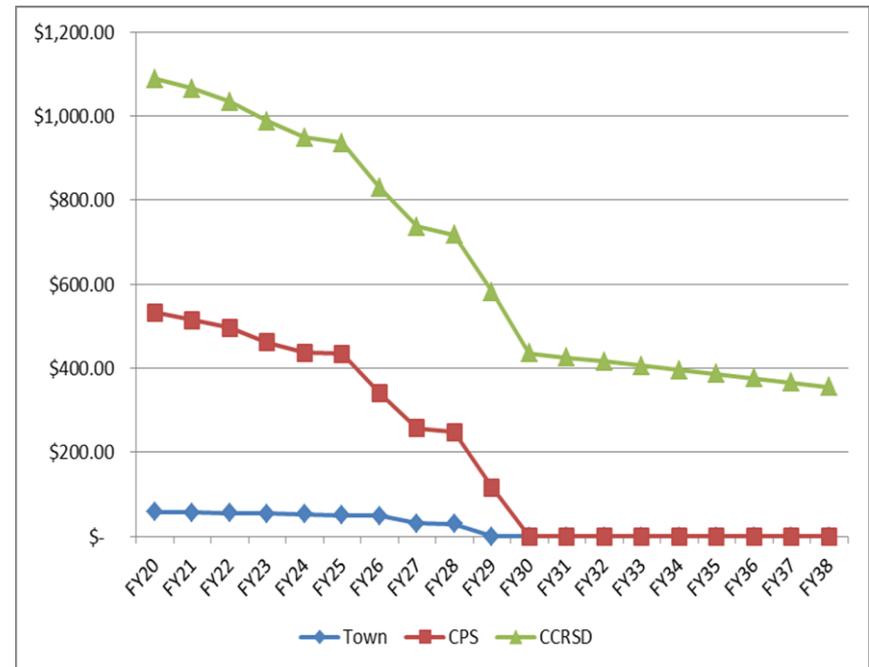


Tax Impact of Existing Debt by entity

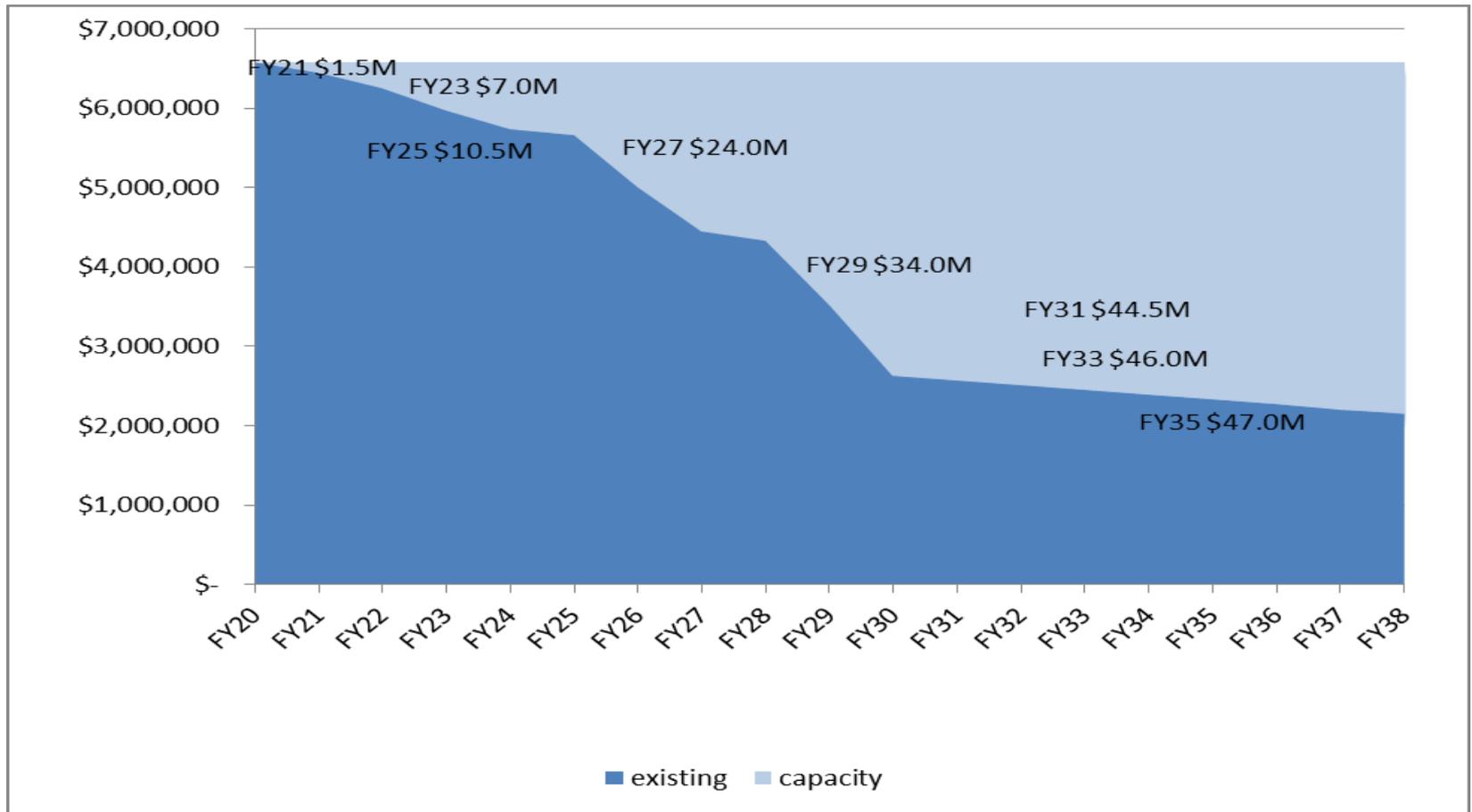
Impact at Median



Impact at Average



Capacity available from keeping constant at FY20 level

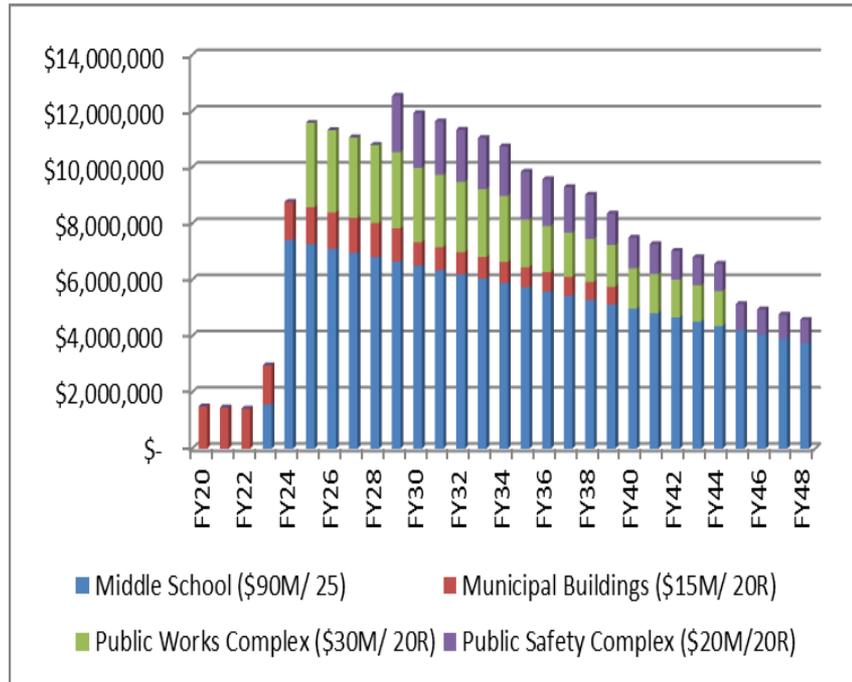


Anticipated Large Scale Capital Projects

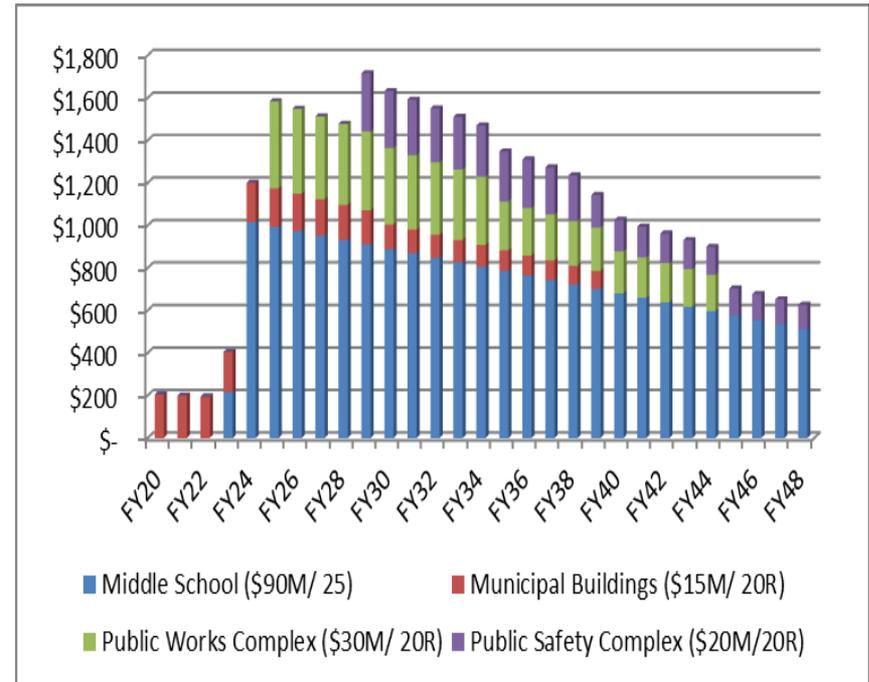
- Middle School = \$90M
- Public Works Complex = \$30M
- Public Safety Complex = \$20M
- Municipal Buildings = \$15M
- Estimated total = \$155M
- All estimates are very rough

Anticipated Debt, by Project

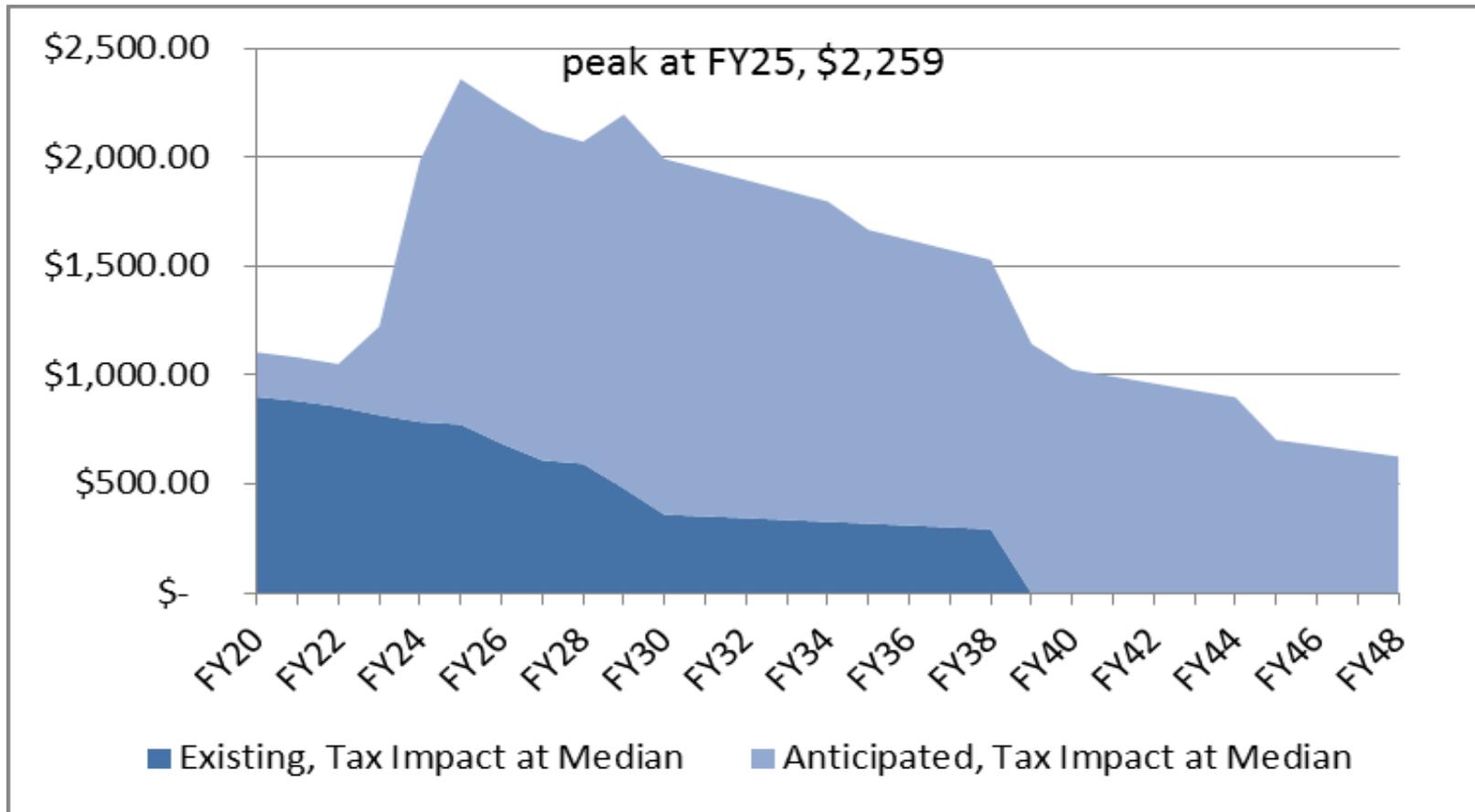
Projected Annual Debt Service Payments



Impact to Median Household

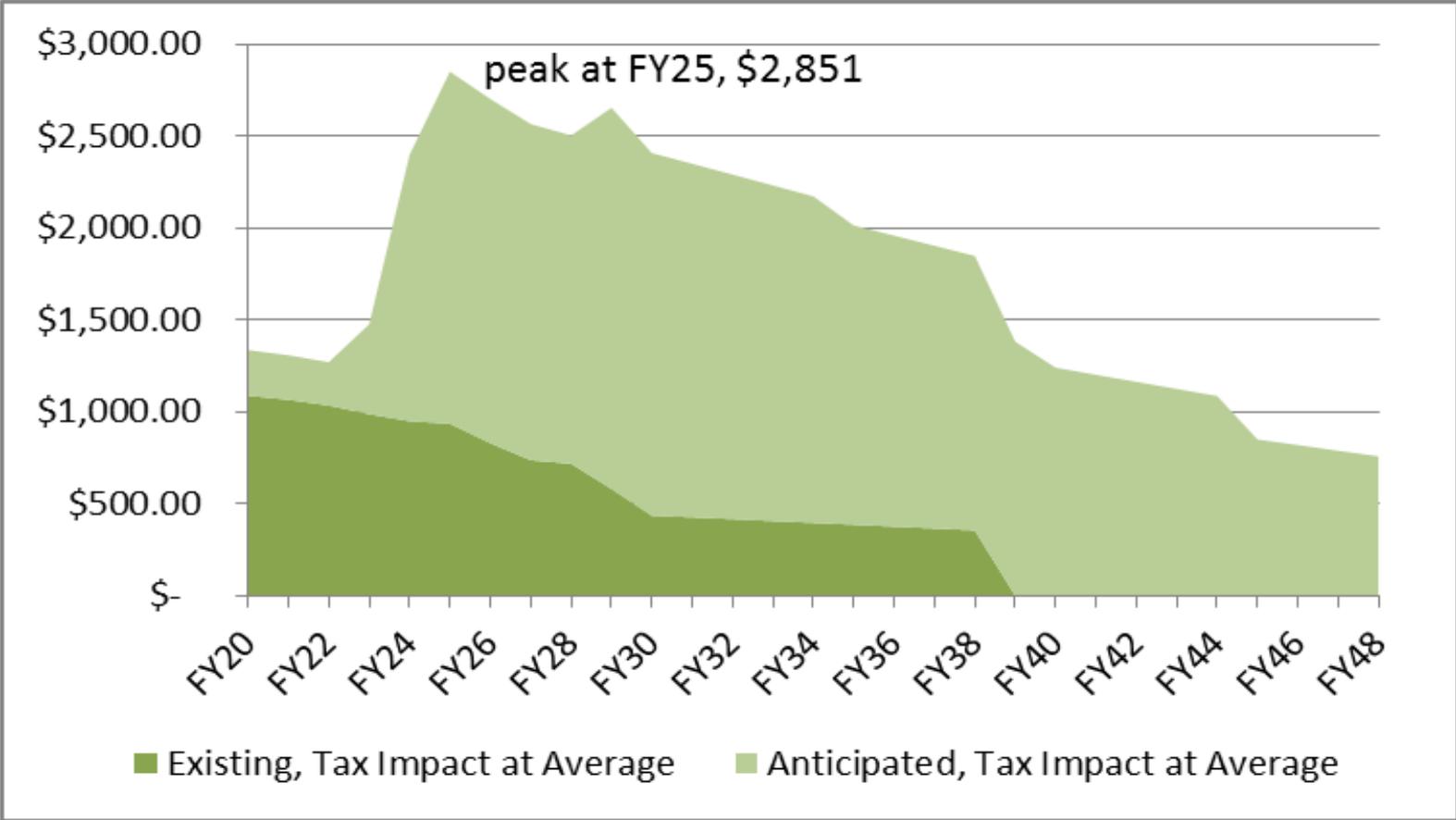


Existing + Anticipated all projects (R), at Median Household



R = rapid repay where 60% of principal is repaid over the first 10 years & 40% is repaid over the final 10 years; results in \$57 in peak year, but saves \$2.6M in Interest expense.

Existing + Anticipated all projects (R), at Average



R = rapid repay where 60% of principal is repaid over the first 10 years & 40% is repaid over the final 10 years; results in \$69 in peak year, but saves \$2.6M in Interest expense.

Debt Ceiling/ Debt Limit

59

- Debt Ceiling is 5.0% of total Assessed Value
- Total Assessed Value for FY19 = \$6,447,063,517
- FY19 Debt Limit = \$322,353,176
- Total Outstanding Debt at 6/30/18 = \$52,215,725
- Amount subject to Debt Limit = \$38,994,907
- What's outside of Debt Limit?
 - Water, sewer, electric utility projects (MGL Ch. 44, §8)
 - School buildings financed under MSBA (MGL Ch. 70B)

Debt Limit/ Debt Ceiling

60

- Amount subject to Debt Limit = \$38,994,907 (12.1% of debt Limit)
- Anticipated Debt, \$155M: (60.18% of debt limit)
 - Middle School, \$90M
 - Municipal Buildings, \$15M
 - Public Works Complex, \$30M
 - Public Safety Complex, \$20M
- Potential Impact to AAA rating- initial read from rating agency: adding either school project or muni projects will not negatively impact bond rating, but it would make Concord an outlier in debt burden per capita, **so long as all** other rating criteria remain consistent with AAA-rated communities.

APPENDIX H
Facilities Assessment and Master Plan – Municipal Priorities
September 2019



TOWN OF CONCORD
Office of the Town Manager
Town House
P.O. Box 535
Concord, Massachusetts 01742

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TEL: 978-318-3000
FAX: 978-318-3002

Stephen Crane, Town Manager

APPENDIX H

MEMORANDUM

To: Chairman Lawson and Members of the Board

From: Stephen Crane, Town Manager
Kate Hodges, Deputy Town Manager
Senior Management Team

Date: September 23, 2019

Re: Facilities Assessment & Master Plan – Municipal Priorities

Members of the Town's Senior Management Team (SMT) met on Thursday, August 29 to discuss the presentation made by TBA Architects to the Select Board on Monday, August 26, 2019. The focus of SMT's meeting was to prioritize our specific facility needs and to create consensus among the group regarding next steps and funding recommendations as the initial planning phases for the FY21 budget season begins.

The TBA assessment identified significant deficiencies in many of the Town's municipal administrative and operational facilities. Outdated and inefficient heating and cooling systems are abundant within several buildings and efforts to expand administrative and work spaces within building envelopes have fallen short. TBA detailed concepts related to the renovation of each existing facility and included the possibility of moving certain operations to new locations and buildings. TBA estimates that renovations of this scale could cost between \$100,000,000 to \$133,615,000 depending on whether the Town chose to renovate certain facilities in-place or to relocate them completely.

In thinking about this as a group, the SMT recognized that the potential costs cited above are not sustainable given the other capital needs that must be addressed. The Team decided to rank and prioritize a series of realistic and manageable facilities projects that will help alleviate some Town-wide space constraints while being mindful of the current and projected debt service obligations. The goal is to increase the Town's overall efficiency while allowing for more energy efficient and sustainable building solutions within the majority of municipal buildings.

MUNICIPAL BUILDING PROJECT PRIORITIES

1. New construction Concord Middle School. The deficiencies in the existing middle school buildings have been detailed in the Statement of Interest (SOIs) that have been submitted to the Massachusetts School Building Authority (MSBA). Town Meeting has appropriated funds to advance this project and a building committee is already working to bring it to the town for approval in 2020.

2. New Construction Public Safety Building in a new location for Police & Fire Depts. A new site is recommended because the existing facility is effectively landlocked, in the floodplain, and renovation is not an efficient option. Potential sites will be limited by projected response times to all areas of town. Ideally, a suitable site near one of the current stations will be identified and the station that is not replaced will be maintained as a sub-station.
3. Replacement of the existing salt shed at Concord Public Works. The current shed stores approximately 900-1,000 tons; the goal would be to create a structure that could store between 2,000-2,500 tons. Renovation of that area, both for emergency services and storm management, is CPW's current highest priority.
4. Major Phased Renovations of the Public Works Dept. at their existing Keyes Rd. Campus Renovation and/or redesign of CPW Administrative and Water-Sewer spaces is noted as CPW's second-highest priority. Modest renovations are needed in some spaces where others will likely require more in-depth construction and design work in order to ensure accessibility compliance and overall functionality. CPW has a strong interest in working on office plans and layouts which also add storage areas.
5. CPW's third priority surrounds the need for a comprehensive plan to construct new covered storage bays for CPW's vehicles and fleet maintenance in order to reduce equipment weatherization, erosion and the need to keep trucks idling during inclement weather.
6. Renovations to the existing Walden St. Public Safety Building (when/if a new Public Safety Bld. is complete) with a goal of maintaining fast public safety response times while creating additional administrative and storage space that could alleviate constraints in other facilities.

RELOCATION OF PUBLIC SAFETY BUILDING - ADVANTAGES

- Police and Fire benefit from being in the same facility as it builds trust and teamwork between the units and helps with more consistent responses and operational procedures for the community and members of the general public.
- Streamlined HVAC and operational systems which are energy-efficient, sustainable and in-line with the community's goals for GHG reductions.
- Increased parking for both members of the public and staff; ability to host and offer larger and regional training sessions for staff and members of the community.
- Safer conditions for both officers, detectives and evidence storage by creating individual sections which can be locked and accessed only by authorized personnel.
- Creation of a code-compliant sally port where prisoner exchange and/or suspect bookings are completed in secure and confidential manners.
- Compliant holding facilities for those who are being detained.
- Compliant storage creation to replace existing exterior storage areas for seized property, cars and auto body parts.
- Sustainable and self-contained decontamination areas for fire vehicles and gear after usage and exposure.
- Training room and large meeting areas for roll-call, incident briefing and debriefing and community forums.

The Police Department would like to begin the formal process of becoming an accredited agency. It is likely that the state of their facility would prove a hindrance in their efforts. A modern, complaint and fully sustainable building would substantially increase their ability to achieve accreditation.

RENOVATION OF CPW AT KEYES RD. CAMPUS

The existing Keyes Rd. site is not ideal; however, constructing a central CPW in a new location was estimated to cost approximately \$46,164,000 (*not including the cost of land and/or building acquisition; numbers are based on 2019 construction dollars*). Additionally, the current site is central to the overall community and moving CPW to a different and less desirable location that comes with a nearly \$50M price-tag seemed both unreasonable and inconsistent with the Town's sustainability principles. With this in mind, the SMT reviewed the scope and estimates relative to TBA's renovation recommendations. To accomplish the number of projects outlined by TBA, CPW would be forced to move to another location during their site's construction and the overall cost estimate for a total renovation on their existing campus was estimated to cost a total of nearly \$30M.

CPW received \$150,000 to conduct a feasibility study regarding improvements to and on their campus. SMT's recommendation is the CPW be permitted to begin the process of soliciting firms to conduct additional feasibility and/or design analysis expanding upon TBA's site analysis. The goal would be to create a phase-specific cost analysis and project planning timeline for the DPW site which CPW leadership could incorporate into the Town-wide Capital Planning budget. Absent the study referenced above, the salt shed replacement should proceed as a standalone project.

RENOVATION OF WALDEN ST. PUBLIC SAFETY BUILDING

If the public safety complex is located to a new site, the existing Walden Street facility could be repurposed for both continued public safety and other municipal uses. This could include moving a number of other Departments and/or Divisions into renovated spaces of the building. Interior changes may be made to retrofit the building for a number of municipal uses.

Proposed uses and improvements could include:

- Renovation of the fire-side of the building for use as a smaller sub-station to replace the West Concord facility (1.5 bays)
- Retro-fitting former fire department garage bays for use by the Facilities Department for vehicle and equipment storage and workshop areas (2 bays).
- Increasing temperature-controlled storage areas in the building's interior for fire, police and facilities storage.
- Retro-fitting existing police garage for use as vehicle storage for other departments.
- Renovating the second and third floor office areas in order to aide in the possible relocation of other town departments which may include: Facilities, Sustainability, Public Information and/or PEG-Cable Services.
- Demolishing certain areas of the existing building envelope to allow additional parking spaces for staff, citizens and deliveries.

No planning or formal conversations have taken place surrounding who may occupy the vacated Walden Street space. Additional feasibility studies and organizational analysis would have to

occur in order to allow for an informed decision making process to take place. The above proposals are meant for illustrative purposes only.

‘SPACE-MINING’ OF THE EXISTING TOWN HOUSE

Several years ago, the Town was allocated a sum of \$700,000 for interior renovations to the Town House. The plan, at that time, was to extend the elevator to the unfinished third floor in order to allow unfettered access to the Town’s files. It was thought that use of the third floor for additional offices could be feasible and expansion could be budgeted over time. However, after hiring a firm in 2017 to conduct a feasibility study relative to the elevator project, it was determined that altering the existing elevator would require structural changes within the historic Town House roofline and would also cost several hundred thousand dollars. The plan was abandoned in lieu of more cost-effective reconfiguring of existing finished areas, or space-mining, which would increase office security and functionality without requiring large sums of money.

The team discussed this during the 8/29 meeting and determined that the best course of action at this time would be to solicit TBA Architects, who are currently in the process of completing the town-wide comprehensive facilities study, to create an architecturally sound construction plan that could be used to procure construction services for a first floor renovation project for the Finance Department. The team determined that moving ahead with a smaller remodeling project in the Town House could be accomplished in conjunction with CPW’s feasibility study during this fiscal year as the Town House is currently funded.

DEBT SERVICE PROJECTIONS

In reviewing the projects cited above, the SMT was shown the current level of debt service as well as projections that contemplate the cost of the new middle school. The SMT agreed that the priorities would need to be sequenced to minimize the impact on taxpayers and spikes in debt service payments. In FY25, the first of the elementary school projects will be paid off, and by the end of FY29, all existing exempt debt for school buildings will have been satisfied, potentially creating opportunities to fund these projects.