

West Newbury Capital Improvements Committee Meeting Minutes

Meeting date & place: 7:30 PM, March 9, 2023, 1st Floor Hearing Room 1910 Building

Members Present: Rick Parker, Elisa Grammer, Julia Boria, Ross Capolupo and Chair Judy Mizner. Department of Public Works (DPW) Director Wayne Amaral, Town Manager Angus Jennings, Water Superintendent Mark Marlowe, Water Commissioner Bob Janes, and Water Commissioner Larry Corcoran were also present.

Call to order

7:30 PM

Review Litmus Test Vote/Ranking for proposed FY 24 capital expenses

Because new information was provided at this meeting, the Committee adhered to its plan to have members complete the litmus test and provide it to Ms. Grammer for compilation on March 10, 2023.

Water Department

\$30K Fund for Hydrants, etc: Mr. Jennings said that he and the Select Board had not viewed this as a matter for the Capital Improvements Committee because it would cover a group of individual items whose cost is less than \$20K. Ms. Grammer said that in talking with the Water Department, she understood that this would be like a reserve fund to cover increasingly high costs for items that turn out to be in need of replacement. Mr. Marlowe said that the Department plans to replace 2, possibly 3 fire hydrants in the near future. He explained that the supplier the Department had used was hurt by COVID, making it hard to repair some of the very old hydrants, which now cost about \$3.6K to replace. In response to Ms. Mizner, he explained that a meter pit is used at homes with long driveways, where leakage on the homeowner's property may be a problem. In such a case, putting the meter at the street captures the amount of water going into the property.

\$625K Water Main Piping Prepurchase: The Water Department proposes to purchase and store piping and related hardware for the water main replacements at Church and Prospect Streets because supply chain problems have created a delay of 30 weeks or more between ordering and delivery. Several storage sites are contemplated, including the area by Ferry Lane Park where the Department of Transportation closed off a one-way road to create a staging area for Rocks Village Bridge repairs. This would entail 7 truckloads of pipe. The pipe would cost about \$559K with \$10K for fencing. Costs of engineering included in the article were for consultants in the bid process. The pipe is made in America and the Select Board may determine to use federal ARPA funds. Mr. Marlowe noted that Merrimac has successfully used this prepurchase approach, which allows installation contractors to bid with knowledge that the timing will not be adversely affected by supply chain questions, and which saves contractors the need of expending upfront large sums on materials to be later reimbursed by the Water Department.

Mr. Marlowe explained that the 6" pipe being replaced is very old, clogged, prone to breakage, and insufficient to provide water pressure needed for firefighting. The replacement pipe will be 8" in diameter and could be lined in the future.

Department of Public Works

\$172K Sidewalk snowblower/snowplow Mr. Capolupo said that he had visited the DPW facility and having looked at the current machine, supports replacing it. It still has some salvage value, which may offset the replacement cost. In speaking with DPW staff, he was confident the new equipment will be well maintained.

Mr. Amaral said that the sidewalk snowplow is used in every storm—about 7 or 8 times so far this year. The problem on Main Street is that the State Department of Transportation snowplows deposit large banks of snow on the sidewalks, necessitating DPW use of the sidewalk snowplow. Mr. Amaral also commented that a longer lasting snow storm in colder conditions (where the plows go out repeatedly but only one application of salt at the end is needed) is preferable to more recent storms with rain/sleet/snow mixes that require multiple salt applications. He also noted that this year's light capital requirements make it an ideal time to replace the sidewalk snowplow.

\$40K Page School HVAC Messrs. Amaral and Parker said that they had just received an informal, nonbinding estimate of \$115K for this work (excluding electrical), which would cover some 2.5-3K sq ft of Page School entryway, administrative offices, and teacher lounge area. They cannot say that this is a final figure, but are confident that the cost will be substantially over \$40K. They noted that Pentucket Regional School District, which has financial and other challenges, may not have the same ability to maintain and consider replacement of equipment as does the Town.

Mr. Jennings noted that with the Town Meeting funding process, the Town has a chicken and egg problem: vendors may be reluctant to put the time and effort into a binding bid if they do not know that the funding is available and voters may be reluctant to authorize an expenditure if they are not sure about the cost.

Fire Department

\$117K Off-Road Fire Pickup with tank & water pump: Ms. Mizner said that she talked with the Fire Department, seeking clarification of the many add-ons included in the specifications. She said that although the descriptions were unclear as to purpose, essential equipment like emergency lights were involved. Mr. Amaral noted that a 7% adder above the cost estimate should be included given inflation and the time it takes to actually acquire the truck. He also noted that because of the state's purchasing program, the base cost of the truck is very low. The add-ons may compensate for this.

Discussion of updated draft Capital Improvement Program

Mr. Jennings noted that he had recently sent out an updated version of the Capital Improvements Program spreadsheet. Ms. Grammer said that she posted the updated version on the website. Mr. Jennings also shared a recently developed draft of a spreadsheet offering a longitudinal look at the Capital Stabilization Fund vs. capital expenditures shown on the Capital Improvements Program (CIP) spreadsheet in future years. He pointed out that projections are just that and that forecast expenditures, often based on useful life estimates that may be understated, will be spread out over the future years. *Mr. Jennings will share the new spreadsheet, seeking comments, and in future iterations of the CIP spreadsheet, there will be a note saying that the values are not adjusted for inflation.*

Recommend Stabilization Transfer Amount

Mr. Jennings said that in recent years, the Town put \$500K annually into the Capital Stabilization Fund. He pointed out that the Town has no debt (not including the Water Enterprise), has a AAA credit rating, and because of a variety of factors including allocation of regional school costs and pension funding, will not see substantial budget increases this year.

Accordingly, this may be a good time to increase annual contributions to the Capital Stabilization Fund. It was noted that the Select Board succeeded in mitigating the cost impacts of the new school building by taking tax receipts that would otherwise have paid expiring debt service and directing that money to a School Stabilization fund. As of this year the Town will no longer be paying \$300K/year in debt service.

The Committee voted unanimously to increase the contribution to the Capital Stabilization Fund by \$100K to \$600K.

Review and approve Minutes from previous CIC meeting

The Committee unanimously approved the minutes of February 9, 2023.

Other business

Ms. Grammer said that while the Town is in very good financial shape, looming costs of water main replacements are concerning, and may be a cost borne by all Town taxpayers. As a general rule, it's a good idea for boards or committees with a big ask to have made themselves appreciated by all voters. The Water Department may want to consider ways of making itself valuable to those not on Town water. One idea might be to make nonpotable tanked water available on an emergency basis to well owners whose wells are performing poorly, as in drought conditions.

Ms. Mizner committed to preparing a draft annual Committee report to the Select Board and formatting essentially the same information for a section in the Finance Committee Town Meeting booklet.

Adjournment

9:25 pm

Meeting Documents

Meeting packet provided by Town Manager
Litmus Test

Respectfully submitted

Elisa Grammer

