

CIP Committee
Draft Minutes
Thursday, September 4, 2014
6:30 pm

Meeting called to order at 6:34 pm in the Fire Station Meeting Room

Present: Steve Felton, Ingrid Heidenreich, Susan MacLeod, David Toth; Absent: Kendall Hughes

1. Spreadsheet Review: Dave's work continued on adding total cost of any project in the year needed with amounts adjusted for inflation in future for better estimations. Lines added: \$60,000 in DPW for possible TAP grant funding in 2015. Library \$50,000 each year for 10 years in capital reserves for facility. Other departments still need numbers to plug in: Park & Recreation, Town Office and DPW. SAU confirmed that most projects are in progress, have been done, or are budgeted for. Dave took the Police Department's rotation of 3 vehicles and ran the 4 options with cost/benefit analysis: outright purchase in year needed causes spike in taxes; 3-year leasing on 3 vehicles as causes fluctuations, not quite as steep; 4-year leasing is more stable, but adds interest payments of \$8,000-11,000 in the leasing periods. Capital reserves on an annual basis is most stable and saves interest payments. Right now there is no reserve, and in the mix of all other capital needs 2015 is loaded. If buying option is every 5 years for each vehicle, possible the re-outfitting costs may happen every other time. Other consideration is interest rates rising. Best option to recommend would be to do a 4-year lease on the next replacement vehicle, and start to save reserves for next outright purchase. A formula to level annual amount to cover lease payment and reserve annually will be done. Town Hall: no new projects submitted for the next 9 years, but certainly there will be some needs (bathroom, infrastructure?). Fire Department had submitted 4 options on replacement of Engines 1 and 2, with the Apparatus Committee working on the most cost effective way to do it. Replacing both at the same time looked more reasonable with the annual amount of \$94,507 over 10 years (with interest locked in at 2.55%) and replacing the \$80,000 payment just completed, so there would be no substantial impact to the tax rate. To wait 2 or more years between replacement of engines adds maintenance cost to keep Engine 1 running (with no guarantees it remain road-worthy), and possible higher interest rates. The Chief is pursuing grants for funding assistance. If approved in 2015, delivery of vehicle(s) not until 2016 so down payment with capital reserves options will be considered. Added to the mix next year or two will be saving to replace the ambulance in 2025 and then the ladder truck in 2030. DPW: capital reserve was \$375,000 with about \$100,000 spent on West Street project. Will ask for \$125,000 cap reserve again for 2015. Discussion on method of funding: does it make sense to get a bond with the lower interest rates now to get repaving work done (estimated at \$1.3 million) and use capital reserves and grants to address more major work? Dave updated equipment costs with inflation rate included, but needs interest rates for a lease or purchase cost analysis. **Steve will follow up with Tim Paquette and get information to Dave. He will also ask if the block grant funding can address repaving for P&R and Fire Dept. parking areas.**

The Board of Selectmen in their budgeting process will have to consider balancing grants, loans, and leases to not exceed credit/borrowing limit. If the proposed operating budget for 2015 is more than default budget, it probably would not pass.

Still to come: FD: Any expenses other than apparatus; Park & Rec. Dept.: dredge and fill numbers; DPW: revise costs and years for all equipment, road works and coordinated paving projects. Town Office: any other capital projects in next 10 years? Are grants available for historic buildings? W&S: updated projects and costs; bond consideration for receiving station.

Minutes of August 20, 2014: Deferred to next meeting.

Other: Letter of Support for TAP grant application requested; decision to defer until details of project and costs are known.

Next Meeting: Thursday, September 25, 6:30 pm at the Fire Station. Finalizing and recommendations Meet with the BOS, Monday, October 6. Dave is working on a narrative that accompanies the cost/benefit comparisons he has done. The Budget Committee would also like to see the operating budget projections along with the capital needs projections to get a more comprehensive total.

8:09 pm: Motion to Adjourn by Ingrid; Dave seconded; All in favor.

Notes by Susan MacLeod