

## Bolton Capital Planning Committee

### Meeting Minutes

January 14, 2016

Bolton Town Office

**Members Present:** Ray Atwood, Linda Baker (Planning Commission, by phone), Joss Besse (Chair), John Devine, Sharon Murray (Select Board), Pete Siegel

**Members Absent:** Joe Colangelo, Jen Dudley-Gaillard (Select Board)

**Also Present:** Mike Gervia, Fire Chief

**Meeting materials:** Draft meeting minutes (Dec 2015); updated debt service chart (Nov 2015), draft capital program and budget policy (Nov 2015), draft project worksheet (Nov 2015), debt ratio tables (Dec 2015), FY16/17 proposed budget (debt service, reserve funds), draft equipment replacement schedule (Jan 2016), table comparing capital project priority criteria (Jan 2016), preliminary CIP spreadsheet (Jan 2016).

1. **Call to Order.** Joss Besse, Chair, called the meeting to order at 5:40 pm, and reviewed the meeting agenda as warned. No changes to the agenda were requested.
2. **Public Comment.** None.
3. **Meeting Minutes.** Ray made the motion “to accept the minutes of the December 10, 2015 meeting as presented.” Seconded by Pete. Motion passed unanimously.
4. **Update: FY16/17 CPC Capital Budget Recommendations.** Sharon distributed copies of FY16/17 debt service and reserve fund budgets as finalized by the Select Board for voter approval at town meeting. Joss attended the Select Board meeting and reported that they had incorporated CPC recommendations in their proposed budget—initially increasing the amount allocated to the Fire Department’s equipment reserve fund from \$2,000 to \$10,000 as recommended. The board then decided to add an additional \$5,000 to the fire equipment fund, bringing the total budgeted to \$15,000, while maintaining \$35,000 for the highway equipment fund. Sharon reported that the board also agreed to cover new garage lighting this year, out of the town garage reserve fund, as recommended by the CPC; and also approved spending up to \$2,000 out of the Fire Station reserve fund, based on an estimate, to finish exterior masonry work. Mike suggested that this was more than needed to complete the work.
5. **Draft Capital Program and Budget Policy.** The committee continued its review of the November 2015 draft policy and recommended the following edits, to be incorporated a final draft for discussion at the next CPC meeting:
  - P.1, Lines 12-14: Reference estimating future operation and maintenance costs (lifecycle costs) only for new (v. replacement) capital assets, to the extent that these may impact the town’s operating budget.
  - P.1, Lines 22-24: For now, maintain \$5,000 as the threshold use to define a capital expenditure for all types of capital projects (equipment, facilities, infrastructure, land, etc.).

- P.2, Lines 1-7: With regard to the evaluation of each proposed capital project, under (c) reference estimates of operating and maintenance costs specifically with regard to new acquisitions or capital assets; and delete “(d) an estimate of the effect if any on the debt load and tax rate of the municipality” (as considered for the proposed budget in its entirety, as provided for the summary table referenced under Lines 8-10).
- P.2, Lines 23-24: Make sure priority criteria listed under (a)-(f) (for ranking proposed capital improvements) are consistent with those listed on the capital project worksheet.
- P.3, Line 6: Fill in statutory reference.
- P.3, Line 29: Replace “minimize” with “reduce” for consistency with similar language on Line 19.
- P.4, Lines 3,10: Replace “issued” with “incurred.”
- P.4, Lines 12-16 (Debt Ratio Guidelines): Decided to recommend that total debt service payments in relation to operating budget not exceed 11-12% based on GFOA best practices, Vermont Bond Bank information and data (averages, medians), and a review of Bolton’s past budgets. No final recommendation with regard to per capita indebtedness, or for total indebtedness in relation to the grand list. Discuss further at next meeting.

[Note: Linda left the meeting due to difficulties following the discussion over the phone.]

6. **Capital Project Work Sheet.** The Committee continued its review of the November draft, focusing on defining criteria to be used in determining project priorities. Joss provided a side-by-side comparison of draft criteria included on the worksheet, with those included in the draft CIP policy. In addition to a requirement that all proposed capital projects conform to applicable town plan policies and recommendations, the following criteria were also recommended for inclusion in the proposed CIP policy and project worksheet to be used in evaluating a particular project (checking all that apply):

- Needed to respond to public demand.
- Needed to meet federal or state requirements.
- Needed to safeguard public health and safety.
- Needed to alleviate known deficiencies or substandard conditions.
- Needed to maintain or improve the quality of existing services and facilities.
- Needed to address, mitigate environmental impacts.
- Needed to reduce long-term operating costs.
- Needed to accommodate planned development.
- State, federal or other funding is available to help pay for the project.

These will be incorporated in updated drafts presented for committee review and discussion at their next meeting.

7. **Draft Equipment Replacement Schedule.** Given the time, it was decided to review this at the next committee meeting.

8. **Draft CIP Spreadsheet.** Joss provided a very preliminary spreadsheet of scheduled, estimated capital expenditures, debt service payments, and reserve fund balances through 2023+, based on information collected to date. Town office expenses have not yet been identified. This will also need to be refined using project worksheet information, including more accurate cost estimates, adjusted for inflation. Mike noted that the Fire Department is now looking to replace the 2000 pumper in 2017—potentially with a mini-pumper and tanker trunk—once the other pumper is paid off. Joss noted that this would need to be looked at by the committee in relation to other scheduled expenditures, and the department’s proposed 20-year equipment replacement schedule.
9. **CCRPC TIP Assistance.** Joss reported that he, Sharon and Eric met with CCRPC staff regarding their offer to help the town develop a transportation capital improvement program (TIP) focusing on town highway infrastructure, to include related inventory updates (culverts, bridges, road surface, signs, etc.) during their current fiscal year (through September 30<sup>th</sup>). This assistance would be provided under a current contract with VTrans, at no cost to the town. Sharon noted that the Select Board had subsequently accepted their offer, and requested additional road erosion potential and PAVER inventory work as part of their FY16/17 work program (UPWP) in anticipation of upcoming state permitting requirements. CCRPC staff will likely be attending CPC committee meetings as needed to report on their progress, findings and recommendations. At some point highway projects will need to be incorporated in the town’s capital program, but there are still concerns and questions regarding how these are to be funded—including state assistance.

[Note: Pete left the meeting to go to work.]

10. **Next Steps.** Items identified for consideration at the next meeting: draft CIP and debt service policy (final); project/equipment work sheet template (final); draft equipment replacement schedule/policy (new), draft CIP spreadsheet (continued). Joss reiterated the need to schedule a meeting with office staff regarding future capital needs.
11. **Adjournment.** John moved to adjourn the meeting; seconded by Ray. Motion passed unanimously; the meeting adjourned at 7:20 pm. The next regular meeting of the committee is scheduled for Thursday, February 11<sup>th</sup>, 5:30 pm at the Bolton Town Office. Linda will again be available via Skype, if this can be arranged.

Respectfully submitted,

Sharon Murray  
Committee Clerk

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As approved by the committee on March 10, 2016.