

Bolton Capital Planning Committee

Meeting Minutes

December 10, 2015

Bolton Town Office

Members Present: Ray Atwood, Linda Baker (Planning Commission, by Skype), Joss Besse (Chair), Joe Colangelo, Jen Dudley-Gaillard (Select Board), Sharon Murray (Select Board), Pete Siegel

Members Absent: John Devine

Also Present: Mike Gervia, Fire Chief

Meeting materials: Draft meeting minutes (Nov 2015); updated debt service chart (Nov 2015), draft capital program and budget policy (Nov 2015), draft project worksheet (Nov 2015), fire department capital assets list (Dec 2015), debt ratio tables (Dec 2015).

1. **Call to Order.** Joss Besse, Chair, called the meeting to order at 5:37 pm, and reviewed the meeting agenda as warned. The order of items was modified to discuss fire department needs with Mike prior to committee capital budget recommendations to the Select Board for FY16/17. Joss also added an offer from the Chittenden County Regional Planning Commission to the agenda.
2. **Public Comment.** None.
3. **Meeting Minutes.** Ray noted that in the draft November meeting minutes he both motioned and seconded his motion to adjourn. Sharon checked her notes and, noting that Linda had seconded Ray's motion, would make this correction. Ray made the motion "to accept the minutes of the November 12, 2015 meeting as corrected." Seconded by Pete. Motion passed unanimously.
4. **Fire Department Capital Assets.** Joss reported that he, Mike and Sharon had met to review and update the fire department's list of capital assets, working from the auditor's list, and to identify future fire department needs. Information from this meeting was included in the summary list that had been forwarded to committee members in advance of the meeting. Mike provided additional information, including mileage and hours on department fire and rescue trucks. The department has not identified any needed capital purchases over the next few years. He noted that the current trucks, purchased in 2000 and 2007, have a 20-year life expectancy. The 2002 rescue truck may also last for 15-20 years, but a larger truck is needed to haul equipment to fires. The town should also consider purchasing a mini-pumper (~\$190,000) that can better traverse steep, narrow driveways, common in Bolton. The committee reviewed the list of assets with Mike, and made the following recommendations:
 - Take the town's historic 1957 fire engine, used for parades, off the list for scheduled replacement, but include it in the department's operating budget for needed maintenance and repair.
 - Include smaller items (turn out gear, hose, breather apparatus, radios) – many purchased in bulk with grants – in the department's operational budget, for scheduled replacements each year (e.g., a couple of units/year).
 - Increase the amount allocated annually to the department's equipment reserve fund, in anticipation of fire truck purchases in 2020 and 2027 (est. \$300,000 to \$350,000 each) – but also keep one or both trucks in service longer, if reasonable, to extend the scheduled time between purchases and spread out the cost. Also look into other sources of funding, including grants.

- Schedule other identified capital needs – including ATV, Scott (infrared) camera, and rescue truck replacements, and the purchase of a mini-pumper, in the 5-year capital plan (FY17/18 –FY 22/23) and/or supplemental list for future consideration, as funding allows.
- Also explore mutual aid/equipment sharing arrangements with other, neighboring fire departments.

Joe asked about the department’s ISO ratings for insurance purposes. Mike reported current ratings of 7.5 at Bolton Valley (w/hydrants) and 9.0 for the rest of Bolton, but also noted that it’s difficult for rural communities to meet national standards – that ISO ratings in this context are not especially meaningful and are no longer used much by insurance companies. The committee also discussed the maximum 5-mile distance from a fire station required by some carriers for insurance coverage.

The committee also recommended including a backup generator for Smilie School in the 5-year capital improvement program, as recommended in the town’s hazard mitigation plan, given that it’s Bolton’s designated emergency shelter. Joe observed that there are grants for generators and other smaller equipment through Emergency Management. Mike noted that he replaced the department’s radios last year with grant funding.

5. FY16/17 Capital Budgeting Recommendations. The committee reviewed the list of immediate capital needs identified to date by the highway and fire departments, for inclusion in the town’s FY16/17 capital budget, and recommended the following for Select Board consideration:

- Make sure that the down payment for the 2016 dump truck, to be withdrawn from the highway equipment reserve fund this year, is deducted in the reported year-end reserve fund balance; include subsequent lease payments in the town budget as a capital expense/line item.
- Also consider replacing the town garage lighting system this year (FY 15/16) out of the highway garage reserve fund (est. at \$9,800, before a \$2,320 rebate from Efficiency Vermont) – it’s needed badly, will be more energy efficient, may save some money, and won’t deplete the fund significantly.
- Include the portable traffic lighting system requested by the highway department in the FY16/17 capital budget (est. \$10,000, w/ 50% to covered through an insurance reimbursement), to be paid for out of the highway equipment reserve fund, but look into other options, including equipment sharing with other municipalities, prior to purchase.
- Do not include the replacement of the 2004 dump truck in this year’s budget – given the 5-year lease-purchase of a truck in 2016, we need to delay replacing the 2004 as long as possible to spread out the costs, and get back on a regular replacement schedule for highway equipment.
- Increase the amount allocated annually to the fire equipment reserve fund from \$2,000 to \$10,000 in anticipation of the need to replace two fire trucks after 2020.
- Maintain the \$35,000 allocated annually to the highway equipment reserve fund, in anticipation of future truck and loader replacements. No changes in other reserve fund allocations were recommended.

6. CIP Policy (Draft) – Debt Ratios. Sharon distributed copies of initial calculations of debt carried by the town, as requested by the committee in November, to reference in establishing a recommended debt burden or debt service policy – e.g., a recommended cap on amount of debt incurred by the

town per person, per taxable property, as a percentage of the grand list, or as a percentage of the operating budget. Using available data, debt ratios were calculated for each indicator, based on total debt load (balance) and debt service (payments) reported annually from FY09/10 to FY14/15. For example, debt service payments, on average, have comprised around 12% of the town's annual operating budget, but have been as high as 16%. In FY14/15, the total debt carried per taxable parcel averaged \$734; and the total annual debt payment averaged \$133 per parcel.

Joe noted that, given that maintaining a sustainable tax rate is primary intent of developing a CIP, tax rates may be a more useful indicator. Sharon suggested that debt levels necessarily factor into the tax rate, and are looked at (e.g., by the bond bank) in relation to project financing. They can also be used to determine amounts needed to be raised through other sources of funding (e.g., grants, donations), depending on the type of improvement or equipment. Debt service will affect estimated tax rates, which she agreed should be the bottom line measure in developing the CIP.

The committee discussed whether these types of policies should be viewed as guidelines, to be taken into consideration as appropriate, and exceeded if necessary – or as hard and fast rules. Jen noted that, given the town's relatively small annual operating budget, a debt service level of 12% may not be sufficient to address Bolton's capital needs. Sharon agreed to get more information regarding debt levels considered appropriate for communities like Bolton for the next meeting.

7. **CCRPC Offer – Transportation CIP.** Joss reported that he had been contacted, as Bolton's rep to the CCRPC, to find out whether we would be interested in having the regional commission help the town develop a transportation infrastructure capital improvement program (roads, bridges, culverts, etc.) under the commission's current work program, extending through September 2016. They just completed a transportation CIP study for Jericho (copies available), are looking for another town to assist, and have been following Bolton's CIP work. Joss suggested that he and Sharon should meet with CCRPC staff to find out more about their offer for the next meeting.
8. **Next Steps.** Items identified for consideration at the next meeting: draft CIP and debt service policy (continued); project/equipment work sheet template (continued); draft equipment replacement schedule/policy (new), CCRPC Transportation CIP proposal (new). Joss noted that he still needed to schedule a meeting with office staff regarding future capital needs. Jen and Sharon will forward committee budget recommendations to the Select Board, which will be meeting December 14th.
9. **Adjournment.** Linda moved to adjourn the meeting; seconded by Pete. Motion passed unanimously; the meeting adjourned at 7:30 pm. The next meeting of the committee is scheduled for Thursday, January 14th, 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

Minutes are in draft form until approved by the committee.
As approved by the committee on January 14, 2016.