

Senior Center Expansion Report

January 2009

Executive Summary

Acton faces a significant and growing need for senior services. Acton's senior population has been expanding rapidly and this trend will continue for the foreseeable future. The Council on Aging (COA) is unable to significantly expand senior services at the center on Audubon Hill due to the limited available parking and the current design of the building.

Annual Town Meeting in 2007 approved funding for a study on how best to provide services for seniors for the next 10 to 20 years. The Board of Selectmen formed a committee to execute this study. The committee focused on long term solutions.

The Senior Center Expansion Committee has completed a two year study of this issue, including an analysis of three possible solutions:

- Expand the current center on Audubon Hill
- Move the center into existing commercial space
- Construct a new center

This report documents the extensive work that the committee has done and provides the in depth analysis of the various options.

The Senior Center Expansion Committee makes the following recommendations to the Board of Selectmen:

1. Acton should build a new senior center on town owned land on Quarry Road near NARA Park. This recommendation is described in detail in the body of this report. In brief, this option is preferable to the other two because:
 - o It is not possible to construct a building at the Audubon Hill site that will adequately serve the need for 10 to 20 years. If the building and parking are expanded as much as possible, the need will once again exceed the capacity in approximately five years. As a result, it is not cost effective to make significant capital investments in a site with such a limited lifespan.
 - o Leasing commercial space adds significant cost to the operating budget at a time where we are already cutting budgets to meet existing commitments. It is not prudent to add a significant recurring cost to the operating budget at this time.

- o Building a new center allows us to design and locate the building in a way that optimizes its function. The financial analysis included in this document shows that the annual cost for building a new center is not significantly greater than the cost of purchasing commercial space but it provides much greater functionality.

2. This center should include community use.

There is a strong desire in town from both today's seniors and those who will be seniors soon in having a center that encourages community connectivity. The proposal in this document is designed to encourage the community at large to also use space in the center. The site could support a more comprehensive community center as a future expansion.

3. Acton shouldn't initiate this project now unless federal or state stimulus money is available.

The committee recognizes that the current economic climate makes it difficult to invest in new infrastructure at this time. President Obama is currently working to stimulate the economy by investing in the country's infrastructure. Some of this money will flow to the states. Governor Patrick has indicated that he will support investing in infrastructure projects in the cities and towns specifically including senior centers. We should aggressively pursue this funding option.

4. Acton should encourage the COA to investigate small scale modifications that will improve the existing building while we wait for better times.

This committee has focused on long range solutions. There are some changes that could be made in either the way that the COA operates its programs or small scale improvements to the building and parking that could alleviate some of the worst problems. The committee recommends that the COA Board investigate these choices and make recommendations for short range solutions.

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Overview

One hallmark of a great town is its support of lifelong residency for its residents. Ideally, a town retains its members throughout their later years because a community with a range of ages and good “connectivity” among residents provides better quality of life for everyone.

In an age-diverse community, parents, children, and grandparents who live near each other can build deeper relationships and provide more effective support for each other than is possible for families who are more geographically distant. Important friendships can form between generations and, of course, the ability to maintain long-term friendships is valuable for everyone. Also, because they no longer have children in the school system, senior citizens tend to be lower-intensity users of town services than other residents. Thus, a town with a significant senior population tends to be financially stronger than a town with a relatively small senior population.

Retaining current Acton residents as they age and encouraging seniors to move to Acton is good for the town socially and financially. One way to do this is to ensure that the Council on Aging (COA) is able to deliver desired services to the senior population.

Current Usage of the Senior Center

The current senior center was constructed in 1994 as part of the development of the Audubon Hill senior housing complex. The town has a 99 year lease on the building for \$1 per year. The building is currently being used as a Senior Center but may be used for any municipal purpose.

The Council on Aging (COA) makes effective use of the limited space in the Senior Center as it provides services such as health and wellness programs, exercise classes, home safety assessments, consultations about health insurance, legal issues, fuel assistance, long-term care planning, and caregiver issues. The Council also organizes activities to help seniors stay intellectually engaged, such as opera and classical music opportunities, foreign language classes, computer instruction, multi-cultural programs, and arts and crafts. There are activities designed to help seniors stay socially connected, such as bridge, billiards, book club and board games.

The Council on Aging uses the Senior Center to support several different types of functions. Some use program space at the center (exercise classes, Minuteman lunches, for example), some are services provided by COA staff with offices in the center (scheduling the Senior Van, providing resource information by phone and e-mail) and some involve use of the Senior Center for logistical purposes (Meals on Wheels, Durable Medical Equipment Loan program). In addition, the Senior Center is also used to provide social services to both seniors and non-seniors in town.

Demand for services has outstripped the building’s capacity. This limits the COA’s ability to offer a wider range of programming and results in seniors being turned away from popular programs due to lack of capacity. The need for all of these services has grown as the population in town grows and as the economy weakens.

See Appendix E for more detailed information on the current usage of the senior center.

The current senior center has three main problems:

- **Parking.** One of the limits on the usage of the current center is parking. During popular events, people park on Audubon Drive and walk up the hill. This can be difficult at best for seniors but it is also dangerous in the winter. The parking shortage limits the participation in popular programs and reduces the ability to schedule multiple simultaneous programs.
- **Spaces for public use.** The current building has three spaces that can be used for programs. Two of these spaces (the living room and dining room) are needed regularly for large scale programs but are larger than is needed for smaller scale programs. These spaces cannot be conveniently divided today. As a result, the current space is not set up to facilitate scheduling multiple simultaneous events.
- **Layout of building.** The administrative offices are located in the rear of the building. As a result, when seniors visit the center, there is no-one there to greet them or answer questions. This creates an unwelcoming environment. In addition, staff is not able to monitor who enters the building and thus may not be aware of a medical emergency if it should occur away from the administrative offices.

Demographics

Acton's Senior Population (60 and older) is currently its fastest growing demographic group. During the last sixteen years, Acton's senior population has grown by 67% while the overall population has grown by only 14%. This trend is projected to continue for the foreseeable future. (See Appendix A for more detailed demographic information).

The growth in the senior population is caused by several different trends.

1. There will be a substantial growth in the senior population across the United States as baby boomers age.
2. Seniors are living longer, healthier lives.
3. Out-migration is slowing. The Acton census data shows that more people are choosing to stay in Acton as they become seniors.
4. In-migration is beginning to occur. The creation of senior housing in Acton has caused some seniors to move here. Acton has several senior housing complexes already (Audubon Hill, Robbins Brook, Ellsworth Place) and several more that are in various stages of the planning process (Avalon, Quail Ridge).

In 2007, Acton's population included 3300 seniors. In 2020, Acton will have approximately 4900 seniors. In 2030, Acton will have approximately 6000 seniors.

Process

In April 2007, Town Meeting approved a study of how best to expand services for seniors. The Selectmen formed an advisory committee to explore answers to the question: how should Acton provide services for seniors for the next 10 to 20 years?

The following people have served on this Senior Center Expansion Advisory Committee during 2008/2009:

Paulina Knibbe (chair)	Heather Harer
Charlie Aaronson	Xin Hong
Mary Ann Angle	Dore' Hunter
Peter Ashton	Herman Kabakoff
Steve Baran	Lori Krinsky
Linda Chance	Steve Ledoux
Ann Chang	Gena Manalan
Dean Charter	John Murray
Jean Fleming	Tom Regan
Joan Gardner	Barbara Tallone
Mike Gowing	Barbara Willson

The committee worked closely with the Council on Aging on all aspects of this project.

Subgroups of the Senior Center Expansion Committee initially explored three questions.

- What core functions are essential for the success of an expanded senior center? Gena Manalan led this team to produce a core functions report which is included in Appendix B.
- Where should an expanded senior center be located? Mike Gowing led this team in exploring the suitability of various parcels of town owned land. Ultimately this team identified three possible locations for a new senior center. The Site Selection report is included in Appendix C.
- How does the current funding for the senior center work? Peter Ashton led this team in exploring the current funding model for services at the senior center. The Current Funding Report is included in Appendix D.

As these teams completed their work, three options emerged for further examination.

1. Expanding the senior center at its current location. (Mike Gowing, chair)
2. Moving the senior center into reclaimed office space in town. (Herman Kabakoff, chair)
3. Building a new center on town owned land.(Peter Ashton, chair)

Throughout this process, the public was kept informed through periodic articles in the Senior Center Newsletter, in the Beacon, an interview on the Elderberries Show on public access T.V. and many meetings with various stakeholders.

In January, 2009, two public input sessions were held to present the 3 options and gauge the public response to the various possible approaches moving forward.

This report will document each of these options in detail focusing on how cost effective each particular solution is and the length of time that the solution is likely to last.

Option 1: Expanding the Senior Center at its Current Location

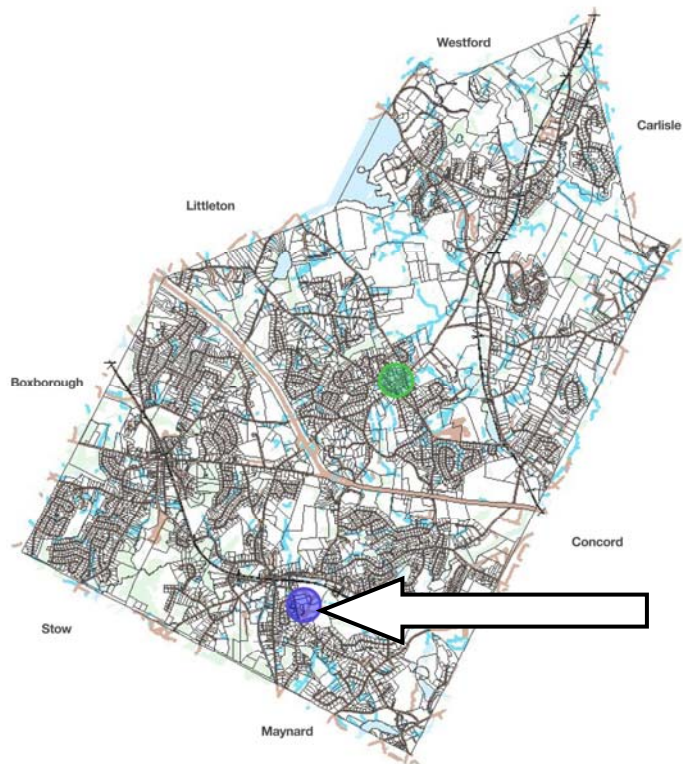
The 'Expand Option' task force consisted of Mike Gowing (chair), Charlie Aaronson, Mary Ann Angle, Peter Ashton, Ann Chang, Dore' Hunter and Tom Regan. The task was to evaluate the best possible way to expand the senior center at its current location and to satisfy the needs of the existing programs as well as address the increased demand created by a burgeoning senior population.

The task force considered and rejected the idea of building a multi-story building on the site. Doing so would be equivalent in cost to building a new center at another location with more available space for parking. After analyzing the limitations of the facility, the task force set about evaluating the most efficient and effective reconstruction that the site could support.

The Audubon Hill site is limited by topography and lot size. The center sits at the top of a hill and there is limited space to expand. The task force concentrated on how to expand the building's footprint, reconfigure the interior space and expand the on-site parking. Consideration for architectural design to fit in with the surrounding neighborhood was also a factor. This proposed expansion would require negotiations with the Audubon Hill condo association which owns the land and the associated septic system.

Location

The purple dot on this map shows the current location of the senior center. The Senior Center is in South Acton. It is adjacent to the Audubon Hill senior housing complex but is not near other community resources. Most users drive along High Street to reach the Senior Center. Traffic on High Street is difficult during commute hours.



Site Layout

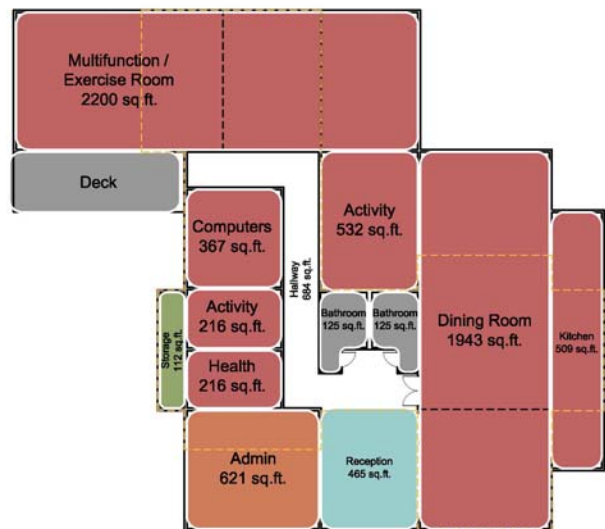
This picture shows the site layout for an expanded senior center on Audubon Hill. The blue roof line is the existing building. The gold roofs are the expanded space. The expansion follows the existing roof lines to minimize expense and maintain design integrity. Similarly, the pink parking spaces are the added parking.



Building Interior Layout

The expansion would provide 9,031 sq feet of space (the current center is 5280 sq ft).

The layout shown here is a 'proof of concept' that is intended to show a way that the space could function. This design shows a larger dedicated exercise space, more spaces for small simultaneous events, private rooms for medical or financial consultations and staff space near the entrance.



Façade

The remodeled senior center would look very similar to the existing senior center. The expansions occur along the existing roof lines which maintains the integrity of the current building design and minimizes cost.



Financial Analysis

The remodel option was analyzed by the Finance Subcommittee (Peter Ashton, Herman Kabakoff and Barbara Tallone) to determine the relative costs of this option compared with the other two options. One major difference with this option is the relatively short time period that this option would serve the community as a senior center. It would serve the needs of the growing senior population for approximately five years. After five years, another option would have to be implemented. As a result, although the costs of this option appear lower than the other two, it only solves the problem for a limited time period and additional expenses would be incurred thereafter which make this the most expensive option over the long term.

Total project costs for the remodel option were estimated by the architect at \$3 million. This option would involve additional staffing costs of about \$120,000 per year as well as other additional annual operating expenses of \$90,000 for maintenance, utilities, janitorial, services and supplies. The tax impact on the average single family home in the first year would be \$64.30 (an increase of 0.7% on the current average tax bill) and the average annual cost of the total project (construction plus operating costs) would be \$494,443 spread out over 5 years. The present value of these annual operating costs was \$427,471, only slightly less due to the relatively short useful life for this purpose compared with the other two options.

See Appendix F for more details on the financial analysis.

Summary

Remodeling the existing senior center would provide more parking, more space, and a more usable design for the space that exists. The expansion will be able to alleviate some of the most pressing concerns for today's use of the facility.

However, this proposal does not meet the long term needs for senior services. The remodel option has several serious shortcomings:

1. It does not satisfy the minimal program requirements that were identified by the function committee (see Appendix B). In particular, there is not enough space for private consultations (financial, medical, counseling, etc), there is not enough space for small scale simultaneous programming and there is no additional storage over what is available today.

2. This option will not be able to expand to satisfy the demand as the senior population grows. The useful life of this option is approximately 5 years.
3. The expanded parking provided in this alteration would be both minimal and expensive. Because the site is on the top of a hill, adding a significant number of parking spots is likely to require substantial site work which adds to the expense.

The relatively short life of this option has significant impact on the comparative cost analysis. The committee recommends against this option because the value proposition (amount of money spent for amount of value received) is unattractive.

Option 2: Moving the Senior Center into Commercial Space

The steering committee discussed several approaches for a new site for the senior center. One approach would be to move the senior center into an existing commercial space in town. The site selection task force (Mike Gowing (chair), Mary Ann Angle, Peter Ashton, Ann Chang, Joan Gardner, Heather Harer, and Tom Regan) produced the following list of possibilities for further consideration:

- Kellys Corner
- West Acton
- Nagog Park office space
- Discovery Way (former Digital space)
- Office space by Post Office
- Pamet space off Rte. 27

The list was submitted to the Commercial Option task force (Herman Kabakoff (chair) and Barbara Tallone) for further evaluation. They surveyed available commercial space in Acton which could provide an acceptable space to house a Senior Center. A commercial broker, Stanley Burwick, was contacted to aid with identifying acceptable facilities and making arrangements to visit buildings identified. Six locations were identified, two in Nagog Park, one in North Acton, one at Post Office Square, the old Beacon building on Main Street and one on Discovery Way. Two of these spaces were determined to be acceptable, the old Beacon Building on Main Street and the building on Discovery Way. The space in Nagog Park may have been acceptable but the landlord determined that Senior Center activities were not consistent with the usage they wanted in their building.

A report of findings was made to the Steering Committee. After discussion, it was determined that the Discovery Way space was preferred and the Old Beacon Building was acceptable. The Discovery Way space was the option that was analyzed in depth. However, given that timing considerations may make this particular space unavailable, the financial analysis was done for a generic commercial space of this size.

Location

The red dot below shows the location of the Discovery Way space. This space is currently available but may not remain so in the future if this option is selected but the implementation is postponed. At that time, other commercial space is likely to be available so the analysis attempts to be generic enough to satisfy multiple possible commercial locations.

This particular space is accessed via Piper Road. This space is adjacent to Route 2. It provides easy driving access for people in all areas of town.



Site Layout

This site is the bottom floor of an existing commercial building. The space under consideration is the left section of the building shown.

As the picture shows, there is generous parking available for this site. The picture shows a suggested re-configuration of the parking area that could provide a private dedicated entrance for the senior center.

The site is attractive with a wooded buffer screening Route 2 from the building.

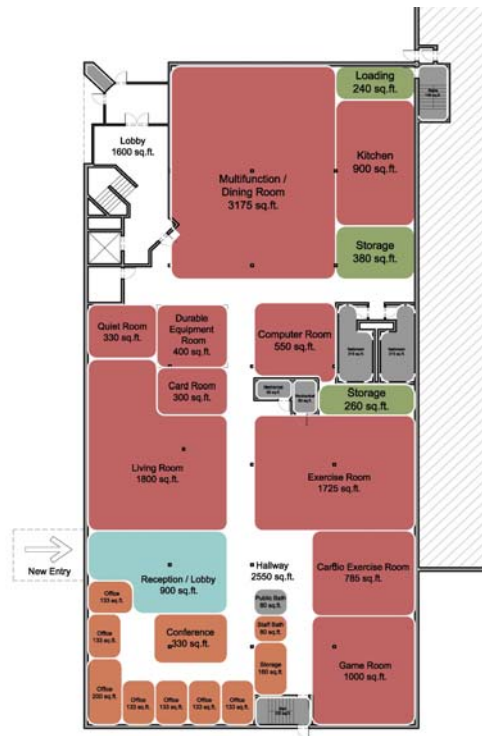


Building Interior Layout

This building has generous space for the functionality desired in a new senior center. The building would provide 20,275 sq feet of space.

The layout shown here is a 'proof of concept' that shows one way that the space could be configured.

This layout provides a private entrance for the senior center, substantial space for exercise classes, a large dining room and many small and medium sized function rooms.



Façade

This building is a typical office building of its era. The design includes a new separate entrance to provide privacy and more of a sense of identity to the senior center.

If a different commercial space is selected, it would look entirely different, of course.



Financial Analysis

The Finance Subcommittee analyzed the Commercial Option as involving both a lease component and a purchase component, and assumptions were made about the timing of the purchase option. To the extent the purchase option is delayed, greater flexibility and lower initial costs may result. However, the purchase price is likely to increase as time goes on, particularly if the economy improves. Also the risk increases over time, particularly if the building is not purchased, the town would lose the value of the improvements.

We analyzed this option under the assumption that building improvements would be performed immediately, i.e., before occupancy, and that the option to purchase would be exercised after the third year. Project costs associated with altering the building were estimated to be \$3.7 million and the purchase price of the building was estimated to be \$2 million for a total cost of \$5.7 million. In addition, as we did not have data from the owner or broker of the reclaimed office space as to purchase prices of an improved building, we assumed that the town would assume the cost of construction, i.e., the building improvements, and would be charged rent on the basis of an unimproved building and that the purchase price would similarly be based on an unimproved building. Although the owner had indicated a willingness to provide some improvements to the building, the scope and size of such improvements would clearly not include what has been developed by the architect. Therefore, we believed for present purposes, i.e., “proof of concept,” that our approach is appropriate.¹ This is also appropriate because it is likely that this particular space might not be available at the time when the town would be ready to commit the funds for this project.

This option also adds costs to the operating budget in terms of the lease payment (for the first three years) as well as recurring expenses, primarily additional FTEs. Personnel costs and the annual lease cost represent almost \$500,000 additional to the operating budget. The tax impact on the average Acton single family home would be approximately \$100 in the first year (an increase of 1.2% over the current average tax bill), and \$122 in the fourth year after the building is assumed to be purchased. In addition, there is lost tax revenue to the town once the building is purchased. The total undiscounted annual cost of this option over 25 years is \$1,078,255 and on a present value basis, the annual cost is \$575,926. Appendix F contains more details on the assumptions and specific costs used to develop the financial analysis of this option.

Summary

Moving into existing commercial space is a way to quickly solve the space and parking problems at the current Senior Center. This option provides the most flexibility of the three options being considered. It would be possible to lease this space for several years and then make a choice about building a new center elsewhere.

However, after analysis this option has several significant shortcomings:

1. Adding a larger recurring expense to the budget is not prudent in this economic climate (if ever).

¹ We did consider the alternative approach and found that depending on the sale value of the improved building, the financial impacts were about the same between the two methods of evaluating this option.

2. One of the disadvantages of the current senior center is its isolated location. Placing a new senior center in a relatively isolated commercial building does not contribute to a sense of community for the seniors.

The 'commercial option' and the 'build new' option were surprisingly close in the financial analysis. The commercial option is less expensive initially during the leasing period. But as soon as the purchase occurs, the present value of the annual cost is quite similar to the 'build new' option. If the town chooses not to exercise the purchase option at the end of the lease period, we lose the value of the improvements we have made. (See Appendix F for the detailed analysis).

The committee recommends against this option because it is not prudent to add significant recurring cost to the operating budget when we are already cutting budgets to meet existing commitments.

Option 3: Building a New Center on Town Owned Land

The 'Build New Option' task force consisted of Peter Ashton (chair), Mike Gowing, Ann Chang, Lori Krinsky, Dore' Hunter, and Tom Regan.

The 'Build New Option' Task Force built on the work of the Site Selection Task Force (Mike Gowing (chair), Mary Ann Angle, Peter Ashton, Ann Chang, Joan Gardner, and Tom Regan) which had identified three town-owned parcels of land that could support the construction of a new Senior Center:

- two adjoining parcels on Arlington St. near West Acton Center
- a parcel in North Acton on Quarry Rd opposite NARA
- a parcel in the center of town next to Town Hall (468 Main St.) which had been purchased by the town two years ago.

The New Site subcommittee prioritized these parcels and initially selected the Arlington St. parcels as being the most attractive given their proximity to West Acton Center, with the Quarry Rd. site as the second most attractive, particularly given its proximity to NARA.

See Appendix C for the full Site Selection Report.

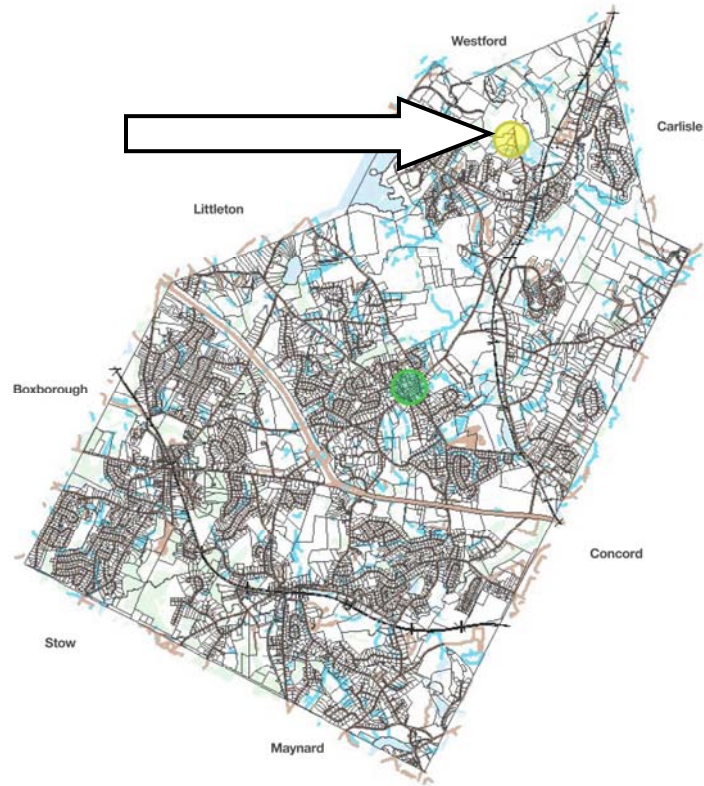
The Task Force used the program needs specified by the Program Task Force (See Appendix B) to guide the design and the size of the proposal for this site. This option was designed to meet program needs for the foreseeable future (at least 20 – 25 years). With input from the architect consultant, the task force determined that a center of approximately 15,000 sq. ft. would be necessary to meet the program requirements.

After further investigation, particularly with regard to wetlands issues, there was a consensus that the Arlington St. parcels would not be capable of supporting a development of the size envisioned for a new Senior Center (a minimum of 15,000 sq. ft. plus required parking) due to wetlands and access issues. Therefore, the Committee proceeded to select the Quarry Road as the site to be used for present purposes in developing the new Senior Center option. Based on site visits with the Conservation Director and Head of Municipal Properties, there is agreement that wetlands will not pose a deterrent to constructions as long as the building is sited at the bottom portion of the parcel. The figure below shows the locus of the Quarry Rd site.

Location

This site is in the northern end of town. It is located close to the Robbins Brook assisted living and senior housing complex. The site is just off Rt. 27, a major thoroughfare in town.

In addition, the site is directly across from NARA Park, the town's major multi-purpose recreation area which would afford many other opportunities for seniors using the Center.

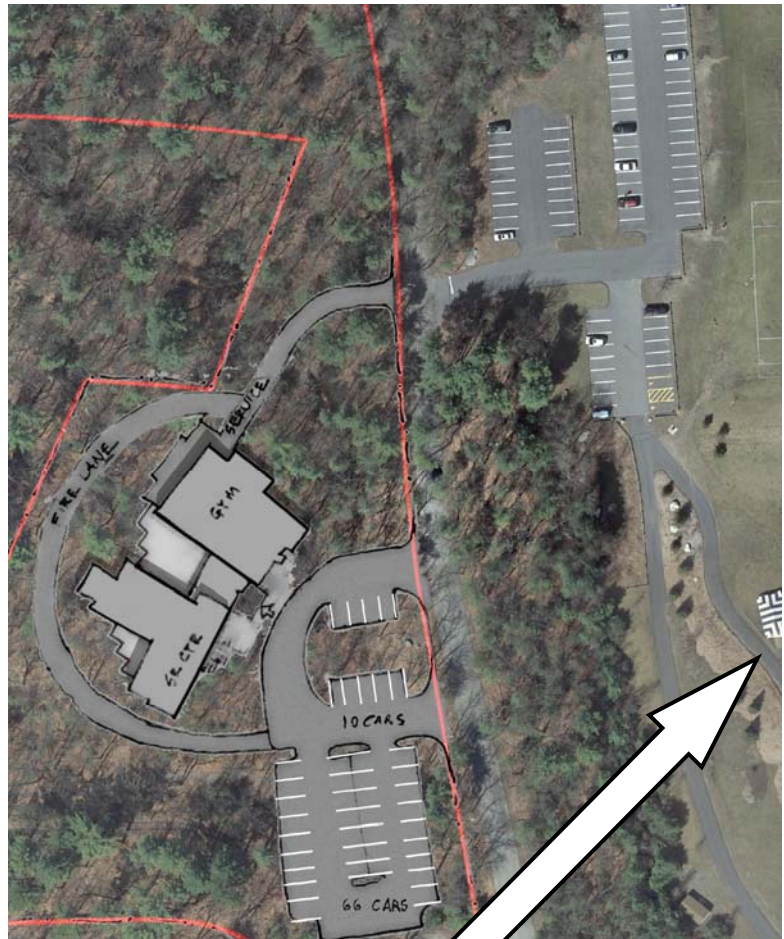


This site has some significant advantages for a new center:

- Near recreation facilities, including walking paths
- New building can provide additional restroom facilities for events at NARA
- The usage of this building (and related parking) is primarily during the day. The heavy usage of parking at NARA is primarily during evenings and weekends. Both parking areas can serve as overflow parking for the adjacent property.

Site Layout

The site layout including the proposed senior center together with parking is shown in this figure. The site itself is outlined by the red border. As may be seen, the site is a densely wooded area which will provide natural vistas from the Center in a relatively rural setting. The parking at the northern end of NARA is shown almost directly across from the secondary access point to the Senior Center. The main entrance together with parking for 76 vehicles is shown slightly below the NARA entrance and would afford a drop off area to the entrance of the Senior Center. A secondary access would allow deliveries directly to the kitchen area, and provide a loop around the building necessary for fire prevention purposes.

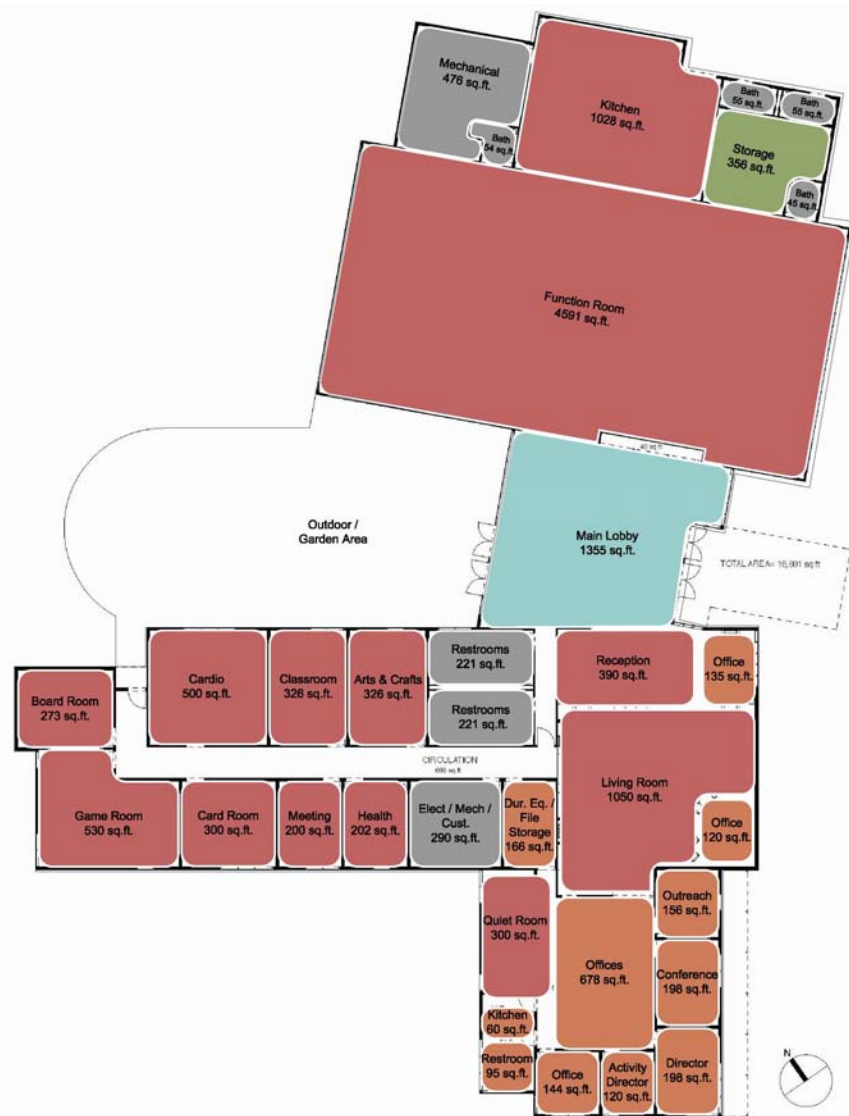


NARA Park Amphitheater

Building Interior Layout

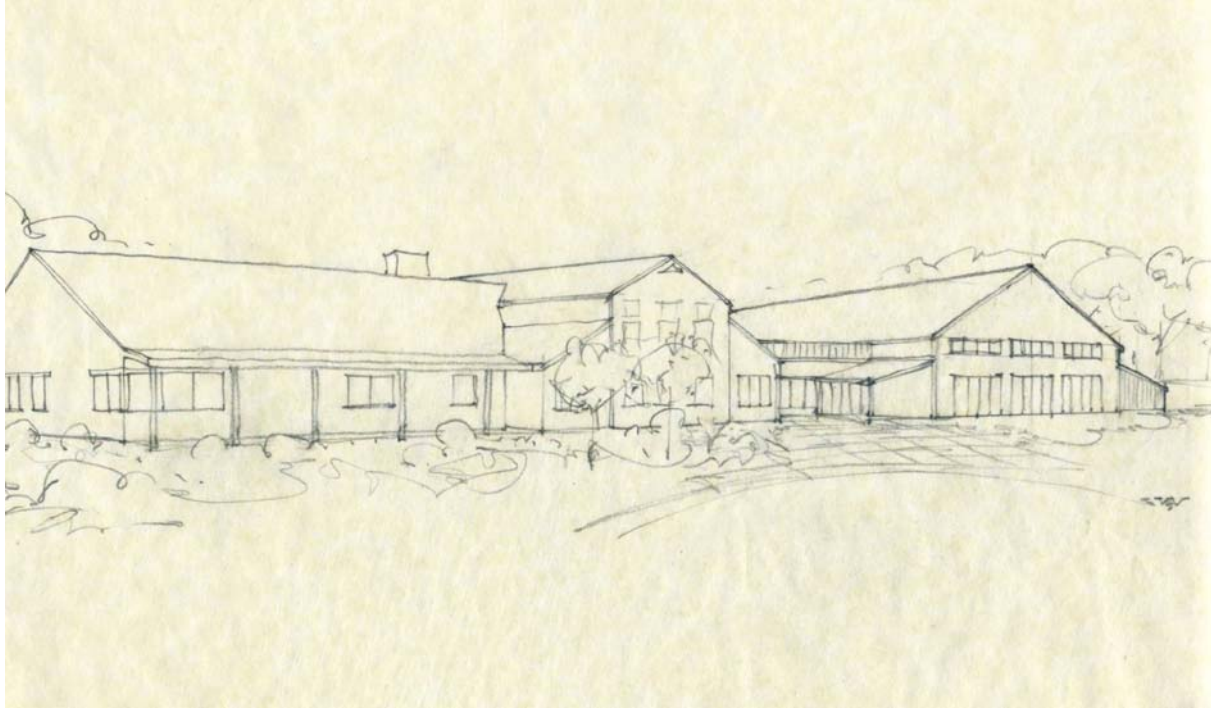
The 'proof of concept' building is designed to evoke the image of a New England Farmhouse connected via a breezeway with a barn. A possible functional layout is shown here.

Total gross building area shown is 16,880 sq. ft with total usable space at almost 14,000 sq. ft. This layout and size would allow all identified program needs to be met and would include approximately 10,000 sq. ft. to be allocated to general activity use such as kitchen, dining room/exercise room, card room, computer room, living room and others as shown in Appendix B: Building Program Inventory. Another 1,700 sq. ft is reserved for a central reception/lobby area. Space allocated for offices would total 1,815 sq. ft and include 7 offices plus storage. The remainder includes space for toilets, equipment room, and mechanical.



As shown, the building would be divided into two components or modules with the large function/dining room, kitchen to one side of the lobby/reception area, and office and other smaller function rooms on the left hand side as one enters the building. The large function room and kitchen would be accessible without having to enter the 'farmhouse' part of the building and thus could be used on evenings or weekends when the Center might not be regularly open. This design also includes bathroom facilities that could be used by people visiting NARA even if the center was closed at the time.

Façade



Financial Analysis

Total estimated project cost for this option is \$7.185 million, including \$5.85 million construction cost (including contingency), and \$1.3 million in fees and expenses. Given the expanded size and scope of services of the new Senior Center, there would be additional operating costs including staffing (approximately 4 FTEs) as well as the costs to operate the building (utilities, janitorial, groundskeeping, maintenance). Additional staffing costs were estimated to be approximately \$250,000 and additional operating costs were approximately \$150,000 per year.

As discussed in more detail in Appendix F: Financial Analysis Model, we modeled this option over an assumed 25 year project life to place it on a reasonably comparable basis with the other two options (understanding that Option 1 only has a 5 year life). Debt service on the project cost was estimated using current estimated interest cost to the town at 5.1% and debt service payments were computed over a 25 year period. Operating costs were inflated at annual rate of 3.5% and a discount rate of 5% was used in the present value computations.

The resulting financial analysis indicated a first year tax cost of this option of \$127.89. The total cost of the option divided by the project life (25 years) is \$1.183 million per year or \$638,000 on a present value basis. This analysis assumes that the project would be initiated immediately. Given the state of the economy and the town's finances, it is likely that this project, if selected, would not be initiated for several years. The architects have estimated that project costs would likely escalate by 4.5% per year, and thus the project costs would likely be 20% higher if the project does not start for another 3-5 years. This would obviously impact the financial analysis.

Summary

Building a new center has the highest initial cost of the three options considered. However, the annual present value of the cost is not substantially higher than moving into reclaimed commercial space (See Appendix F for details). A new center also provides the opportunity to design a building to satisfy the needs of Acton seniors for the foreseeable future. This option provides high community value for the money invested.

Many of today's seniors and people who will be seniors soon expressed a strong desire for a center that includes community use. The proximity to NARA opens up the possibility, not considered in depth here, of building a community center that would serve not only the needs of our senior population but also could bring together other potential community uses into a single building. This building has been designed to encourage wider community use from the beginning and could be expanded at a later date to serve as a community center. Some citizens have expressed the desire to see the town construct a true multi-purpose community center that would meet the needs of citizens of all ages, and this location would be an excellent site for such a combined use.

The committee recommends building a new center on this town owned land near NARA Park. This option provides the best value proposition for the town: money spent to value received.

Appendix A: Demographics

Acton's Senior Population (60 and older) is currently the town's fastest growing demographic group. During the last sixteen years, Acton's senior population has grown by 67% while the overall population has grown by only 14%. This trend is expected to continue for the foreseeable future and we attempted to estimate the likely growth in Acton's senior population over the next twenty years.

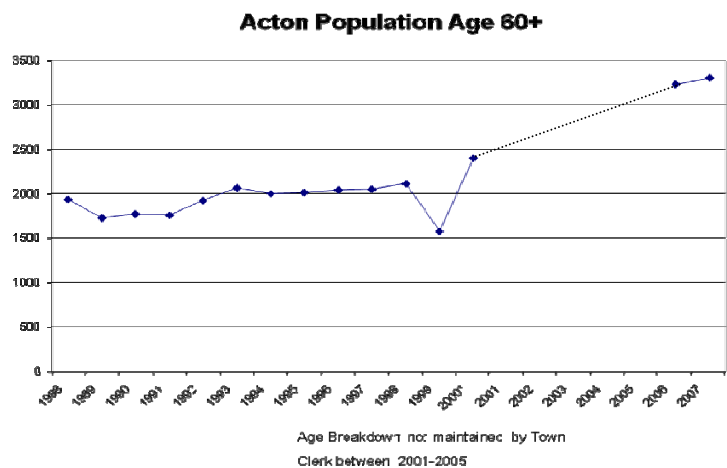
Total population change is the combination of the number of people who join a community (birth, moving in) versus the number of people who leave a community (death, moving out). As residents who currently live in Acton reach the age of 60, the senior population has been growing quite rapidly.

Several factors are contributing to the growth in Acton's senior population.

1. There is a national trend in which seniors are living longer due to improved medical care.
2. The baby boomers will begin to turn 60 very soon. This demographic group is well represented in Acton's population.
3. Out-migration has slowed in the last eight years. More Acton residents are choosing to remain in Acton as they become seniors. The growth in the senior population is mostly people who currently live here and who want to stay.
4. In-migration of seniors has also occurred due to new senior housing being constructed in Acton. In addition to the senior housing that already exists, 270 more units have been approved for construction.
 - Robbins Brook
 - Ellsworth Place
 - Woodlands (planned)
 - Quail Ridge (planned)

Current Population Data

The chart shown below shows the trend in growth of Acton's senior population since 1988. As may be seen, the most rapid increase in the 60+ population has occurred in the last 7 years. Total senior population is slightly over 3,300 whereas in 2000 it was 2,398, reflecting an increase of 900 seniors or a 37 percent increase.



Demographic Projections

Two organizations produce population projections for this area that include information about different age groups.

MISER (Massachusetts Institute of Social and Economic Research). MISER's last projections were done in 2003. They no longer perform regular demographic projections.

MAPC (Metropolitan Area Planning Council) performed a full demographic projection in 2000. They updated their projections in January 2006. MAPC is forecasting senior population growth for this region between 2% and 3.1% per year over the next twenty years. They project total population growth at less than 1% per year thus indicating a more rapid increase in the senior population.

However, MAPC's projection for Acton's senior population has already been shown to be too low. They projected that Acton's senior population would be 3,249 by 2010. But as noted above by 2007, Acton's senior population was already 3,305.

In order to update the projections performed by MAPC and MISER, we developed projections using the same growth trends as predicted by MISER and MAPC, but used as a base the 2007 actual senior population. This results in three "cases" as follows:

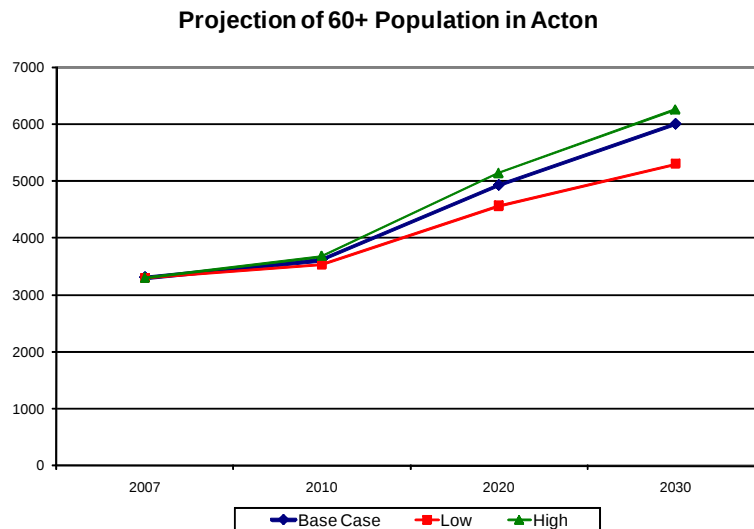
- Base case. Uses MAPC projected growth rates for Acton's senior population
- High case. Uses Acton's actual recent growth rates in senior population
- Low Case. Uses Acton's growth rates of senior population in the 1990s

The new projections along with the MAPC and MISER projections are below in the table. The Base Case or most likely scenario shows over 4,900 seniors by 2020 and 6,000 seniors by 2030. Even the Low Case shows over 4500 seniors by 2020 and 5300 seniors by 2030.

Summary of Senior (60+) Projections for Acton						
			Most Current Actual	2010	2020	2030
Committee	Base	Current = 2007	3,305	3,620	4,927	6,000
	Low		3,305	3,535	4,569	5,302
	High		3,305	3,686	5,143	6,262
Projection performed 2/1/08						
MAPC						
		Current = 2000	2,398	3,249	4,422	5,374
Projection performed 1/1/06						
MISER	Base	Current = 2000	2,398	3,381	4,417	NA
	Low		2,398	3,277	4,114	NA
	High		2,398	3,489	4,727	NA
Projection performed in 2003						

The figure shown below presents in linear form the demographic projections for the three cases. As may be seen, each case starts with the actual senior population as of 2007 and projects forward to 2030 indicating that a range

between 5,300 and 6,262 seniors will be living in Acton in 2030. We would note that the mid-point of our estimates is still very close to the MAPC projections.



We also considered the age groupings of the senior population in our projections as this may be helpful in understanding the types of uses that might be desirable in a senior center in the future. The majority (64%) of the current senior population is between the ages of 60 and 69. Using the base case projection estimates, we found that there would be a gradual aging of the senior population between now and 2030. By 2030 we estimate that the age cohort that is 65 – 75 will represent 50% of the total. The 60-64 cohort will actually decline from 38% to about 30% of the total. The projections of the senior population by age group are shown in the table below.

Projection of Senior Population in Acton by Age Group				
Age Group	2007	2010	2020	2030
60-64	1246	1472	1845	1825
65-69	875	987	1472	1835
70-74	490	503	867	1168
75-79	280	266	360	594
80-85	232	222	221	386
85+	182	170	161	192
Total	3305	3620	4927	6000
<i>Uses Base Case Projection</i>				

Appendix B: Program

The Function Team consisted of Gena Manalan (chair), Charlie Aaronson, Steve Baran, Linda Chance, Jean Fleming, Xin Hong and Barbara Willson. The Function Team spent over a year determining the core programs that should be offered at Acton's senior center to encourage successful aging. This work included the following:

- COA Survey mailed to all current Acton seniors
- A series of 'Coffee and Conversation' meetings with users of the Senior Center
- Survey at Annual Town Meeting and Acton Wellness University
- Focus Group Meeting with the Chinese Community
- Suggestions and comments from the Disabilities Commission
- Comprehensive Community Plan survey and meetings
- The COA Board visited 11 recently constructed or remodeled senior centers in neighboring communities

The team analyzed all of this information and came up with two different program options. The first option focuses on what can be done in an expansion of the current facility. The site restrictions place severe limitations on the ability to expand programming at this location. The second option is a more realistic outline of what is required to satisfy the needs of Acton seniors for the next 10 to 20 years.

The team developed a matrix of key services and programs and approximate space requirements to provide those services. This material was given to the architects who used it as the basis for the following building program inventory.

Acton Senior Center

Building Programming Inventory

	Existing Building	Option 1: Expand Existing Building	Option 2: Office Building Renovation	Option 3: New Building Quarry Road
Gross Building Areas	5,438	9,031	20,275	16,880
Net Usable	5,106	8,581	18,973	16,054
Net Assignable	4,756	7,647	13,933	13,837
Non-Assignable	350	934	5,040	2,217
Structural	332	450	1,302	826
General Use	130	465	900	1,745
Reception / Lobby	130	465	900	1,745
Activity Use	3,394	6,095	11,155	10,022
Activity Room(s)		748		
Arts & Crafts w/ Storage & Wash Area				326
Card Room			300	300
Computer Room	180	367	550	326
Conference Room			330	273
Consultation Room				200
Exercise Room		2,200	1,725	
Exercise Room - Cardio			785	500
Game Room	700		1,000	530
Health		216		202
Kitchen	230	509	900	1,028
Living Room	1,400		1,800	1,050
Multifunction / Dining Room	700	1,943	3,175	4,591
Quiet Reading Room			330	300
Storage	184	112	260	396

2

Acton Senior Center				
Building Programming Inventory				
	Existing Building	Option 1: Expand Existing Building	Option 2: Office Building Renovation	Option 3: New Building
Offices	766	621	1,158	1,815
Break-Out Space				198
Director's Office			200	198
Office(s)			133	678
Office			133	120
Office			133	144
Office			133	120
Office			133	135
Office			133	156
Office Storage			160	66
Support	466	466	720	255
Durable Equipment Room	466	466	400	100
Loading			240	
Staff Kitchenette				60
Staff Restroom			80	95
Building Service	250	250	510	941
Companion Toilets				³
Custodial				290
Public Restrooms	250	250	510	651
Mechanical	0	0	110	476
Mechanical			110	476
Circulation	100	684	4,420	800
Hallways	100	684	2,550	800
Lobbies			1,600	
Stairway			270	

¹ Below Grade, Non-Accessible in Existing Scheme

² Included in Multi-Purpose Room

³ Included in Public Toilets

Appendix C: Site Selection Report

The site selection committee consisted of the following people: Mike Gowing (chair), Mary Ann Angle, Peter Ashton, Ann Chang, Joan Gardner, Heather Harer, and Tom Regan.

In January of 2007, the charter of the Site Selection Committee, as tasked by the Senior Center Expansion Steering Committee, was to take sixty town-owned properties, review them for viability to build a new senior center and select two or three appropriate locations. The decision to review town-owned land and buildings was to minimize building costs (acreage in Acton is expensive).

The criteria for ranking sites for elimination listed as follows:

- Wetlands proximity
- Existing use of land (Ball fields, etc)
- 1.5 acre buildable land, minimum size
- Accessibility
- Unacceptable entrance (land locked)
- Space for future expansion
- Adequate parking area (>100 spaces)
- Appropriateness for neighborhood
- Close to other town amenities
- Use of existing buildings

Some criteria were weighted more heavily based on surveying the current senior center staff and resulting visits to other local senior centers and what they experienced – we ultimately visited 11 other towns.

Over the course of the study, the committee did a town wide evaluation of where the current senior population resides and discovered that the senior population is evenly distributed throughout the town.

The committee considered several town-owned buildings:

- Towne School Building. Very limited parking on site. The Senior Center cannot use the nearby school parking because it is most heavily used during the same hours that school is in session. The town has made a commitment to use this building for affordable housing
- School Admin Building (the old Merriam School Building). This building is current being used to house Community Education offices, several school programs and Danny's Place – a privately operated teen center. The parking near this location is limited.
- Red House near Town Hall. This site made the list of the top three sites

The committee evaluated the list of 60 potential plots of town-owned property and selected 10 potential sites. Members researched these 10 sites to determine the most suitable. Ultimately, the committee winnowed the list down to three options:

1. West Acton (Arlington Street)
2. NARA Park (Quarry Road)
3. Town Center (Main Street)

Of the three, it was determined that the Quarry Road location was the most suitable for a new center.

Appendix D: Council on Aging Funding

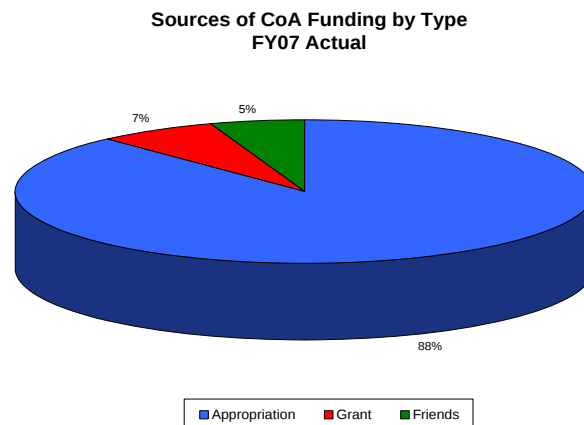
The Finance Task Force consisted of Peter K. Ashton (chair), Herman Kabakoff and Barbara Tallone

The Finance Task Force of the Senior Center Expansion Advisory Committee investigated how Acton funds senior services and developed a financial model that can be used to evaluate the financial impacts of various expansion options as they are presented and developed by the Advisory Committee. We analyzed financial data for operations at the senior center for fiscal years (FY) 2006, 2007, 2008 and the proposed budget for 2009. We focused on the sources and uses of funds as well as the cost per senior served, and budgetary trends. In addition to the general operations of the senior center, we also analyzed the separate CoA van enterprise account which is used to fund the CoA van services. This van provides transportation services to seniors throughout Acton.

Sources of Funds – General Operations of CoA

The general operations of the senior center are funded primary through direct appropriation in the municipal operating budget. As shown in Figure 1, in FY07 (the fiscal year ending June 30, 2007), direct appropriation accounts for 88 percent of the total funding. Total funding was approximately \$228,000. The two other sources of funding include a state grant which we apply for and receive every year from the Executive Office of Elder Affairs. This is a formula grant used to fund a portion of the CoA Outreach Coordinator and other support activities. Finally the Friends of the CoA raise money through donations which is used to support various programs and trips for seniors. Over the last three years, the Friends have raised on average about \$13,500 to help support senior services through the CoA.

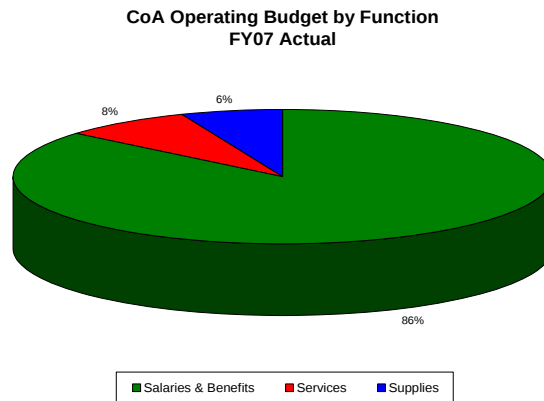
Figure 1



Uses of Funds - General Operations of CoA

The bulk of the money used to support the general operations of the CoA goes to pay salaries and benefits of the full-time and part-time people who work at the senior center. As Figure 2 shows in FY07, 86 percent of the funds for general operations of the CoA went to salaries and benefits. 8 percent went for services and 6 percent went to supplies, primarily the printing, copying and postage costs associated with the CoA newsletter.

Figure 2



Combined Sources and Uses Statement

We have analyzed the combined sources and uses of funds for general operations of the senior center for FY06 and FY07 as well as budget and year to date figures for FY08 and the proposed budget for FY09. This is shown in Table 1. This represents a comprehensive view of the operations at the senior center, including not only general appropriated funds, but also the impact of the state grant and the Friends of the CoA. We have excluded the CoA Van Enterprise account which we discuss separately below. The general operations include the services provided by the senior center, including personnel in the form of 3.35 full time equivalent (FTE) positions, as well as volunteers who provide additional work both through the senior work program and on an *ad hoc* basis. As Table 1 indicates in both FY06 and FY07, the CoA generated a small surplus which was returned to the general municipal budget. The reasons for these small surpluses are as follows:

In FY06, there was no payment to Minuteman and a small portion of the grant was carried forward to FY07.

In FY07, due to staff turnover, a new hire was made at a lower salary level than had been budgeted, and there was a time lag in the replacement process.

In FY08 it appears there may be a small surplus (the FY is only half over at the time this analysis was prepared) again due to staff turnover.

Finally FY09 indicates a surplus in the form of the grant which expenditures are not indicated in the proposed budget. Otherwise the FY09 budget is balanced (sources = uses). Also as noted, the data for FY09 do not include any \funding from the Friends of the CoA.

Table 1

Combined Sources and Uses for General Operations of CoA

	<i>Actual</i>		<i>Budget</i>	
<i>Sources of Funds:</i>	FY06	FY07	FY08	FY09
General Fund Appropriation - CoA	\$ 135,761	\$ 158,788	\$ 168,262	\$ 204,163
State Grant	\$ 14,076	\$ 15,107	\$ 15,588	\$ 16,000
Friends	\$ 14,432	\$ 12,171	\$ 13,926	NA
General Fund Appropriation - Treasurer	\$ 60,848	\$ 42,039	\$ 58,097	\$ 63,425
Total Sources of Funds	\$ 225,117	\$ 228,105	\$ 255,873	\$ 283,588
<i>Uses of Funds:</i>				
Salaries	\$ 137,615	\$ 143,083	\$ 163,721	\$ 181,215
Benefits	\$ 63,857	\$ 45,883	\$ 58,097	\$ 63,425
Services	\$ 9,239	\$ 9,389	\$ 11,396	\$ 11,651
Supplies	\$ 8,265	\$ 13,544	\$ 7,550	\$ 8,440
Trips & Programs funded by Friends	\$ 3,796	\$ 4,666	\$ 7,712	NA
Minuteman Sr. Services	\$ -	\$ 2,754	\$ 2,809	\$ 2,857
Total Uses of Funds	\$ 222,772	\$ 219,319	\$ 251,285	\$ 267,588
Net Position	\$ 2,345	\$ 8,786	\$ 4,588	\$ 16,000

+ Excludes Van Enterprise account but includes Friends for FY06. FY07 and FY08

As the demand for senior services has been increasing, staffing at the Senior Center has also been increasing. Salaries and benefits have increased between FY06 and FY08 by 10 percent. This is a result of an increase in the number of FTE's as shown in Table 2. Between FY06 and FY08, the number of FTE's has increased from 2.86 to 3.35. Salary and benefit cost per FTE has actually declined from approximately \$70,000 in FY06 to \$66,000 in FY08. As noted above this is due to new hires that have been made at lower starting salary levels than what existing employees has been paid. In addition, benefits costs (health insurance) have declined significantly. Table 2 also separates the source of funding by FTE.

Table 2

Number of Full-Time Equivalent Employees and Seniors Served by CoA

FTE's:	FY06	FY07	FY08
Operating Budget	2.43	2.70	3.05
Grant	0.28	0.20	0.23
Friends	0.15	0.10	0.07
Total FTE	2.86	3.00	3.35
Seniors Served (est.)	950	1,100	1,225*
Rate of Increase		16%	11%
Cost per senior served	\$ 234	\$ 199	\$ 205

* Estimate based on year to date figures

Table 2 presents an estimate of the number of seniors served by the CoA which allows us to estimate the cost of seniors served. The demand for senior services as measured by the number served has increased significantly in recent years, and is expected to continue to increase this year. Nevertheless, the cost of serving seniors in Acton has averaged slightly over \$200 per senior served over the last three years.

CoA Van Enterprise Fund – Sources and Uses

In addition to the general operations at the senior center, the CoA provides transportation to seniors in Acton in conjunction with the Lowell Regional Transportation Authority (LRTA). The funding for the van service for which a modest fee is charged is maintained in a separate “enterprise” account by the town. Enterprise accounts are supposed to be self-funding. Table 3 presents the sources, uses, and fund balance for this account for the period FY06 through FY08 (estimated) and the budget for FY09. The primary sources reflect funding from the LRTA (which in theory should cover the cost of operating the van), various outside sources including the last two years a direct appropriation, and to a much smaller extent fares. For several years, this account has operated at a deficit and has required additional funding. In FY06, for example, a \$16,000 infusion into the account from the Audubon Hill gift account was necessary. In the last two years, an appropriation of about \$40,000 each year was necessary to keep the van operating. The reason for this is that fares are kept to a minimum and the LRTA is supposed to offset the remaining cost which it has failed to do in recent years. Escalating costs, particularly for fuel to operate the van has also contributed to this problem. Fund balance has remained positive, but only by virtue of the subsidy from the general operating fund. The Van account covers the cost of 1.43 FTE’s including the van driver and a part-time dispatcher (as well as vacation coverage for the driver).

Table 3

CoA Van Enterprise Account

	Actual		Budget	
	FY06	FY07	FY08	FY09
<i>Sources of Funds:</i>				
Van Fares	\$ 4,408	\$ 4,053	\$ 4,000	Not available
LRTA	\$ 35,771	\$ 41,185	\$ 40,710	"
Earnings on fund balance	\$ 468	\$ 1,726	\$ 950	"
Appropriation	\$ -	\$ 44,040	\$ 37,243	"
Gift (Audubon hill) account	\$ 16,000	\$ -	\$ -	
Total Sources of Funds	\$ 56,647	\$ 91,004	\$ 82,903	
<i>Uses of Funds:</i>				
Salaries + Benefits	\$ 61,941	\$ 66,786	\$ 68,909	\$ 81,769
Services	\$ 5,165	\$ 8,562	\$ 19,044	\$ 15,548
Total Uses of Funds	\$ 67,106	\$ 75,348	\$ 87,953	\$ 97,317
Fund balance at beginning of FY	\$ 21,697	\$ 11,238	\$ 26,894	\$ 21,844

Evaluation of Cost of Providing Services to Seniors in Acton

We also evaluated the cost of providing services to seniors on a per capita basis in comparison with other services the town provides. We examined the cost of senior services not only to those who actually received them, but also to all seniors and on a per capita basis for FY07 as shown in Table 4 and compared this with the cost to provide police, fire and education in Acton. To ensure that we were capturing all costs we also included the amount appropriated in FY07 to subsidize the CoA Van service. As can be seen, the costs to serve seniors in Acton compares favorably with the cost to provide other, more basic services such as police, fire and education.

Table 4

Comparison of Per Capita Cost to Provide Services in Acton

	FY07
Cost of senior services per total seniors	\$ 81.46
Per capita expenditures on seniors	\$ 12.79
Per capita expenditures on police	\$ 124.65
Per capita expenditures on fire	\$ 132.06
Per capita expenditures on education	\$ 2,159.44

Source: Department of Revenue

Model to Evaluate Senior Center Expansion Alternatives

There are two key components to the model that will be used to evaluate the financial impact of the expansion. First, there is the capital component which will start with an estimate of the cost to construct the new facility including any alternative scenarios, assess how it will be funded (via debt exclusion or other method) and then estimate the tax impact of this capital cost depending on funding method. We will also assess the reasonableness of the construction cost given other recent similar projects. The Steering Committee has already collected much of this data.

The second component of the model will estimate the impact of the expansion on the operating costs of the senior center. It is anticipated that expansion of the senior center will require an increase in staffing which is expected to be the major operating cost driver. We will utilize the data developed and discussed above regarding the costs to serve seniors as one metric to estimate increased operating costs. In addition, the Finance Task Force will work with the CoA Director to develop a *pro forma* operating budget under the expansion alternative[s]. This *pro forma* budget will follow the model shown above in Table 1, indicating sources and uses of funds and will compute the estimated tax impact of increased operating costs. This will then be combined with the capital cost component to provide an integrated tax impact analysis.

Appendix E: Current Usage Information

The COA uses the Senior Center to support several different types of functions. Some use program space at the center (exercise classes, Minuteman lunches, for example), some are services provided by COA staff with offices in the center (scheduling the Senior Van, providing resource information by phone and e-mail) and some involve use of the Senior Center for logistical purposes (Meals on Wheels, Durable Medical Equipment Loan program).

The activities at the senior center can be grouped in several different ways: recurring classes, one time events, individual and private counseling, and drop in activities.

Classes

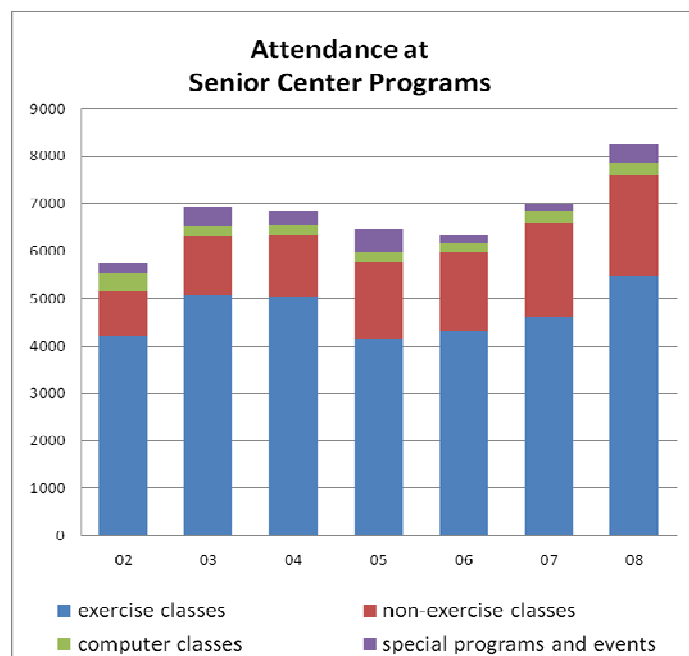
Exercise classes are among the most popular programs offered at the Senior Center. Seniors must register for classes and many classes fill quickly after sign-ups begin. Many more seniors would use this program if it could be expanded.

Other popular classes include art, music, bridge, and computer workshops. The COA has recently partnered with the Framingham State Lifelong Learning Center to offer some very well attended series of programs (e.g. Famous American Trials, Broadway Musicals, Art Awareness, all funded by the Friends of the COA).

The COA maintains statistics on the usage of the 'sign up' programs it provides at the center. But statistics for drop in events are harder to calculate, due to building layout, as staff members don't see people as they enter the building. The following chart shows the historical data on the number of people who participated in scheduled classes since 2002.

The chart at the right shows the number of program visits that occurred as the senior center from 2002 through 2008. An exercise class that meets twice a week, for example, would count as two visits.

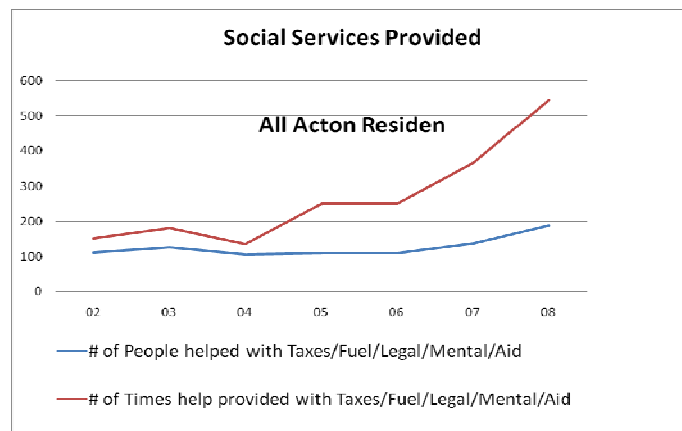
The graph clearly shows the rise in use of activities at the senior center. Many seniors have said that they would attend more frequently if more classes were offered or if more parking was available for popular events.



The blue line on this Social Service chart shows the number of people who received social service help at the senior center from 2002 through 2008.

The red line shows the number of times that people received social services.

The graph shows both the rise in the number of people who need help and the rise in the severity of the need.



Minuteman Lunch Program

The Minuteman Meal site, located in the Senior Center Dining Room, has had an increase of 19% in the # of meals served over the past five years, from 2621 to 3127. In FY08, approximately 60 seniors enjoyed meals here, while 43 seniors received a total of 6634 home delivered meals.

Special Programs and Events

Holiday Tea, Special Luncheons (Indian Lunch, Chinese Lunch, St. Patrick's Day, etc), musical entertainment, educational programs, Volunteer Recognition Reception, etc are popular events that tend to draw a capacity crowd.

Individual and Family Consultation

There are many different services in this category; podiatry and blood pressure clinics, tax preparation assistance, legal consultation, fuel assistance, long term care planning, caregiver consultation, health insurance counseling, etc. Most of these services are provided at the center, some by phone. These visits need to occur in private space.

Drop in Activities

The current statistics do not accurately reflect numbers of people who drop by the Senior Center for an activity that doesn't require advance registration.

Parking

With only 39 parking spaces, including 4 handicapped spots, parking has been and continues to be a problem at the Senior Center. Parking capacity is affected by a number of situations including:

- * Congestion when one program is ending and another beginning
- * A single large event such as a special luncheon or high attendance program
- * Multiple programs going on simultaneously

The parking capacity in conjunction with the building space combine to make scheduling of programs and events a challenge.

It is important to note that the building can be full when the parking lot still has space available and the opposite can also be the true: the lot can be full when the building still has rooms available. Examples are:

- In the case when there are programs in the living room, dining room and computer lab, the building has no available program space, but the parking lot may still have room. This was the situation on November 4th when we had 28 people in the building, the lot was 3/4 full, but the public spaces were all being used.
- It can also be the case that the building is not at capacity because only one room is being used but the event is so large the parking lot is filled or over-filled. An example of this took place on November 20th when we had 64 people in the building for lunch which overfilled our parking areas but only one program space in the center was being used.

In both cases the Senior Center was at capacity...

Study Data

From October 20th through Dec 11th of 2008, COA Staff counted the number of people using the senior center and the number of cars in the parking lot every 90 minutes on every day that the senior center was open.

When popular events occurred and during overlapping exercise classes, parking spaces were frequently unavailable. The parking situation clearly provides an upper limit on the number of seniors who can participate in popular single events or in multiple events that are scheduled at the same time.

In this table, the # of “building spaces” used is based on the 3 rooms available for programs: Living Room, Dining Room and Computer (Consultation) Room. The latter has a capacity of 6 people.

The maximum # of activities would be 4, if all programs rooms were used and the Living Room or Dining Room had two activities occurring simultaneously.

This table shows the times where the parking lot was over 100% full.

	day	date	time	Parking % full	# of people in Sr Ctr	# of building spaces used	# of activities
Week 1	Mon	20-Oct	10:30	115	51	3	4
	Mon	20-Oct	12:00	100	38	2	2
	Tues	21-Oct	9:00	100	36	2	2
Week 2	Mon	27-Oct	10:30	115	54	3	3
	Mon	27-Oct	12:00	100	40	2	2
	Tues	28-Oct	9:00	113	46	1	1
	Tues	28-Oct	1:30	100	44	3	3
	Thurs	30-Oct	12:00	115	43	2	2
	Thurs	30-Oct	1:30	108	42	3	4
Week 3	Mon	3-Nov	10:30	113	63	3	4
	Thurs	6-Nov	1:30	108	40	2	2
Week 4	Mon	10-Nov	10:30	118	53	3	3
	Mon	10-Nov	12:00	100	35	2	2
Week 5	Mon	17-Nov	9:00	103	43	1	1
	Mon	17-Nov	10:30	110	54	3	4
	Mon	17-Nov	12:00	100	34	2	2
	Tues	18-Nov	10:30	100	37	3	4
	Tues	18-Nov	12:00	120	67	1	1
	Tues	18-Nov	1:30	108	53	3	4
	Thurs	20-Nov	12:00	103	64	1	1
Week 7	Tues	2-Dec	9:00	100	41	3	4
Week 8	Tues	9-Dec	10:30	105	43	3	4
	Thurs	11-Dec	3:00	125	55	2	3

Appendix F: Financial Analysis Model

The Finance Subcommittee (Peter Ashton (chair), Herman Kabakoff and Barbara Tallone) developed a financial analysis spreadsheet model to analyze and compare the three options that were identified for further examination. These options included:

- Expanding the senior center at its current location;
- Moving the senior center into existing commercial space in town;
- Building a new center on town owned land.

The Subcommittee had previously analyzed the current financial picture and funding for the Senior Center and used some of this information in developing the model to evaluate the three options. We compiled data on the costs to operate the current center and worked with town staff to develop estimates of the additional (incremental) costs of operating the new Senior Center under each of the three options listed above. We also analyzed the project costs of each option and estimated the debt service costs associated with each option. The model we developed allows one to compare the costs of each option using three parameters: (1) first year tax impact; (2) total costs on an annual basis; (3) the present value of the annualized costs. The rest of this Appendix discusses this model and its results in slightly greater detail.

Model Assumptions and Inputs

Various inputs and assumptions were required for the model and they are listed below in Table F-1. The first set of inputs relates to the size of the building under each option, the usable space, project and construction cost. These were provided by the architect. The Steering Committee determined the useful project life for each option. The primary concern here relates to Option 1 which fails to meet the program requirements. While we agreed upon a useful life of 5 years, it must be remembered that when one compares this option with the other two which have lives of 25 years, additional costs reflecting another option must be added to Option 1 to provide a true comparison among the three options.

Option 2 involves both a lease component and a purchase component, and assumptions were made about the timing of the purchase option. To the extent the purchase option is delayed, greater flexibility and lower initial costs may result. However, the purchase price is likely to increase as time goes on, particularly if the economy improves. We analyzed this option under the assumption that building improvements would need to be performed immediately, i.e., before occupancy, and that the option to purchase would be exercised after the third year. We also analyzed the option being exercised in the fifth year and found that the total costs were slightly lower. In addition, as we did not have data from the owner or broker of the reclaimed office space as to purchase prices of an improved building, we assumed that the town would assume the cost of construction, i.e., the building improvements, and would be charged rent on the basis of an unimproved building and that the purchase price would similarly be based on an unimproved building. Although the owner had indicated a willingness to provide some improvements to the building, the scope and size of such improvements would clearly not include what has

been developed by the architect. Therefore, we believed for present purposes, i.e., "proof of concept," that our approach is appropriate.²

Table F-1

Financial Model of Senior Center Expansion Options			
	Option #1: Expand Existing Site	Option #2: Lease w/ Purchase Reclaimed Office Space+	Option #3: New Construction
Inputs/Assumptions:			
Total Gross Square footage++	9,031	18,973	16,880
Incremental/useable (assignable) sq. footage++	7,641	13,933	13,213
Construction cost++	\$250/sq. ft	\$150/sq. ft	\$350/sq. ft
Project cost++	\$3,087,500	\$3,700,000 3 Yrs Lease/22 yrs Purchase	\$7,185,000
Useful project life	5 YRS		25 YRS
Purchase option price (Option 2 only- pre-improvement value)		\$2,000,000	
Interest Rate on Debt (per S. Barrett)	3.50%	5.10%	5.10%
Meet program requirements?	No	Yes	Yes
Additional staffing costs incl. benefits*	\$120,723	\$249,182	\$249,182
Additional services and supplies	\$5,200	\$6,000	\$6,000
Incremental building costs per sq. ft. * *	\$11.50	\$11.50	\$11.00
Rental cost (option 2 - for initial three years)		\$12/ sq. ft	
Inflation rate for opex items	3.5%	3.5%	3.5%
Project cost inflation rate	4.5%	4.5%	4.5%
Current Tax Levy (FY09)	\$62,108,000	\$62,108,000	\$62,108,000
Average SF Tax Bill (FY09)	\$8,402	\$8,402	\$8,402
Current Tax Rate (FY09)	\$16.56	\$16.56	\$16.56
+ This option includes a lease for three years followed by the exercise of an option to purchase. \$2 million purchase price based on capitalized value of net rent @ \$10/sq. ft			
++ Estimates derived from "Preliminary Project Budget Summary," Lerner, Ladds + Bartel, Inc., December 31, 2008			
* Includes additional FTEs to be funded from operating budget; other FTE's may be added but would be funded via gifts, grants or fees			
* * includes maintenance, electricity, utilities, telephone, water, trash removal, etc. Based on data from D. Charter re similar costs for TH; included in lease but not once purchase option exercised			

² We did consider the alternative approach and found that depending on the sale value of the improved building, the financial impacts were roughly equivalent with the two methods of evaluating option 2.

We have assumed that the town would borrow to fund the project costs as well as the purchase costs under option 2. Town staff provided data on the current costs of borrowing over different time horizons. These costs are based on the current (1/1/09) experience of similarly-situated (and rated) cities and towns that have actually gone into the markets to borrow funds of less than \$10,000,000. Current interest rates for municipalities are atypical in two ways. First, short-term rates are considerably lower than long terms rates, and second all rates are significantly higher than what municipalities usually face. Table F-2 below illustrates these borrowing rates. Based on these data we have utilized a 3.5% interest rate on the 5 year debt under option 1, a 5% rate on the 20 year debt on option 2 purchase option, and a 5.1% interest rate on the 25 year borrowing for the other two options. As one would expect the debt service on the project cost of option 3 is about twice that of option 2 since the total cost is about double.

Table F-2
Current Borrowing Rates for Municipalities

Term (Years)	Interest Rate
1	2.75%
5	3.50%
10	4.00%
20	5.00%
25	5.10%

Each option involves not only the project costs related to construction, but also increase operating costs which also have to be included in the model. These operating costs include increased staffing as well as supplies and services and operating costs associated with the building itself (utilities, janitorial, groundskeeping, maintenance). Data on increased staffing costs were provided to the subcommittee by staff based on their estimate of the personnel required to meet the program objectives of each option. For option 1, increased staffing was approximately 2.5 full-time equivalent (FTE), and for options 2 and 3, the increased staffing was closer to 4 FTE. These assumed costs are shown in the table above. Some additional costs for supplies and services were also assumed. Finally the increase building costs were estimated by Dean Charter, head of Municipal Properties based on the current experience of two buildings in town: the current Senior Center and Town Hall. The resulting cost of \$11.50 per square foot was applied to option 1 and 2 and a slightly lower cost (\$11/sq. ft.) was used for option 3 based on the recommendation of the architect that new construction is more energy efficient and should provide for somewhat lower operating costs. Finally since we are evaluating these options over an extended time horizon, we built in inflation factors for all operating costs at a rate of 3.5% per year, based on current estimates of long-term inflation. In addition, the model has the capability to analyze the impact of deferral in any of the options by applying a 4.5% inflation factor to the project costs. This factor was provided by the architect based on current and recent experience.

Finally we have elected to use a 5% discount rate to evaluate the present value of the three options. The discount rate is based its long term cost of money which we have shown above is approximately 5%. We believe that this is a reasonable basis upon which to analyze and compare the discounted cost of each of these options.

Model Results

A summary of the results of the financial analysis of the three options is presented below in Table F-3 and Figure F-1. Note that the table provides only the direct costs for option 1 whereas the figure indicates that additional costs roughly approximating the costs associated with option 2 or 3 must be added to option 1 to place them on truly comparable terms over the long run. This is because option 1 only deals with the next five years and does not solve the program or size needs of our senior population beyond that point in time. Therefore, after 5 years, another option and the costs associated with that other option must be added to option 1 to permit it to be compared long term with options 2 and 3 which are 25 year solutions.

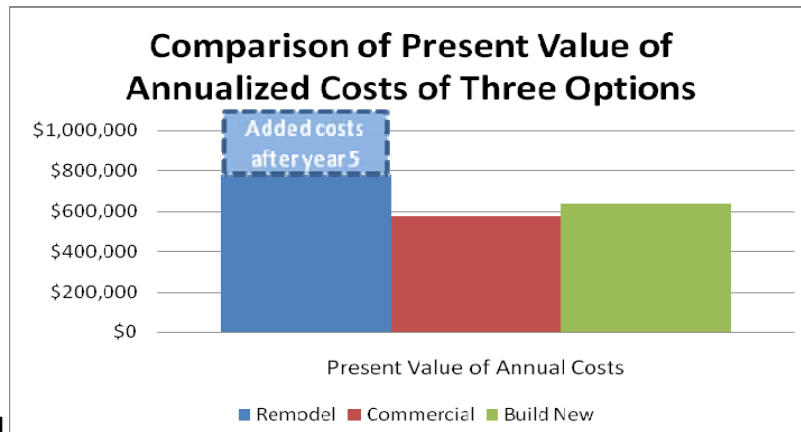
The first year tax impacts show option 1 as the least expensive, but fails to solve the problem beyond about five years. Option 2 has a significantly lower first year tax impact relative to option 3, but once the purchase is assumed to be exercised under option 2, the tax impacts become closer. As can be seen although option 1 is the least expensive in terms of tax impact, on a present value basis, it does not provide the cost savings relative to options 2 and 3 that one would expect. This is because it is only a 5 year solution. Option 2 is a less expensive option than option 3 from a strict financial standpoint, particularly in the first few years prior to the purchase option. This option has greater flexibility through the combined lease/purchase option and this illustrated by its lower present value annual cost. It is worth noting however, that a lease-only option was not considered because the lease term would likely be shorter (e.g., 10 years) and the town would not “keep” the benefits of the building improvements under this scenario and they would have a much higher cost when considered over a shorter time horizon.

Table F-3

Summary Financial Analysis of Three Options

Options	First Year Tax Impact (assuming built today)	Total Costs (annualized over project life)	Present Value of Costs (annualized over project life)	Project Life
Option #1: Expand Existing Site	\$117.88	\$899,293	\$778,029	5 Yrs
Option #2: Lease w/ Purchase Reclaimed Office Space	\$100.00 lease \$122.62 purchase	\$1,078,255	\$575,926	3 Yrs Lease/22 yrs Purchase
Option #3: New Construction	\$127.89	\$1,183,466	\$638,086	25 yrs

Figure F-1



PROJECT BUDGET COMPARISON SUMMARY
Acton Senior Center
31-Dec-08

	Option 1: Expand Existing Building		Option 2: Office Building Renovation:		Option 3: New Building: Quarry Road	
TOTAL PROJECT BUDGET ESTIMATE:	\$3,087,500.00		\$3,700,000.00		\$7,185,000.00	
Estimated Construction Cost	\$2,323,500.00		\$2,898,000.00		\$5,880,000.00	
Base Construction Estimate	\$250/Sq. Ft.	\$2,212,500.00	\$150/Sq. Ft.	\$2,760,000.00	\$350/Sq. Ft.	\$5,600,000.00
Construction Contingency @ 5%	\$111,000.00		\$138,000.00		\$280,000.00	
Fees & Expenses	\$764,000.00		\$802,000.00		\$1,305,000.00	
Professional Fees	\$277,350.00		\$334,800.00		\$693,000.00	
Basic Architect/Engineering Fees	\$252,350.00		\$309,800.00		\$608,000.00	
• Civil Engineering allowance	incl.		incl.		\$50,000.00	
• Data/Network/IT design allowance	\$25,000.00		\$25,000.00		\$25,000.00	
• Lighting	incl.		incl.		incl.	
• Acoustical	incl.		incl.		incl.	
• Landscape allowance	incl.		incl.		\$10,000.00	
• Cost Estimates allowance (DD & 90% CD)	incl.		incl.		incl.	
Project Expenses	\$450,500.00		\$429,500.00		\$550,000.00	
Reimbursable Expenses allowance (Printing/Phone/Fax etc.)	\$20,000.00		\$20,000.00		\$35,000.00	
Existing Conditions Documentation / Verification	\$10,000.00		\$7,500.00		\$0.00	
Additional Presentation Materials allowance	\$0.00		\$0.00		\$0.00	
Travel Expenses allowance	\$0.00		\$0.00		\$0.00	
(Final) Geotech exploration & analysis allowance (Final Report and Spec)	\$3,500.00		\$0.00		\$8,500.00	
Survey allowance	\$0.00		\$0.00		\$4,500.00	
Moving Allowance (including assumed leasing costs)	\$100,000.00		\$15,000.00		\$15,000.00	
Document Printing (assuming electronic availability)	\$15,000.00		\$15,000.00		\$25,000.00	
Testing @ construction allowance	\$15,000.00		\$5,000.00		\$15,000.00	
Hazardous Material Abatement	\$0.00		\$0.00		\$0.00	
Construction Manager / Clerk Allowance	\$120,000.00		\$120,000.00		\$200,000.00	
Hazardous Abatement Survey	\$0.00		\$0.00		\$0.00	
Furnishings/ Furnishings Consultant Allowance	\$120,000.00		\$200,000.00		\$200,000.00	
Data/Communications Wiring	incl.		incl.		incl.	
Data/Communications Equipment						
• Telephone system @	\$20,000		\$20,000		\$20,000	
• LAN system (switches) @	\$10,000		\$10,000		\$10,000	
• Computers @	\$15,000		\$15,000		\$15,000	
• Printers @	\$2,000		\$2,000		\$2,000	
Fees & Expenses Contingency @ 5.0%	\$36,000.00		\$38,000.00		\$62,000.00	
Notes * Included in Construction Estimate						

Appendix G: Data from other towns

COA Information	Acton	Bedford	Billerica	Chelmsford	Concord	Franklin	Hopkinton	Milford	Sudbury	Westford	Weston
Number of seniors in town	3200	3300	6,300	7,000	3,700	4,400	1,400	4,300	2,880	3,000	2,300
Year completed	1994	2005	2004	1989	2004	2007	2006	2004	1991	1992	2001
Renovated space	no	yes	yes	no	yes	no	no	no	yes	yes	no
New building	yes	no	no	yes	no	yes	yes	yes	no	no	yes
Building cost	NA	~ 6.0M	1.35M	NA	3 M	6.2M**	4.2M	4.0M	NA	NA	4.2M
Senior Center only	yes	no	yes	yes	no	yes	yes	yes	no	yes	no
Shared w/other Town Depts	no	Rec/BoH	no	no	Rec	no	no	no	Rec	no	Rec
Total finished sq. ft.	5,200	7000	15,334	NA	12,500	16,000	14,300	16,000	NA	9,000	NA
Unfinished sq. ft.	0	0	0	0	2,000	3,000	0	2,000	0	6,000	0
Recommended sq. ft. (EOEA)	17,600	18,150	34,650	38,500	20,350	24,200	7,700	23,650	15,840	16,500	12,650
Parking spaces/Adequate?	39/no	40/no	55+/no	100?/no	114*/no	90/no	56/no	72/no	52/no	40±/no	NA
Public spaces											
Lobby	no	yes	yes	no	no	yes	yes	yes	no	no	yes
Office Receptionist	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Waiting Area	no	no	yes	no	no	yes	yes	no	no	no	yes
Living room space	yes*	yes*	yes*	yes	yes	yes	yes	yes	yes	yes	yes
Great room (dining)	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dining only	no	no	no	no	no	no	no	no	no	no	no
Multi-purpose space	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Partitions	no	yes	yes	no	no	yes	no	yes	yes	no	no
Separate Café area	no	yes	no	no	no	yes	yes	no	yes	no	no
Kitchen	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Meals on Wheels service	yes	yes	yes	yes	no	no	NA	yes	yes	yes	yes
Daily meals served on site	yes	yes	yes	yes	no	yes/100	yes/45±	yes	yes	yes	no
Exercise room	no	yes	yes*	yes	yes*	yes	no	yes	yes	yes	yes
Exercise equipment area	no	no	yes	yes*	no	yes*	no	yes	no	no	no

COA Information	Acton	Bedford	Billerica	Chelmsford	Concord	Franklin	Hopkinton	Milford	Sudbury	Westford	Weston
# of Program rooms	1	5	6	6	6	7	5	7	3	4	4-5
Card/game room	no	yes*	yes*	yes*	yes*	yes	yes*	yes*	yes*	yes*	yes*
Pool/ping pong room	yes*	yes*	yes*	yes*	yes	yes*	yes*	yes	no	yes	no
Computer lab	yes	yes*	yes	yes*	yes*	yes	yes	yes*	no	yes*	no
Library	no	yes*	yes	yes*	yes*	yes	no	yes*	no	yes*	no
Craft/art room	no	yes*	yes*	yes*	no	yes	yes*	yes	yes*	yes*	yes*
Conference room	no	yes	yes	yes	yes	yes	yes*	yes	no	no	yes*
Clinic space	no	no	yes*	yes*	yes	yes*	yes	yes	yes*	no	yes*
Medical equipment room	yes	yes	no	no	yes	yes	yes	yes	no	yes	yes
Gift shop	no	no	yes	yes	yes	yes	yes	yes	no	yes	no
Handyman space	no	yes*	no	yes	no	no	no	no	no	yes	no
Adequate program storage	no	yes	no	no	no	yes	no	yes	no	no	no
Staff Space											
Adequate staff offices	no	yes	no	yes	no	yes	yes	no	no	no	no
Adequate office storage	no	no	no	no	no	yes	no	yes	no	no	no
Break/lunch room	no	yes*	yes*	no	yes*	yes	no	yes	no	no	no
Conference room	no	yes*	yes*	no	yes	yes	yes	yes	no	no	no
Custodial room	no	yes	yes	yes*	yes	yes	yes	yes	yes	no	yes
Outdoor space	yes	no	no	yes	yes	yes	yes	yes	no	no	yes
Patio	yes	no	no	no	yes	yes	yes	yes	no	no	yes
Recreational	no	no	no	yes	no	yes	no	no	no	no	no
Van service	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	no