

West Newbury Capital Improvements Committee Meeting Minutes

Meeting date & place: 7:30 PM, March 24, 2022, 1st Floor Hearing Room 1910 Building and Remote Participation via Zoom

Members Present: Via remote and in person participation Rick Parker, Polly McDowell, Elisa Grammer, and Chair Judy Mizner. Also participating: Town Manager Angus Jennings, Department of Public Works (DPW) Director Wayne Amaral, Water Superintendent Mike Gootee, and Water Commissioners Dick Cushing and Bob Janes.

Call to order

7:34 PM

Approval of Minutes From 2/15/2022

With corrections, the Committee voted unanimously to accept the minutes of February 15.

Updated Water Study

Water Superintendent Mike Gootee said that after recent discussions between the Water Board and the Select Board, it was decided that the Water Department study would be expanded in scope to include, among other things, a rate study and an updated list of priorities. The cost of the study would be funded through Water accounts. At this point, the cost of an expanded study is not yet known and thus cannot be presented to the Committee.

Mr. Gootee and the Water Commission explained that very large costs are anticipated as the 1936 water mains need replacement. Town Manager Angus Jennings said that a wide array of funding sources are under consideration, including the State Revolving Fund, which offers low-cost lending. West Newbury already has among the highest water rates in the state and has a limited rate base that may not feasibly be able to bear these costs. It is hoped that the infrastructure and rate studies will make the funding situation clear to the townspeople. Also, Mr. Gootee is retiring this year and his successor will need this information base going forward.

In response to Ms. McDowell's query whether it would be more cost effective to put the Town on water wells, Mr. Gootee noted that wells can have water quality issues and that not all properties are suitable for water wells. It was also pointed out municipal water is used for fire suppression.

Review of FY 23 Litmus Test Outcomes

The Committee reviewed the litmus test outcomes:

| | | | | | | | | | | | |
|--|----------------|--------------------------|--------------------------|-----------------------|-------------------|--------------------------|--------------------------------|--|---------------------------------|----------------------------------|--|
| Town of West Newbury | | | | | | | | | | | |
| Capital Improvement Committee "Form E" rating test for budget request priorities: | | | | | | | | | | | |
| FY 2023 | <i>Amount</i> | \$27K | \$25K | \$85K | \$65K | \$56K | \$80K | \$39K | \$27.5K | \$35.9K | |
| | <i>Dept</i> | Water | DPW | DPW | DPW | DPW | DPW | Fire | DPW | DPW | |
| | <i>Project</i> | System & Hydraulic Study | Page Exterior Evaluation | Page Structural Study | Phone Replacement | Electric Truck & Charger | F-550 1 Ton Dump Truck w/ Plow | Remove & Replace Communication Equipmt | Garage Roof Shingle Replacement | Create a New Carpentry Work Area | |
| \$27K | | | | | | | | | | | |
| Chuck Wegrzyn | | - | - | - | - | - | - | - | - | - | |
| Patricia McCoy | | - | - | - | - | - | - | - | - | - | |
| Julia Boria | | 1,300 | 1,650 | 1,250 | 1,500 | 1,050 | 1,450 | 1,550 | 1,300 | 950 | |
| Elisa Grammer | | 1,510 | 1,435 | 1,390 | 960 | 1,140 | 720 | 855 | 895 | 785 | |
| Rick Parker | | 1,740 | 1,440 | 1,590 | 1,470 | 1,495 | 1,255 | 1,365 | 1,020 | 915 | |
| Polly McDowell | | 1,300 | 1,800 | 1,325 | 1,300 | 1,650 | 1,700 | 1,300 | 1,425 | 950 | |
| Judy Mizner | | 1275 | 1275 | 1250 | 1250 | 1250 | 1250 | 1325 | 1275 | 1275 | |
| Total Number | | 7,125 | 7,600 | 6,805 | 6,480 | 6,585 | 6,375 | 6,395 | 5,915 | 4,875 | |
| Ranking | | 2 | 1 | 3 | 5 | 4 | 7 | 6 | 8 | 9 | |

Ms. McDowell and other Committee members noted that the litmus test system is difficult to apply when the item presented is not bricks and mortar but rather is a study concerning a bricks and mortar project. All agreed that they know of no better means of doing this.

The Commission concluded that it will adopt and report the litmus test outcomes for FY 23.

Discussion of Updated Draft Capital Improvement Spreadsheet

Mr. Jennings described the updated Capital Improvement Plan, which is now a single document that allows the Town to readily make changes in costs and timing that automatically are reflected in summary sheets, without extra manual inputting. He noted that the updated version does not include at this time funding information and still needs some revision to update the timing of certain capital outlays, smoothing out costs from year to year. He will need to have a meeting with Department of Public Works Director Wayne Amaral, and others with high capital needs such as the Fire Department to look at this. Mr. Parker stressed that the document should be as realistic as possible in terms of projecting the amount and timing of costs.

By unanimous vote, the Committee decided to 1) put the updated spreadsheet on the Committee website after it has been revised by Mr. Jennings and reviewed by the Committee and 2) remove the current, out-of-date spreadsheet and replace it with a notice that an updated version will be coming.

Recommend Stabilization Transfer Amount

Mr. Jennings shared with the Committee a draft spreadsheet component (to be added to the first page of the large spreadsheet) that includes funding for the capital improvements. The draft (which still needs adjustments) would identify the array of possible funding sources and would distinguish stabilization funds that are available for new projects from those already committed (such as the \$600K for the

Middle Street Bridge) and thus not available for other purposes. Mr. Jennings noted that improvements in the Town's financial management and recordkeeping had been necessary for this and other reasons. It was also noted that state guidance offers the rule of thumb that about 15% of the typical annual operating budget should be in stabilization.

Mr. Jennings also noted that at his prior post in Maine (where the legislative body met every two weeks as opposed to twice per year as occurs here), the town used a more granular approach with different stabilization funds for the library, fire department, etc. Currently West Newbury has a distinct School Stabilization Fund. This offers less flexibility, but affords departments more certainty that funds earmarked for their projects will be available as intended. In extraordinary circumstances, monies can be moved across stabilization accounts.

Mr. Jennings said that \$500K for stabilization is built into the current FY 23 budget. If as the program is refined, this is not enough, consideration can be given for Fall Town Meeting to move Free Cash into the Stabilization Fund.

By unanimous vote, the Committee recommended transferring \$500K into the Stabilization Fund at Spring Town Meeting.

Adjournment

The meeting adjourned at 9:18 PM

Next Meeting

April 21, 2022 to review the updated Water Study costs and the revised Capital Improvement Plan spreadsheet.

Meeting Documents

Updated versions of the Capital Improvements spreadsheet

FY 23 Litmus test

Updated water study information

Respectfully submitted

Elisa Grammer