

CAPITAL IMPROVEMENT PLAN

Fiscal Year 2025 - 2029

February 12, 2024

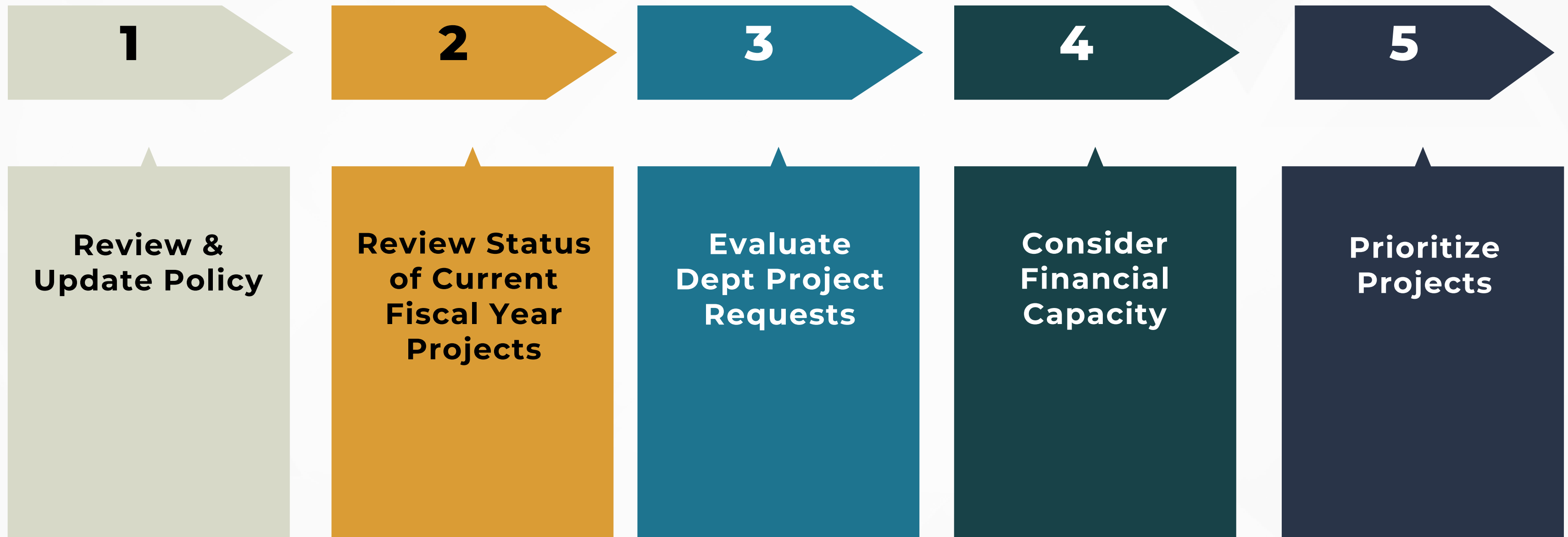


CAPITAL IMPROVEMENT PLAN COMMITTEE

- Colin McGuire, Council Member
- Jeff Clifford, Citizen Representative
- Jeff Thomson, Citizen Representative
- Kendra Amaral, Town Manager
- Elizabeth Lallemand, Finance Director



CAPITAL IMPROVEMENT PLAN PROCESS



POLICY & PROGRAM UPDATE

Connection to Town's Climate Action Plan Strategies identified on reserve and project requests.

Costs to replace fire apparatus are exceeding \$1M per piece; need to look at alternatives to "save as you go" funding strategies.



Capital funding request increase of \$95,500 from the prior fiscal year.



Includes \$1,962,900 in proposed funds for reserves and projects.

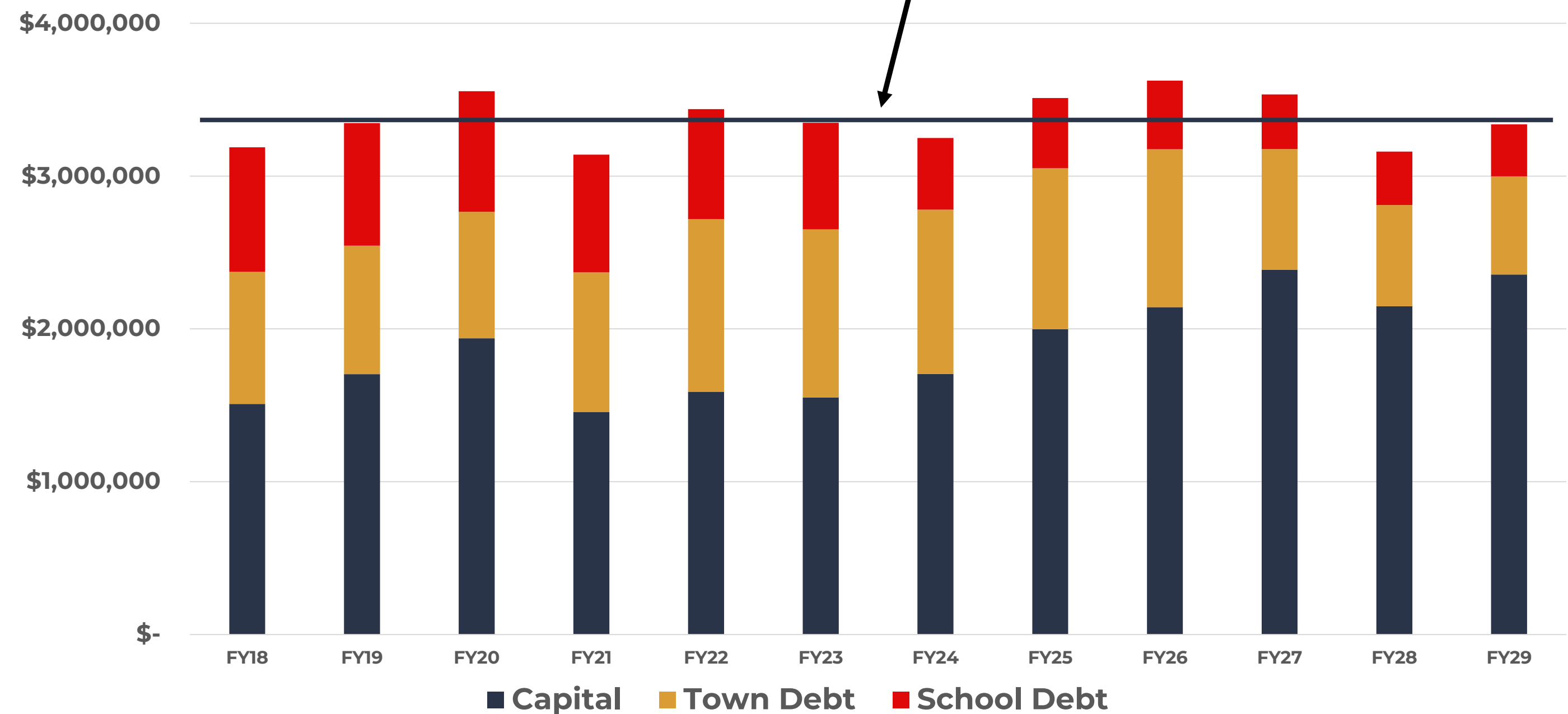


On the Horizon updated to include KCC Master Plan and Memorial Field Renovation.

CAPITAL IMPROVEMENT PLAN

OVERVIEW

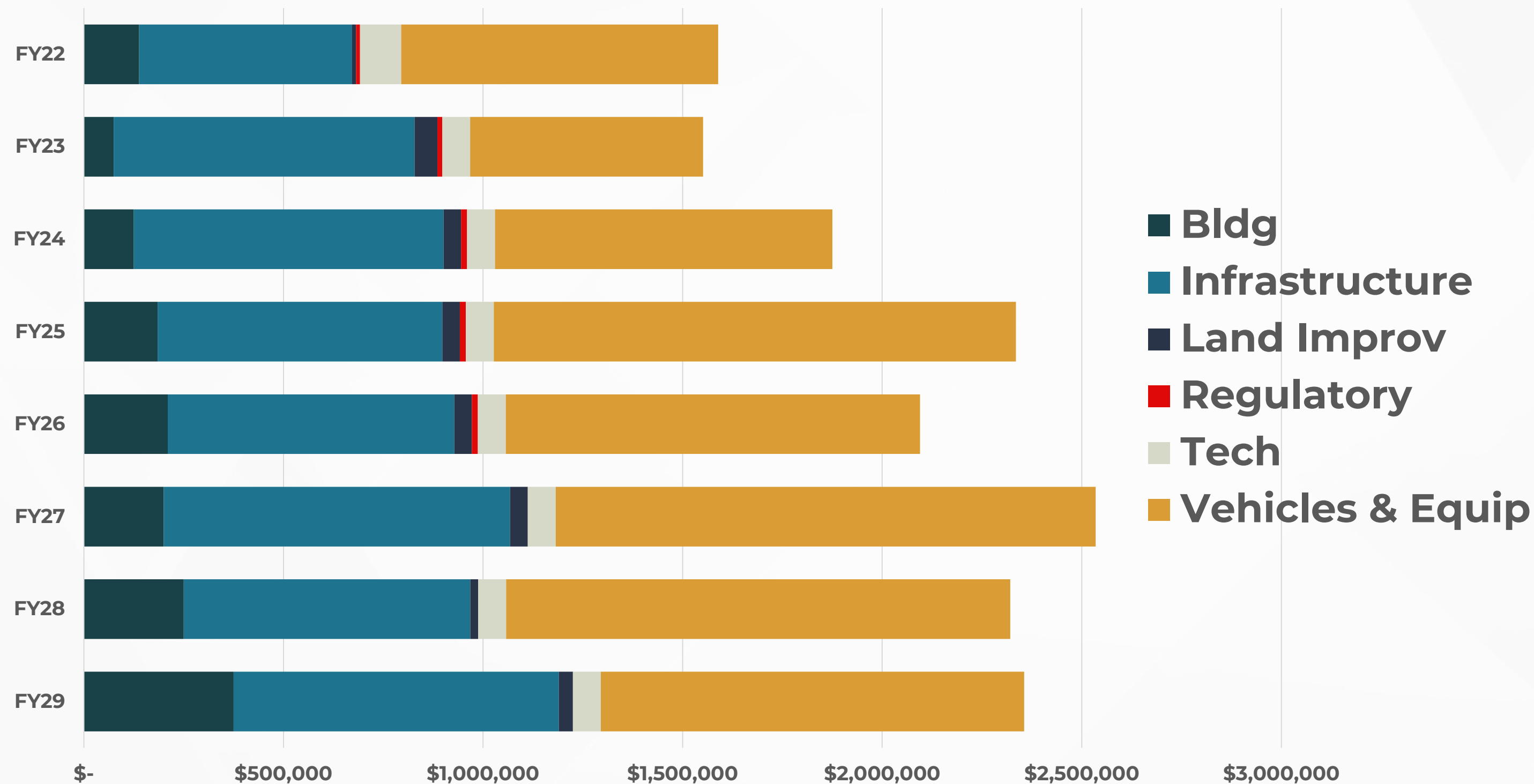
Average: \$3.35M Annual Debt and Capital



Excludes Sewer Debt

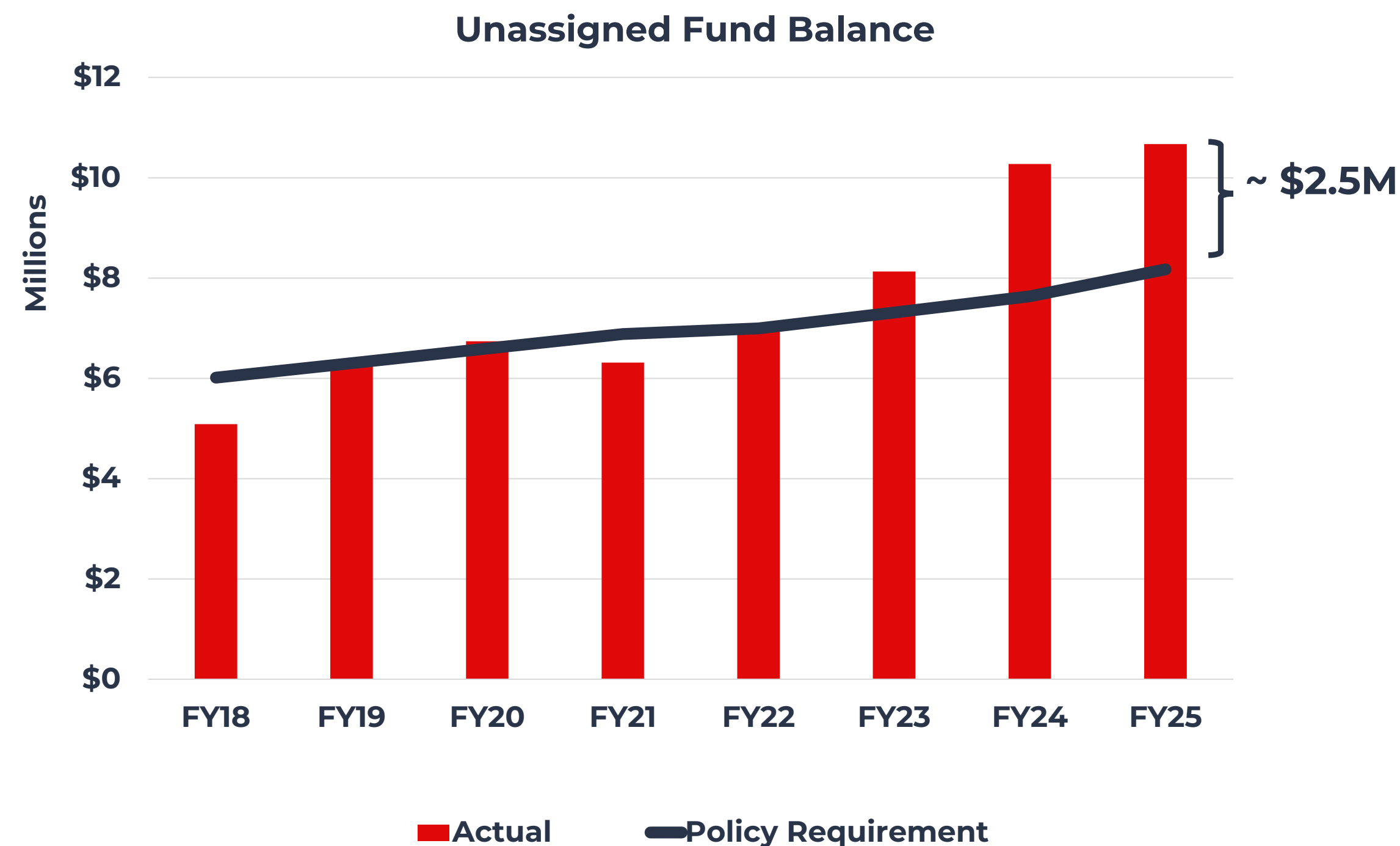
CAPITAL IMPROVEMENT PLAN

FUNDING BY CATEGOERY



CAPITAL IMPROVEMENT PLAN

WARRANT ARTICLES



- Unassigned Fund Balance is approximately \$2.5M more than the policy requirement.
- Proposing \$1.5M Warrant Article for replacement of the Ladder Truck.
 - CIP Com weighed whether to propose a bond or warrant article.

CAPITAL IMPROVEMENT PLAN

HOLDING ACCOUNTS

Municipal Facilities Reserve

- FY25 Heating, Cooling, Life Safety.

Right of Way Reserve

- FY25 Finish Village Stormwater & Road Projects.



CAPITAL IMPROVEMENT PLAN

HOLDING ACCOUNTS

Fire Apparatus Reserve

- Ladder replacement needed sooner than planned.
- Cost to replace approximately \$1.5M.
- Hold Acct Balance is \$50,000.
- Propose funding using excess Unassigned Fund Balance.

Fire Apparatus In General

- Inflation is higher than other accounts, at 5.5%.
- Lead time for manufacturing is 2+ years.
- Paying for purchase up often provides 5% - 10% savings on total cost.
- Paying upfront likely to lock in price and protect against further inflation.



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RESERVE ACCOUNTS

KCC Equipment Reserve

- Star Theatre equipment.
- Campus safety (cameras auto/locks).
- Improve projection/Zoom capability in meeting/function rooms.

KCC Facility Reserve

- Establishing Youth Wing in Annex.

Police Equipment Reserve

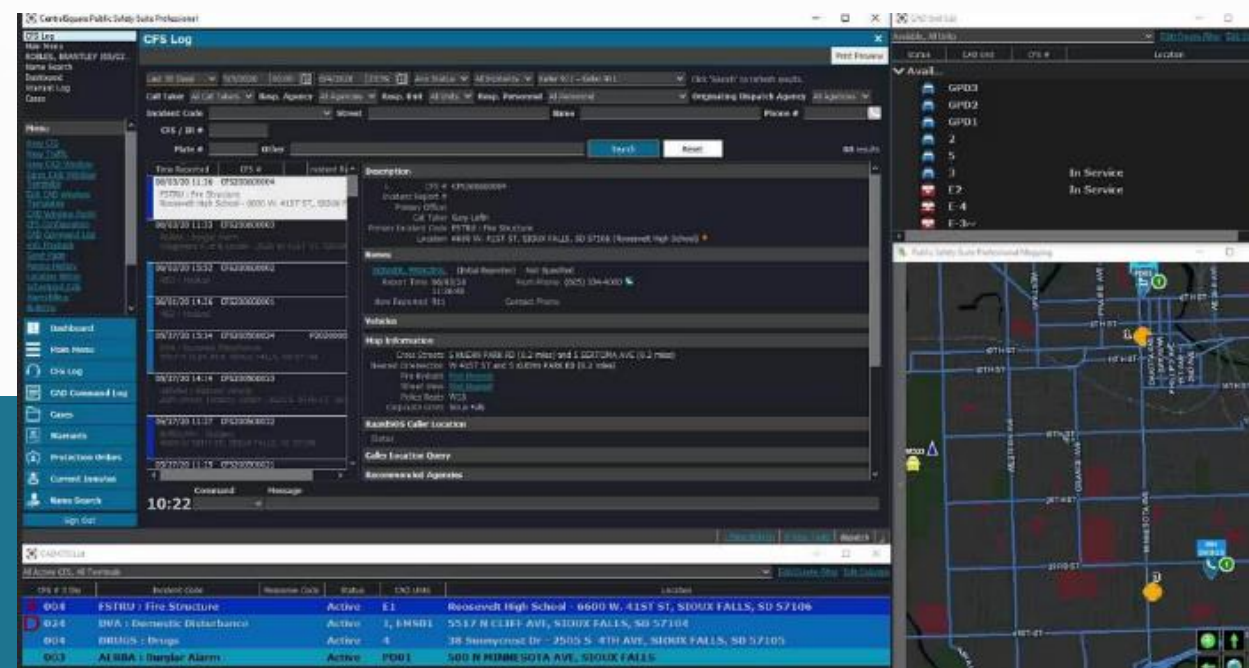
- Preparing for Body Worn Camera deployment.



CAPITAL IMPROVEMENT PLAN PROJECTS

Replace computer-aided dispatch system due to obsolesce.

- Total cost estimated at \$250,000.
- Approaching replacement process collaboratively with other agencies in the region.
- New system will likely be cloud-based, with costly initial setup, conversion, and equipment requirements.



CAPITAL IMPROVEMENT PLAN

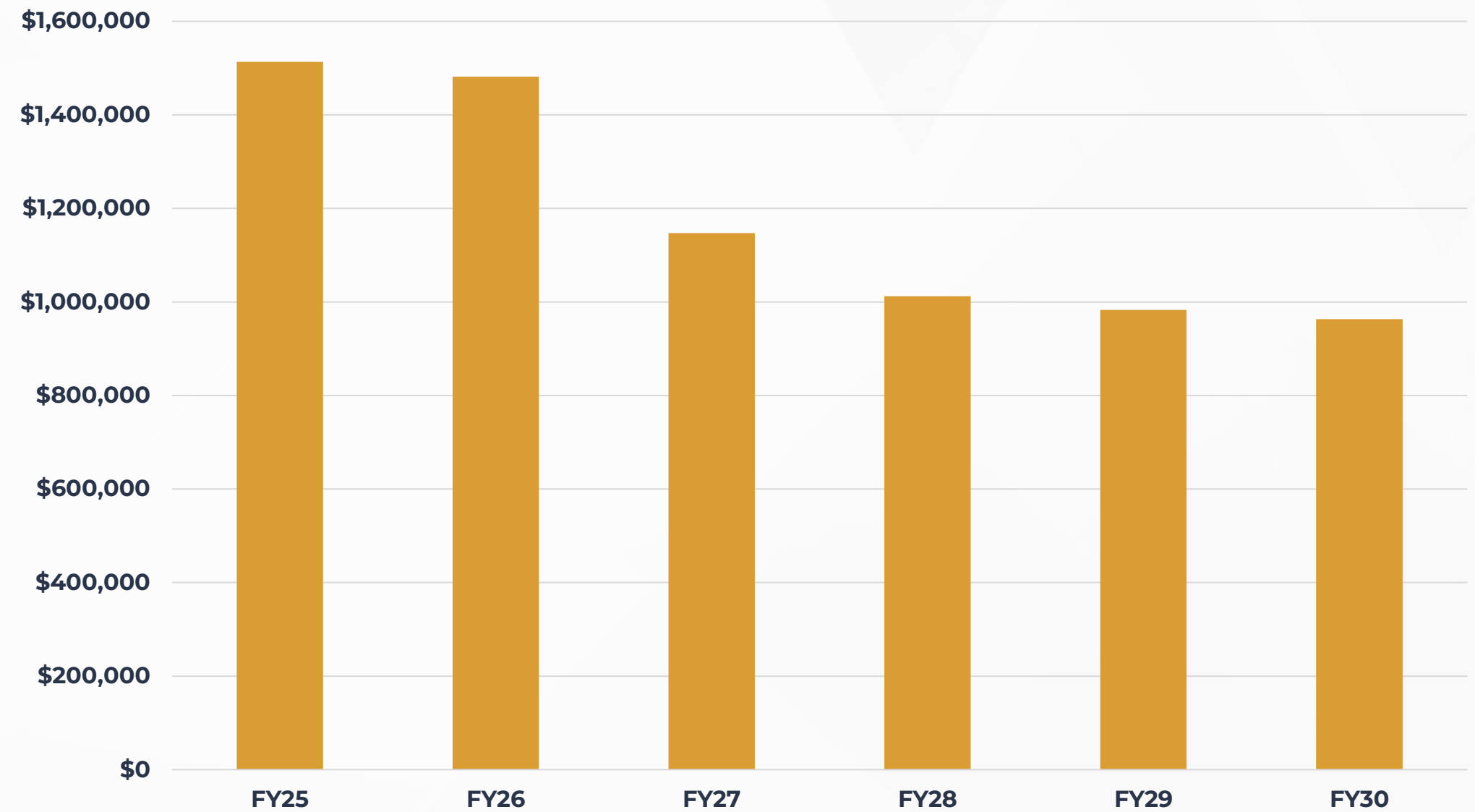
DEBT PROJECTIONS

Annual Town and School debt service will reduce 24% by FY27.

- Equates to approximately \$5M bond at current rates.



DEBT SERVICE



CAPITAL IMPROVEMENT PLAN ON THE HORIZON



| | COST | | Unassigned Fund Balance | Capital | Debt | Grant |
|---------------------------------------------------|-------------|--|----------------------------|-----------|-------------|-----------|
| Senior Tax Circuit Breaker | \$150,000 | | \$150,000 | | | |
| Compensated Absences | \$150,000 | | \$150,000 | | | |
| Memorial Field Renovation | \$8,000,000 | | | | \$8,000,000 | |
| Stevenson Sidewalk Expansion | \$968,000 | | | \$248,000 | | \$720,000 |
| Bike/Ped Master Plan Implementation | \$590,000 | | | TBD | | TBD |
| KCC Campus Master Plan | \$7,500,000 | | | | \$7,500,000 | |
| Purchase Working Waterfront Site | \$5,000,000 | | | | \$5,000,000 | |
| Dredge Pepperrell Cove – Engineering & Permitting | \$500,000 | | TBD | TBD | | |
| Ladder Truck Replacement | \$1,500,000 | | \$1,500,000 | | | |

CAPITAL IMPROVEMENT PLAN

KEYS TO SUCCESS

COMMUNITY PRIORITIES

Blend of long and short-term priorities, interests, and needs.

LONG-TERM PLANNING

Projections exceed minimum five-year time horizon.

FLEXIBILITY

Reserve fund approach ensures asset management is sufficiently nimble.

STABILITY

Outcome of planning is a relatively stable capital and debt funding plan over the long-term.



CAPITAL IMPROVEMENT PLAN

WRAP UP



FY2025 Capital Improvement Request: \$1,962,900.

- Net capital funding increasing by \$95,500.
- Municipal debt service decreasing by \$20,575.

Warrant Article for \$1.5M of Unassigned Fund Balance use for Ladder Truck Replacement.

- Allows to order now for anticipated delivery by 2027.
- Takes advantage of discounts for pre-payment, and reduces inflation exposure.

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QUESTIONS



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