

Capital Planning: Buying the Big Stuff

ATFC Annual Meeting

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Town of Franklin
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franklinma.gov



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Community Profile



- The City Known as the The Town of Franklin.
- Charter est. 1978 (eliminated Town Meeting)
 - 9 Member Town Council (At Large)
 - Elected: Town Council, School Committee, Assessors, Planning Board and Board of Health
 - Rest are appointed by the Town Administrator, ratified by the Town Council.
 - All Town staff report to Administrator



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Community Profile



- No Capital Committee
- Finance Committee, advisory only
- Capital Sub-Committee of the Town Council members (4 of 9 members)
- Capital Improvement Plan includes Town & School



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Capital Program Policy



- 100% of Free Cash, Overlay Surplus is used for capital purchases or small, one-time purchases.
- A five-year Capital Improvement Plan (CIP) plan is required annually and shall be maintained and updated.
- Department Heads are required to budget operating costs associated with CIP projects.



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Capital Program Policy



- Delaying maintenance on existing assets results in higher costs in future years. Postponing improvements to buildings/ infrastructure results in higher costs.
- Bonds will be used for large capital projects (over \$1,000,000)
- Stabilization accounts for Fields, Fire Trucks/ Ambulance, Facilities
- 10% of Free Cash toward OPEB Trust Fund



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Capital Program Process



- Capital Process begins at September staff meeting
 - reminder to begin to build your capital and operating budget requests.
- Capital Memo goes out October from Deputy Town Administrator
- Requests due by Thanksgiving



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Capital Program Process



- TA & DTA meet with Departments in December
- Capital Sub-Committee meets in mid-late January/February
 - Sub-Committee/Fin Comm - usually three meetings apiece
 - Group Departments (E.G. Schools, Facilities, Technology, Recreation)
- Full Council consideration in March/April
- Split up the pie evenly, generally



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Capital Requests Requirements



- Must be 100% on time by deadlines
- Must be accompanied with supporting documentation (E.G. quotes, research, estimates, customer needs)
- Must use our Central Google Portal (Team Drives)
- Must survive the Town Administrator's Office Market research interview



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Capital Requests Requirements



Project #	Asset/Project Name	Funding Priority	Life Expectancy	Annual Operating Expenses	Asstet/Project Costs
Request #1	POLICE CRUISERS	1 - Threat to Citizens or Employees	4-6 YEARS	\$ -	\$ 258,296.00
Request #2	FIREARMS - PATROL RIFLES	1 - Threat to Citizens or Employees	20 YEARS	\$ -	\$ 11,500.00
Request #3	TECHNOLOGY - OFFICE EQUIPMENT	2 - Maintenance - operational necessity	5 YEARS	\$ -	\$ 9,000.00
Request #4	ARCHITECTURAL STUDY	4 - Improvement of Infrastructure		\$ -	\$ 25,000.00
Request #5	TECHNOLOGY	2 - Maintenance - operational necessity	5 YEARS	\$ -	\$ 9,700.00
Request #6	PEDESTRIAN CROSSWALK WARNING LIGHT	1 - Threat to Citizens or Employees	15 YEARS	\$ -	\$ 20,000.00
Total Capital Improvement Request					\$ 333,496.00

Priority Coding

- 1 - Threat to Citizens or Employees health, safety or property
- 2 - Maintenance - operational necessity
- 3 - Requirement of State or Federal Law or Regulation
- 4 - Improvement of Infrastructure
- 5 - Improved productivity
- 6 - Alleviation of an overtred/overburdened situation

5-Year Capital Plans

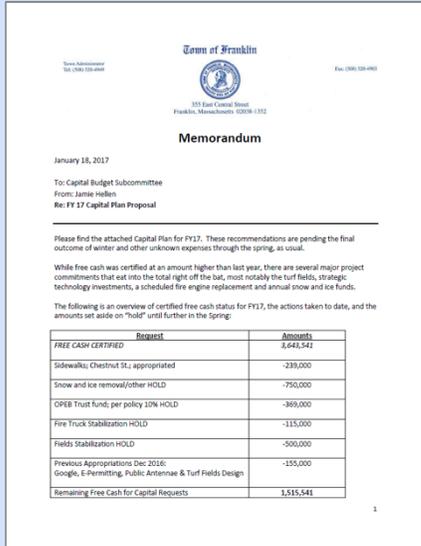


- Seems daunting; and it is!
- Need to have accurate inventories, maintain them, and always be doing the work needed to stay five years ahead
 - Need to keep an eye on future customer patterns (example: technology)
 - Continue to work with vendors to do market research
- Starting? Sometimes takes a couple years to hit the stride

A	B	C	D	E	F
Capital Plan FY18-FY21	FY18 Anticipated	FY19 Anticipated	FY20 Anticipated	FY21 Anticipated	Total
Administration					
OBES (10% of Free Cash)	10% FC	10% FC	10% FC	10% FC	10% FC
Field Stab (For the next project)	100,000	100,000	100,000	100,000	400,000
Fire Truck Stabilization (for next)	100,000	100,000	100,000	100,000	400,000
Building Stabilization (Prep for FIM School)					
Dude Program)	100,000	100,000	100,000	100,000	400,000
Open Space/Recreation Stabilization	250,000	250,000	250,000	250,000	1,000,000
Vehicles (Town General)	0	50,000	0	50,000	100,000
Assessors					
Map Data/equipment	27,000	34,000	34,000	34,000	129,000
Conservation					
Delcarte	50,000	50,000	50,000	50,000	200,000
Facilities					
Town	200,000	200,000	200,000	200,000	800,000
School	300,000	300,000	300,000	300,000	1,200,000
Fire					
Vehicles	280,000	100,000	780,000	105,000	1,265,000
Ambulance					0
Equipment	485,000	65,000	275,000	100,000	925,000
Police					
Vehicles	250,000	250,000	250,000	250,000	1,000,000
Equipment	25,000	25,000	25,000	25,000	100,000
Public Works					
Vehicles	400,000	400,000	400,000	400,000	1,600,000
Roads & Sidewalks	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
Municipal Parking lots	200,000	200,000	200,000	200,000	800,000
Recreation					
Playgrounds	150,000	150,000	150,000	150,000	600,000



Final Capital Plan



- See Handout
- A four-page memo for current fiscal year; includes recommended items and non-recommended items
- A four page Excel Sheet for next four years
- Backup information sheets on each project that is being recommended and non recommended



Part of a Bigger Strategy

- Capital Improvement Plan is one part of a larger financial strategy
 - Debt Policy - 3.5% is our target, not 2.0%, or lower
 - Bonding Policy
 - Water, Sewer, Refuse Enterprise accts. We do not allow any others!
 - General Stabilization
- Almost 20 various policies. See handout....
- Never had a debt exclusion for non-schools and 1 for 9 on operational overrides



Final Thoughts



- Keep it simple
- Set realistic expectations
- Utilize Enterprise accounts for water/sewer/refuse
- Establish good, extensive financial policies. Review them each year.
- Invest in your community

