



Capital Planning Committee

Capital Plan for FY2022 (July 1, 2021 – June 30, 2022)
5-Year Plan for FY2022 – FY2026

Date: Thursday, September 17, 2020
Time: 5:00pm-7:00pm
Location: Zoom Meeting

Minutes

Attendance: Joseph Barr,
Ida Cody,
Kate Leary,
Kate Loosian,
Phyllis Marshall,
Chris Moore,
Angela Olszewski,
Sandy Pooler,
Jon Wallach,
Julie Wayman, Management Analyst
Timur Kaya Yontar.

Not in attendance: Michael Mason.

Meeting Opened: Mr. Yontar called the meeting to order at 5:08pm. Committee members started by introducing themselves, given the three new members that were appointed to the Committee over the summer. The minutes of the meeting of June 25, 2020 were reviewed and unanimously approved (moved by Mr. Moore, seconded by Ms. Marshall) with corrections to the time when Mr. Andrew left (6:15pm not 7:15pm) and the time when the meeting adjourned (6:40pm not 7:40pm).

Committee Membership: Mr. Yontar provided an overview of the Committee membership and the terms of each member, along with how each member is appointed. He noted that the members who have been appointed or reappointed for this year need to be sworn in (either in person or remotely) by the Town Clerk. In addition, all members must complete the online state ethics training every two years, and Ms. Wayman indicated that she would send around the information about the training to all members.

Committee Schedule: Mr. Yontar summarized the Committee schedule, starting with the schedule of meetings, which occur on the 1st, 3rd, and 5th (if there is one) Thursdays of each month until the proposed capital plan is delivered to the Town Manager on January 8, 2021. Once the plan has been delivered to and approved by the Town Manager, the Committee begins to prepare for the presentation to the Finance Committee in early March, and then to Annual Town Meeting in April and May. Mr. Yontar also summarized the process that the Committee goes through to develop the Capital Plan, including Subcommittee meetings with department heads, reports back to the full Committee, and then reconciliation of all capital requests (and prioritization as necessary) to create the final draft of the Capital Plan. He also described the tools that department heads and the Committee use to generate and review the requests, and then create the Capital Plan, including PeopleForms, the master Access database, and the various Excel sheets and charts that are used for the Capital Plan and the Town Meeting warrant article.

Committee members asked about whether feedback is generally received from either the Town Manager or the Finance Committee. In the case of the Town Manager, the feedback is generally provided through Mr. Pooler on an ongoing basis throughout the development of the Capital Plan. The Finance Committee generally has a light touch in reviewing the Capital Plan, and is mostly concerned that the requests have been fully vetted, that the analysis and calculations are correct, and that the Committee is staying within the agreed on 5% limit on capital project expenditures.

Subcommittee Structure: Mr. Yontar described the structure and membership of the Subcommittees that review departmental requests:

- Public Works & Recreation Subcommittee: Mr. Barr, Ms. Leary, and Ms. Marshall-reviews DPW (Highway, Engineering, Water + Sewer, Cemetery, Natural Resources) and Recreation Department (Parks + Playground, Rink)
- Administration: Ms. Cody, Ms. Loosian, and Ms. Olszewski-reviews Town Manager, Select Board, Legal, Purchasing, Education, Library, Facilities, IT
- Finance: Mr. Moore, Mr. Pooler, and Mr. Wallach-reviews Treasurer, Comptroller, Human Services, Planning + Development, Council on Aging
- Community Safety: Mr. Mason and Mr. Yontar-reviews Fire, Police, Inspectional Services

In addition, the following two Ad-Hoc Subcommittees have been created:

- The Software Subcommittee is working to improve the current system (which involves multiple software applications and multiple data handoffs) to make it easier to use and more flexible. Mr. Moore is leading this Subcommittee, and Mr. Barr and Ms. Wayman volunteered to assist.
- The Best Practices Subcommittee is working to propose Committee policies on bonding thresholds, debt service limit, and project prioritization. This Subcommittee includes Ms. Marshall, Mr. Mason, Mr. Moore, Mr. Pooler and Mr. Yontar.

Subcommittee Meetings: Mr. Yontar led an overview of the process for the Subcommittee meetings, including Mr. Pooler detailing the letter that was sent to

department heads asking them to submit capital requests, which includes the instructions for submitting requests in PeopleForms, various policy statements that have been issued by the Committee over several years, and key evaluation criteria and definitions that are used in the process. He also described the vetting process that occurs for IT and Facilities projects to ensure that they have been reviewed by the appropriate staff.

Mr. Yontar asked if there has been any turnover in department heads. Mr. Pooler mentioned that Juli Brazile is now the elected Town Clerk and that Joe Connelly is now head of Recreation, but he has been a department head in Arlington before.

Mr. Pooler reviewed the form that department heads fill out with their capital budget requests to enter them into PeopleForms, and Ms. Wayman indicated that she would send out the information on how Committee members can access the data in the forms.

Ms. Loosian asked about how the prioritization field on the form is used. Committee members responded that these are set by the department heads and don't necessarily have consistent meanings across departments, and that perhaps this information could be used to greater effect in future years. Mr. Barr noted that the Committee had discussed this topic during the June 25 meeting, and had talked about setting better departmental priorities in future years, particularly if we are in an environment where more difficult decisions need to be made about priorities, if not all of the requests can be funded.

Ms. Leary asked about how we track regularly replaced items that go beyond the five years of the Capital Plan and whether that is the responsibility of individual departments. Committee members said that is generally the case, but that the departments do try to communicate that information to the Committee so that we know what is coming (for example, future vehicle replacements and building/facility needs).

Mr. Yontar showed the Committee the new template that has been created that summarizes the capital requests for each department, which will be available for all Subcommittees and all departments. Ms. Wayman showed the Committee the new spreadsheet that summarizes the capital requests; items in blue are old requests (although they may have increased in value or have changed years), which yellow items are totally new.

Mr. Pooler then described the process of reviewing prior year appropriations and how "sweeps" (rescission of funds) occurs. Mr. Yontar reviewed the prior year sweeps list and Ms. Cody explained the meaning of the "Fund" column in the spreadsheet, particularly in terms of cash (tax levy category) vs. bonding (capital borrowing category).

Mr. Yontar mentioned the importance of the Subcommittees asking hard questions and getting as much information as possible from the department heads, while being respectful of their technical expertise. He also described the coordination process with the Community Preservation Act Committee (CPAC) and the fact that Ms. Olszewski will be the new Committee representative.

Review FY2021 Capital Plan: Mr. Yontar noted that the FY2021 plan was completed on time and presented to the Finance Committee on March 4, 2020. No cuts were made to the Capital Plan in response to fiscal conditions, in order to avoid deferring projects that need to happen and exacerbating existing problems (which would potentially add significant additional costs in the future). However, cuts were made to the operating budget. The Capital Plan was approved at Annual Town Meeting with no major issues, other than discussions about the Police Department's budget.

Mr. Pooler provided an update on existing projects; most projects are going along well, but additional funds will be needed for the DPW facility project. The specific number is not yet known, but it will be several million dollars. A Special Town Meeting is planned for November 16, 2020 and will include a warrant article to increase the funding for that project.

DPW and their consultant team are working on an updated cost estimate which will be available soon. The Public Works and Recreation Subcommittee will need to meet with DPW in advance, and then report back to the full Committee; at that point it will probably also make sense to have Mr. Rademacher present to the Committee at either the October 1 or October 15 meeting, so that report can be written up and submitted for STM by end of October.

Update on Fiscal Environment: Mr. Pooler provided an update on the overall Town fiscal environment. State aid will be level funded from FY20 into FY21; this is actually better than what had been assumed in the FY21 budget, which will allow an extra \$2M to be allocated to the override stabilization fund. There are more concerns about what will happen in FY22, but there will not be clarity on that until the state passes a full budget. At this point, Mr. Pooler does not see major cuts coming up, and there are no projections for cutting the Capital budget or the budget for schools.

Mr. Yontar discussed the pressures on expenditures, including the major projects proposed at both libraries, the need to increase funding for roadway repairs, the increasing cost of playgrounds and the need for coordination with the CPAC and School Department, and the potential impact of the Arlington High School value engineering process as projects that were eliminated from the school budget turn into requests to the Committee. Put together, these various needs could but significant pressure on the Capital Plan and require better prioritization when the requests exceed available funding.

Review of Capital Requests: Mr. Yontar discussed the need for Subcommittees to meet with their department heads and then schedule their presentations to the full Committee. He indicated that the Public Safety Subcommittee will present their report at the October 1 meeting. In addition, he requested that the Software Subcommittee determine when they will be ready to present recommendations to the full Committee on changes in the software used by the Committee.

New Business: Mr. Yontar mentioned that he is hoping to schedule a presentation from Hilltop Securities (one of the firms that helps prepare the Town's bonding) at a future meeting, similar to the presentation done by the bond counsel during the FY21 process.

Meeting Adjournment: The meeting adjourned unanimously at 6:40pm (moved by Mr. Moore, seconded by Mr. Wallach).