

Guidelines for The Town of Kent Capital Plan Fund

October 2023

The Board of Finance shall maintain and monitor a Capital Plan Fund for planning and saving purposes for Capital Expenditures for the Town of Kent.

Capital Plan: The Capital Plan shall represent planning for a period of ten (10) years and be updated annually. For taxing purposes, only the first five (5) years, known as the 5 Year Capital Plan, will be considered in the calculation of projected expenditures. All capital expenditures, individually and in aggregate, should appear in the 5 Year Capital Plan.

Criteria: A Capital Expenditure is when the value is greater than or equal to \$20,000 and has a useful life expectancy of more than 15 years.

Format: 5 Year Capital Plan shall be in an Excel-type spreadsheet format arranged by years, denoting its estimated cost and the fiscal year in which the expenditure will occur. For taxing purposes, only the first five (5) years will be considered in a calculation of projected expenditures.

Process - Boards/Departments/Municipal Agencies/Commissions (Stakeholders)

Boards/Departments/Municipal Agencies/Commissions (Stakeholders) who are recipients of any 5 Year Capital Plan monies shall commence utilizing the funding within two (2) years of that project's completed funding.

Stakeholders requiring additional funding for an approved project during the four (4) year savings period shall submit all cost estimates related to the project and rationale for the increase to the Board of Selectmen (BOS) and Board of Finance (BOF) who will subsequently send it to the taxpayers for approval.

Approved capital projects may be altered in scope only as requested by the Stakeholder and recommended by the BOS but may not be transferred, altered or exchanged for any other type of project under the aegis of the Stakeholder without taxpayer approval.

Process - Board of Selectmen (BOS)

All capital requests shall be presented to the Board of Selectman (BOS) by the Stakeholder seeking capital funding. Each capital request shall be supported by an analysis of need/scope as well as an estimate for said

expenditure and a timeline with a completion date. Expenditure estimates should include inflationary cost increases to adjust for the five (5) year savings timeframe.

The BOS is responsible for prioritizing capital requests. Prioritizing the 5 Year Capital Plan in order to establish a balanced program for all Stakeholder development plans, needs, goals and requirements shall be the main consideration of the BOS. The BOS shall try to avoid introducing a new capital expenditure in any year other than years 5 through 10 of the Capital Plan.

The BOS shall present the requested 5 Year Capital Plan to the Town of Kent at the annual Town Meeting held in January of each year.

The BOS shall approve the Capital Plan before sending it to the BOF.

The BOS/BOF shall review the activity and status of all funded capital expenditures at the end of the 2nd and 4th fiscal quarters.

Process - Board of Finance (BOF)

The Board of Finance (BOF) shall review the 5 Year Capital Plan as approved by the BOS and shall consider capital project requests that are entering into the fifth year of the Capital Plan. It is accepted that the projects in the prior four (4) years of the 5 Year Capital Plan have been prudently vetted and approved by the taxpayer in the previous budget year. BOF may remove any project that has been cancelled in any year.

The BOF shall seek to maintain an expenditure level in the 15% range of the entire annual Town Budget for each year of the 5 Year Capital Plan.

The BOF must consider the merits of each new capital request but must also weigh that merit against the total cost of the 5 Year Capital Plan and the resulting taxation impact.

The BOF must accept the 5 Year Capital Plan prior to requesting Planning & Zoning review and approval that the capital projects do not conflict with the Town Plan of Conservation and Development.

The BOF approves the Capital Plan for inclusion into the proposed annual Town Budget.

The BOS/BOF shall review the activity and status of all funded capital expenditures at the end of the 2nd and 4th fiscal quarters.

Process - Taxpayer

Taxpayers of the Town of Kent shall consider the BOS approved 5 Year Capital Plan presented at the annual Town Meeting held each January. The BOS/BOF shall hear and consider all comments regarding the Capital Plan

Process - Treasurer/Expenditures

Capital funds shall be expended from the Capital Plan Fund for approved 5 Year Capital Projects only after notification of the project's commencement by the Stakeholder. All invoices must be verified and signed off by the Stakeholder.

The Treasurer shall report to the BOS and BOF Capital Plan Fund expenditures when requested or at a minimum at the end of the 2nd and 4th fiscal quarters.

Any approved Capital Project that is cancelled shall be removed from the Capital Plan and any collected funds shall return to the General Fund.

Unexpended funds from Capital Projects that have been completed will revert to the Five Year Plan upon closure of the project.

Funds approved for a specific Capital Project may only be expended on that approved project. Any request to expend funds beyond the scope of the approved project shall require approval from the taxpayers of the Town of Kent.

Standards: BOF affirms that the best accountability for the expenditure of Town funds is rooted in the fullest disclosure; that capital expenditures represent non-emergency spending on projects or purchases beyond the normal levels of current operating expenditures; that certain standards must be applied in determining the eligibility of a capital expenditure.

These guidelines may be amended from time to time by the Board of Finance.