

Minutes of the East Montpelier Capital Improvement Committee

October 7, 2015

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

Call to Order: 7:03 pm

Changes to Agenda: Combine discussion of capital plan spreadsheets and property acquisition finance alternatives

Public Comment: none

Review Minutes of September 2, 2015:

Motion: I move to approve the September 2, 2015 minutes as presented. Made: Don Welch. Second: Dave Burley. **Vote on motion:** passed.

Capital Plan Spreadsheet Review and Property Acquisition Finance Alternatives:

The Committee reviewed the Capital Planning Budget Executive Summary (dated 1/19/2015), noting that planned FY16 capital expenditures on the town office (new A/C) and town garage (bathroom renovation and apparatus floor sealing) have not been initiated; garage projects might occur in the spring. Match expenditures for sidewalks from the Opportunity Fund have also not occurred. The town has spent \$24K from the Opportunity Fund as the down payment for the Winston/Silberberg property acquired at mortgage foreclosure auction.

The Committee discussed the different options for paying for the balance of the property acquisition costs, considering self-financing with recovery in 1, 3 or 5 years, or commercial financing options at 3.25% interest over 15 years. Considerations include: (1) total cost to the town, (2) effect on the tax rate, and (3) maintaining the integrity of the Capital Plan and Budget. The committee agreed that self-financing with a 5-year recovery appears to be the “sweet spot” in balancing these considerations. This option would require an increase of \$48,000 annual over five years to the Yearly Planning Budget, putting the capital reserve close to being back on track after that period.

Motion: I move for the Committee to send a letter to the Selectboard recommending that the Winston/Silberberg property acquisition costs be paid from the Capital Reserve Fund, with replacement of those funds over five years by increasing the Yearly Planning Budget contribution by \$48,000 per year. This would result in a 1.618-cent impact in the tax rate. Made: Casey Northrup. Second: Don Welch. **Vote on motion:** passed.

Julie agreed to draft the letter and circulate it to the Committee. Gene will send the letter on behalf of the Committee. Don will update the Capital Planning Budget Executive Summary to reflect year-to-date expenditures and the recommended repayment schedule.

Initial FY17 Budget Discussion:

No proposed new projects have been received. The only modification to the current Capital Plan and Budget is the Winston/Silberberg property acquisition. At this time there is no need to make other significant adjustments to the plan.

Opportunity Fund: Purpose and Target Amount:

Committee members agreed that the purpose of the Opportunity Fund should be to make match payments for infrastructure grants and to make down payments on special opportunities. The current \$10K Yearly Planning Budget for the Opportunity Fund still seems to be appropriate. The Opportunity Fund should not grow too large, nor should it be the total funding source for special opportunity projects. As with the

Winston/Silberberg property acquisition, the entire Capital Plan Balance can provide liquidity for large project financing.

Next Steps:

The proposed FY17 Capital Plan and Budget should be forwarded to the Selectboard in early December so that it can be incorporated into the town budget. A public meeting should be held in November to present the proposed plan and budget and receive public comments. The Committee agreed to hold this public meeting on Wednesday, November 11 at 7:00 pm, followed immediately by a regular Committee meeting. Notice of the public meeting should be made on Front Porch Forum, through the town website and through the regular posted warning notice.

The Committee should discuss public comments at the regular November 11 meeting, make final edits on December 2 and then send the proposed plan and budget to the Selectboard.

Task List:

- Julie will draft and circulate a letter to the Selectboard.
- Don will update the Capital Planning Budget Executive Summary, for inclusion with the letter.
- Gene will send the letter to the Selectboard.
- Don will update the FY17 Capital Planning Budget spreadsheets for the public meeting, including posting to the town website.
- Don/Gene will ask Bruce to assist with a notice to Front Porch Forum and the town website about the November 11 public meeting.

Next Meeting: *The next meeting will be on **Wednesday, November 11, 2015** and will include a public meeting*

- Public meeting on the proposed FY17 Capital Plan and Budget
- Review and approve minutes from October 7, 2015
- Discussion on public comments and possible changes to the Capital Plan and Budget
- Follow up on recommended property financing
- Possible future projects
- Next steps

Motion to adjourn: Made: Don Welch. Second: Dave Burley. **Vote on motion:** passed. The meeting adjourned at 8:40 pm.

Submitted: Julie Potter

Approved: