

Town of Farmington
Capital Improvement Plan Committee Meeting Minutes
Wednesday, July 14, 2021

Committee Members Present:

Paula Proulx, Chairman, Selectmen's Rep.
Arthur Capello, Town Administrator
Neil Johnson, Alternate Selectmen's Rep.
Blanche Tanner, Budget Committee Rep.

Committee Members Absent:

Rick Pelkey, Planning Board Rep.
Ann Titus, Vice Chairman
Erica Rogers, Secretary
Ruth Ellen Vaughn, SAU Superintendent
Tim Brown, School Board Rep.

1). Call to Order:

Chairman Proulx called the meeting to order at 2:30 p.m.

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Review of Minutes:

February 3, 2021 – Tabled to the next meeting due to only 1 member is present who was present at that meeting.

Mr. Capello noted for the record there was a quorum of the members present for this meeting.

4). CIP Vision:

Mr. Capello said there was discussion at the last meeting about approaching the Selectmen to recommend increasing the amount of money put into the CIP to get caught up and that number would be upwards of \$1 million a year.

Chairman Proulx said if they calculated everything they wanted to do with all of the Town's assets he would be correct.

Mr. Capello said some CIP members wanted to see if the Selectmen would be on board with doing that and at that price they would be starting off with an approx. \$2.25 tax rate increase every year before you even got into the budget.

Mr. Johnson said at the current assessment it would be about a \$2 per \$1,000 tax increase.

Mr. Capello said the Selectmen have done well with the financing when they have needed things such as the fire truck and plow truck purchased last year. He said he looks at capital improvements a little differently in that the fire truck is a \$500,000 piece of equipment that if you put money away every year for that the people putting away the money aren't necessarily going to benefit from that piece of equipment. If you do a lease purchase option that becomes your capital improvement plan he said.

He said the Town did a 7 year lease purchase plan for the fire truck and for 5 years for the plow truck. He said once it's voted on that money becomes part of the operating budget and the

Town has done that with several pieces of equipment especially with interest rates at next to 0. Mr. Capello said it would be irresponsible for this committee to go to the Selectmen and say they want to put away roughly \$1 million a year into the CIP and increase the tax burden by \$2 per thousand before they even start any budgeting.

He said the Town has done a good job keeping the tax rate low to help offset the tax rate increases on the school and county sides and when they needed to do things they did them. He gave the example of the temporary bridge last year and that did not happen because of a lack of planning but because the state conducted their inspection in October but didn't notify the Town they had to do something with the bridge until Feb. after the budget was done. Had they notified the Town in October they could have planned or asked for more money to do a different avenue. The Selectmen made a conscious effort to get a bridge plan done and put money away and put \$100,000 away last year he said.

Mr. Capello said rather than have multiple millions of dollars sitting in a **Capital Reserve Fund** the Selectmen like to give it back to the taxpayers to lower the tax rate and when we need something the taxpayers have been very generous in allowing us to get it.

Mr. Johnson said he is a new member and just received the minutes from the last meeting and has not read them so he was not aware of this. He said his first take on it without getting further information is he is against taking taxpayers' money and having it sit in an account for years so some board can decide to spend it or not. I'd rather see it sitting in the taxpayers' pockets until we need it. If we need it we'll go to Town Meeting or a Special Meeting, state our case and if the taxpayers will it so they'll give us the money to spend it as we describe he said.

Mr. Capello said he watched the last meeting online and it was roughly \$1 million a year in order to get all of the capital improvements caught up and they want to take all of the Town's assets and divide it and figure the yearly set aside for each item based on when we need it.

Ms. Tanner, who is also a new member, said she agreed with Mr. Johnson and she has not read the minutes as she just got them too. She said she didn't know enough about this to have an opinion until that discussion happens so she would know why it was brought up and what the thinking was. Further information would be useful she said.

Mr. Capello said the thought was if you take a fire truck and it lasts 20 years and it's \$1 million to replace it divide that by 20 and put that much away each year for 20 years for the next new fire truck. He said the plow truck cost \$45,000 and lasts 7 years so divide \$45,000 by 7 and that should be the amount put away every year.

He said that is a lot of money given the equipment we have and they will have to increase it by 3% to 5% every year because of inflation and the cost of things and some years it may be more. He repeated he didn't agree with the philosophy that it was lack of planning on the Hornetown Road Bridge and they knew we had 4 red listed bridges and had been putting money aside. The board had talked about increasing it knowing they were getting ready to do some things and got caught off guard by the state he said.

Ms. Tanner said when there is misunderstanding it's because they have misinformation and all the negative stuff on social media and people don't have the answers. She said if people want an answer to something they should go to the source for the answer. They should come to the Town or to the school district directly and that's what's happening in our society-not just Farmington it's everywhere she said.

Chairman Proulx said there was a misconception it wasn't planned for and if anybody watches the Selectmen meetings there are a lot of things they scrutinize probably beyond where they should at times. She said when people start hearing that it perpetuates the idea they're always behind the eight ball and they are not.

She said at the last meeting she explained that putting money away and trying to make sure you're doing the right thing has stopped us from getting grants and anything else they were looking for. We're a small town and some of these other towns have more clout than we do and get the grants we don't get so if we have all of the money in the bank that we need they're not going to look at us anyway and that happened once she said.

Mr. Capello said the Town applied for a grant for a fire truck and it was denied because there was enough money in the bank to pay for it.

He said 2 years ago they started a CRF for the heating system in the Municipal Office Building because this heating system is giving them problems and they planned to build it up to a certain amount and then stop depositing into every year because we don't need to.

He said when we have to replace the ladder truck that's \$1.5 million and that's a lot of money to start stocking away and ask the taxpayers for when it's a 20-30 year project and most of the taxpayers who gave you that money may not live in town anymore so they aren't going to see any value for their dollar. A \$10,000 or \$15,000 project is an easier hit and most likely they're going to reap the benefits of that capital reserve he said.

Chairman Proulx asked rhetorically if it would save us some money if you had the cash up front and answered if you have it and you want to dole it out that's great but if you have trouble bringing it in you don't spend money you don't have. This is a way to make sure we have it by putting it into the operating budget. It has to be there and it's in smaller increments so people can stomach it a little better and see what they are paying for such as the fire truck responding to a call she said.

Ms. Tanner asked if this will be a topic of discussion at their next meeting.

Mr. Capello said he was sure it would come up but it would take a vote of this committee to go to the Board of Selectmen. He said he intended to make a motion not to approach the Selectmen with that plan and someone else could make a motion at the next meeting too and if it passes then it goes to the Selectmen. I'm not going to vote for something I don't think is a doable plan for the taxpayers of Farmington he said.

Ms. Tanner said she was trying to educate herself about the roles and responsibilities of the CIP Committee and asked if this committee looks at the Town needs and School District needs.

Mr. Capello said committee looks at the Town's needs and the School District develops their own capital improvement plan and it is included in the Town CIP.

Chairman Proulx clarified they are supposed to work together on the CIP and that's why they have representatives from the school here. The school is supposed to be forthcoming and say this is what they are looking at, the Town brings forth what they have and then your priorities are supposed to set so there's a balance she said.

Ms. Tanner said the committee looks at all of that and makes some kind of recommendation.

Mr. Capello said the committee makes recommendations on how much should be put into each CRF for the Town.

Chairman Proulx said usually the Superintendent and the School Board Rep. are here so hopefully that information is being brought back to that board such as the Town needs a fire truck and they wanted some things done on the athletic fields but the athletic fields might be able to wait until next year given that the taxpayers are going to have to pay out this amount for a fire truck. She said the taxpayers are the ones who benefit from the CIP because if the Town and the school are looking at where those priorities lie you don't see those big spikes in taxes if you possibly help it because one may be able to offset the other and hold off for a year.

Mr. Johnson said he was pretty sure the information is shared with the School Board and he has heard the Superintendent and some of the board members talk about the CIP and what the impact will be if they go through with something and the Town has a major expense. The Superintendent has mentioned it a few times at Budget Committee meetings he said.

Chairman Proulx said the Town also has a copy of the school district's CIP they're using now and that gives everybody a chance to look at what might be coming up.

Motion: (Capello, second Johnson) that we do not approach the Board of Selectmen with the possibility of looking at up to \$1 million going into the CIP or whatever number that may be based on the methodology discussed at the last CIP meeting and that we do not approach the Board of Selectmen with that methodology;

Discussion: Mr. Capello said they should continue to do what they are doing and if the CIP Committee feels they should be putting \$300,000 in the bridge CRF then they make that recommendation and then ultimately the Board of Selectmen can decide if they want to do \$300,000, \$500,000 or nothing. We should do what the majority of the committee wants to recommend and let the Selectmen make the final decision. I don't think it's fair to go with the methodology that isn't fair to the taxpayers he said.

Chairman Proulx agreed and said that if a dump truck is supposed to last 7 years if you take care of it and we have gotten better at that, you are talking a lot more. She said that money could sit there for quite a while not being spent and could tie up a lot of money that maybe the taxpayers don't have to put into it.

Mr. Capello said the Selectmen have been very good at putting money into the Highway Motorized Equipment CRF and they have used that for big ticket repairs so they don't have to

go back to the taxpayers to increase the repair line in the budget. We do use the CRF funds and replenish them when we need them I think with the big ticket items you're better off doing a lease purchase he said.

Vote: The motion passed 4-0.

5). Next Meeting Date:

Mr. Capello said he didn't know that they needed to set a next meeting date at this point and in August they will look at the calendar again. He said they had this meeting specifically because at the last meeting they said they would meet to discuss going to the Board of Selectmen.

Chairman Proulx said if they were to go with the new methodology Mrs. Rogers had suggested they start on it a lot earlier as that would take a lot more time out of her availability.

Mr. Capello suggested they consider reconvening at the end of August/beginning of September.

Chairman Proulx asked how that would fit in with how he starts work on the Town budget.

Mr. Capello said he starts work on the budget at the end of August/beginning of Sept. and has advised the dept. heads of this. He said his goal is to have the budget to the Selectmen and then to the Budget Committee by the end of January.

Chairman Proulx asked if it would be possible to have the dept. heads review the CIP and make recommendations for any changes needed.

Mr. Capello said he would make it part of their budget meetings.

6). Review of Priority Classifications:

Chairman Proulx said there was a lot of talk at the last meeting about how they look at the priority explanations such as what is a priority 1, 2, 3 and 4 item. She said when the dept. heads say it's a #1 priority that means it has to happen that year.

She said if you look at some of the feedback they get sometimes they say it's necessary that year and asked if it's necessary or is it they would like it to be in the budget.

Mr. Capello said he can work on how they define the priorities. He said a #1 priority may not be necessary that year but may be something that we need sooner rather than later. When I look at it as necessary that year is when one of our ambulances is down and is going to be down for a year but we need a second ambulance. The fact that we're at the end of the NFPA recommended time frame for that ambulance but that ambulance is still working fine it's not necessarily a need for that year because we still have the 2 ambulances and we haven't had a history of problems with it he said.

Mr. Johnson suggested they might want to change it from a "priority" to "action required" with action levels such as critical-which has to be done this year, immediate-needed within the next 2-3 year and routine.

Mr. Capello said he understood people asking how they justify not getting something that has been categorized as #1 and he agreed with that. He said he would talk to the dept. heads about some ideas he has and they can discuss it at the next meeting.

7). Next Meeting Agenda:

1). Call to Order, 2). Pledge of Allegiance, 3). Review of Feb. 3 and July 14 Minutes, 4). Discuss Criteria for the Priorities, 5). Review of Current CIP, 6). Next Meeting and 7).Adjournment.

8). Introduction of New Members:

Chairman Proulx apologized for not doing it sooner and introduced Blanche Tanner who is the representative from the Budget Committee and Neil Johnson who is the alternate representative from the Board of Selectmen to the viewers.

9). Adjournment:

Motion: (Capello, second Johnson) to adjourn the meeting passed 4-0 at 3:05 p.m.

Respectively submitted
Kathleen Magoon
Recording Secretary

Paula Proulx, Chairman