

## **Minutes of the East Montpelier Capital Improvement Committee Public Meeting on the Draft Capital Plan and Budget**

**December 3, 2014**

**Members Present:** Gene Troia (chair), Dave Burley, Casey Northrup, Julie Potter

**Others Present:** Richard Brock, Carl Etnier, Seth Gardner, Bruce Johnson, Mary Stone

**Call to order:** 7:07 pm

**Welcome and Introductions:** Gene welcomed everyone to this public meeting on the draft Capital Improvement Plan and Budget. Committee members introduced themselves. Casey noted that the Town Treasurer, Don Welch, is also a member of the committee but could not be present due to illness.

**Review Executive Summary and Program Spreadsheets:** Gene explained that the committee was formed in the Spring of 2013 to develop a capital improvement plan and budget. Having a capital plan and budget provides a process to think about big-ticket projects and helps ensure that the town will not have any big building surprises.

The committee worked on three major tasks:

1. The committee inventoried and assessed the condition of the town's current assets (buildings, vehicles, heavy equipment, roads), and looked at the costs and schedule for maintaining or replacing these assets into the future. The Executive Summary and spreadsheets present costs for 10 years, although the committee looked at a 20-year timeframe.
2. The committee asked town departments, committees and community groups about their capital needs in the future. Several projects were identified, however none were urgent and most lacked cost and budget information. Consequently, the committee decided to focus the initial capital budget only on maintaining current assets.
3. The committee developed procedures, documenting the process used to create the capital plan and budget, how to maintain and update the capital plan and budget, and how to evaluate proposed new projects.

Documentation of all three tasks has been posted on the town website for public review. This public meeting was warned, with notices posted on the website and Front Porch Forum.

The town has previously done a good job of planning for replacement of highway department vehicles. In recent years, funds for paving projects have been put into the capital reserve. These capital projects have been folded into the capital plan and budget.

Gene noted that the draft capital plan and budget shows that the town does not need to raise new revenue to maintain existing assets.

Casey reviewed the Executive Summary. For buildings, the committee looked at building components, age and useful lifespan. Vehicles and heavy equipment were evaluated on age, condition and useful lifespan. Paving projects were put on a schedule.

### **Public Comments and Questions:**

- *How will the committee monitor/review the plan?* The committee has developed draft procedures calling for annual and ongoing review and updating of the plan and budget.
- *Is the capital plan and budget a tool to maintain the capital fund?* Yes, this is one of the key purposes.

- *Is the capital plan and budget a tool to stabilize the tax rate?* Yes, this is another key purpose.
- *If someone is concerned about the tax rate, can they legally demand a refund from the capital fund?* This is a political issue. Townspeople vote on town expenditures.
- *Is it better to have money for capital projects in a capital fund, instead of the general fund?* The committee thinks so. Planning for projects helps avoid spiking the tax rate when a project needs to be done. Having a plan provides a strong argument for keeping money in a capital fund.
- *How does the town build a capital fund?* We start with the existing capital reserve. The yearly planning budget amount from the capital improvement plan becomes a line in the annual town budget. Money is added to the capital fund each year. Money in the fund is used to pay for the scheduled capital projects.
- *Will information about the capital improvement plan and budget be included in the Town Report?* Yes.
- *East Montpelier Trails found that the New Project Questionnaire helped them think ahead about their needs. As a result the Trails group has asked the Selectboard for some money for trail maintenance. There are long-term plans for building new trails, which would require capital funds. How should they ask for capital funding?* This led to a discussion of whether a trail is a capital asset; the committee thinks it probably is. A permanent easement for a trail would be a capital asset. New projects should be described on the questionnaire, with as detailed a project budget as possible. The committee has developed a process (described in the procedures document) to evaluate projects. The committee will recommend projects to be included in the capital plan and budget.
- *How are Town Plan goals addressed in the capital plan and budget?* The procedures document summarizes current Town Plan goals related to capital expenses; the evaluation criteria for new projects includes identification in the Town Plan.
- *Bike/ped improvements are a goal in the Town Plan. Would they automatically be approved?* Bike/ped improvements would be considered a new project. Like all new projects, they need a champion to bring the project, its justification and financial costs to the committee for evaluation.
- *How should the committee become institutionalized?* The committee is currently an ad hoc subcommittee of the planning commission, although the committee includes membership beyond the planning commission. The committee believes that it should become a standing committee.
- *How binding is the capital fund? Does the money in the fund have to be spent on the projects in the capital plan?* The current Selectboard cannot bind the spending decisions of a future Selectboard, however having projects in a capital plan provides political weight to spend the funds on the planned projects.

**Motion to adjourn:** Made: Casey Northrup. Second: Gene Troia. **Vote on motion:** passed. The meeting adjourned at 8:35 pm.

**Next Meeting:** *The next meeting will be on Wednesday, January 7, 2015.*

- Review and approve minutes of November 5 and December 5, 2014.
- Update on December 15 presentation of capital plan and budget to Selectboard.
- Review and finalize text and tables for Town Report (due January 18).
- Discuss presentation at Town Meeting in March.
- Discuss how to institutionalize the Capital Improvement Committee.

**Submitted:** Julie Potter

**Approved:** January 7, 2015