

Bolton Capital Planning Committee

Meeting Minutes

January 11, 2018

Bolton Town Office

Members Present: Joss Besse (Chair), Joe Colangelo (6:40 pm), Sharon Murray, Pete Siegel

Members Absent: Ray Atwood, Linda Baker, John Devine, Jen Dudley-Gaillard

Also Present: Mike Gervia, Fire Chief; Amy Grover, Town Clerk

Meeting materials: Bolton Debt Service and Reserve Allocation by Year (1/11/18, v. 14), Bolton Debt Service and Reserve Allocation by Year (2/12/17, v. 11), Reserve Fund Spreadsheet (Dec 2017), FY17/18 Budget (Reserve Fund Allocations), 2017 Fire Department Calls.

1. **Call to Order.** Joss Besse, Chair, called the meeting to order at 6:07 pm, pending quorum needed to conduct business, and reviewed the meeting agenda as warned. Agenda addition (under other business): FY18/19 reserve fund allocation recommendations. Quorum reached with arrival of fourth member at 6:40 pm.
2. **Public Comment.** None.
3. **Minutes.** Minutes of November 16, 2016 meeting postponed to the next CPC meeting due to the lack of quorum and draft minutes. Draft to be recirculated for review prior to the next meeting.
4. **Fire Department: Fire Truck, Equipment Needs.** Mike provided a brief update regarding the status of Engine 1 (pumper) originally scheduled for replacement in FY20/21. Use of brine on I-89 and other state highways has accelerated frame rust, deterioration. A crack in the frame was repaired but, due to liability, no warranty was issued regarding the estimated life expectancy of the repair work. The truck is now inspected and undercoated, but will need to be replaced sooner than anticipated. Options, as also forwarded to the Select Board for consideration:
 - Replace the current pumper with a full-sized pumper in FY18/19 (\$380,000) –once ordered, delivery would take at least a year.
 - Replace with a mini-pumper (\$215,000) and a tanker (\$180,000, not previously budgeted) in FY18/19– for delivery within the year.
 - Replace with a mini-pumper (\$215,000) in FY18/19; use Engine #1 as a backup, delay decision on the purchase of tanker 2 or 3 years – include in the updated CIP.

Fire Department recommendation: purchase mini-pumper in FY18/19, and delay but schedule a tanker purchase. A mini-pumper, as discussed in 2015, can better handle steep driveways and is easier to maneuver than a full-sized pumper. It's a good first attack vehicle for chimney and structure fires. The estimate provided is for a Ford F550 chassis, 4WD, crew cab (4), 300 gal tank, 1250 gpm pump, foam system, additional hose.

Sharon asked about gross vehicle weight limitations, given equipment, crew, water weight – Mike noted this had had been considered in developing the specs. Joss asked about the increase in price (from \$190,000 in 2015). Mike noted the current estimate includes additional hose and attack equipment. The truck would come with 5-year warranty, but should last 20 years, if regularly

undercoated and maintained. The engines are now undercoated with a fluid film that must be reapplied annually. Joss asked about ISO ratings. Mike noted that mini-pumpers are not NFPA rated – it will not improve current ISO ratings, but it should improve local response times. A mini-pumper would also complement equipment in use by neighboring fire departments, under mutual aid. Engine #1 can continue to be used as a support truck for fires and highway calls, as long as it passes inspection. The station has an extra bay, and can accommodate both vehicles.

Mike reported that the department's air tanks, purchased more than 10 years ago with grant funds, also need to be replaced over the next two years, at an estimated cost of \$20,000. He intends to apply for another grant to cover most of the cost (10% match), but this would otherwise have to come out of the department's equipment reserve fund by FY19/20.

Joss distributed a draft update of the CIP spreadsheet (v.14, 1/11/18) to include the mini-pumper purchase in FY18/19, air tanks in FY19/20 and a new tanker in FY20/21. Some discrepancies were noted between current reserve fund balances, budgeted FY18 allocations (to be deposited in June), and those included in the updated spreadsheet. Joss will reconcile.

CPC Fire Equipment Recommendations:

- Purchase the mini-pumper in FY18/19, as recommended by the Fire Department.
- Warn a town meeting vote to spend up to \$215,000; Amy agreed to get language.
- Given that current interest rates remain low, finance as much of the purchase as possible, leaving money in department's equipment reserve fund to help cover future equipment purchases (air tanks, tanker truck, etc.).
- Schedule the purchase of replacement air tanks in FY19/20 (\$20,000 grant, \$2,000 match).
- Schedule the purchase of a tanker truck in FY20/21 (\$180,000).
- Re-evaluate, and potentially extend scheduled replacements of Engine #2 and/or the rescue truck as needed to stay within targeted debt service/reserve fund levels.

5. Other Business: FY18/19 Reserve Fund Allocations, Balances

Joss noted that Jen, Select Board Chair, had indicated that that the loader (scheduled for replacement in FY20) also may need to be replaced sooner than anticipated – per Gene Armstrong, it may no longer be safe. The draft CIP (v.14) moves this purchase up to FY18/19, at \$152,000, as originally estimated. No additional information or estimates were available. Sharon noted that to her knowledge, this had not yet been discussed by the board; that the previous plan, per Gene's recommendation, had been to patch, repair and maintain the loader until it was scheduled for replacement. The Committee agreed that more information, including highway department estimates, were needed prior to updating the CIP or warning a town vote – which if needed could occur later in the year, in association with scheduled elections. Sharon will follow up with the Select Board.

Sharon noted that the CIP will also need to be updated in the coming year to include highway stormwater management projects under the Municipal Roads General Permit (as scoped in the

coming year), and either renovations to or replacement of the town garage. Amy clarified that the garage was constructed in 1994—it's not yet 25 years old. Based on an initial, very cursory engineering assessment in 2016, the garage at minimum needs a new floor, foundation and site drainage improvements, and some siding and code work. It should also be elevated or flood proofed (wet proofed) given it's more than 5 feet below the revised (2011) base flood elevation. There's also no wash bay. The Select Board discussed budgeting for a building assessment in FY18/19, to include cost estimates for needed repair work and/or to build a new garage outside of the floodplain – e.g., on land currently owned by VTrans. The CPC discussed options, initially preferring building renovation to relocation, given the cost of building a new garage (\$1+ million) – should be evaluated in relation to cost of repairs.

Joss observed that proposed changes in the CIP, including pushing up the loader and mini-pumper purchases, and adding in the air tanks and tanker, would reduce reserve fund balances at the end of the ten-year planning period by an estimated \$240,000—and exceed the current cap on annual debt service/reserve allocations as a percentage of the budget. This may need to be increased slightly.

Sharon and Amy noted that, because of recent FEMA reimbursements for work covered by the town following 2015 flooding, there's a little over \$400,000 in the general fund that is currently uncommitted. Given the Select Board's policy of maintaining the equivalent of 20% of the operating budget (around \$200,000) in reserve to cover cash flow and emergencies, the board will be seeking voter approval to reallocate around \$200,000 to reserve funds and/or to reduce taxes in FY18/19. They have asked for budgeting recommendations from the CPC with regard to both annual reserve allocations under the CIP, and a proposed allocation of uncommitted general funds. This could make up a good portion of the long-term gap in reserve funds that Joss identified.

CPC FY18/19 Reserve Fund Recommendations:

- Per revised CIP estimates (v.14) around **\$42,000** should be available for reserve allocations in FY18/19 – Joss will update these numbers for the Select Board meeting on 1/22.
- In past years 60% has gone to highway equipment, 40% to fire equipment; suggest instead a 50/50 split in FY18/19, given recent plow truck acquisitions (debt service/lease payments) and anticipated fire department needs. The highway equipment reserve fund balance should be sufficient to cover a loader down payment if needed.
- Given budgeted equipment and capital needs, uncommitted funds should be used to maintain or augment reserve fund balances, or for one-time expenses (e.g., town garage assessment) and not to reduce taxes in FY18/19.
- Uncommitted fund balance (\$200,000): maintain 30% in general fund, use a portion of this to fund the town garage assessment; ask voters for approval to reallocate 30% to the highway equipment fund, and 30% to the fire department equipment fund in anticipation of upcoming equipment purchases.

Joss observed that the CIP also assumes interest income on reserve funds. It was agreed that the Select Board should also consider a laddered investment of reserve funds (e.g., in CDs) in the coming year, in relation to scheduled purchases, to take advantage of increasing interest rates. Amy noted that this is consistent with our auditor's recommendation to develop an investment policy.

6. **Adjournment.** Pete moved to adjourn the meeting; seconded by Joe. Motion passed (4-0); the meeting adjourned at 8:05 pm. The next meeting of the committee will be scheduled for public notice by the Chair, in consultation with committee members.

Respectfully submitted,

Sharon Murray
Committee Clerk



Minutes are in draft form until approved by the committee.
As approved by the committee on 12/19/2018.