

Town of Pomfret

Agenda for December 12, 2019 Capital Planning Committee Meeting
6:00pm at the Pomfret Town Offices
5218 Pomfret Road
North Pomfret, VT 05053

Agenda Item	Presiding Officer	Timeframe
1. Call to Order	All	6:00-6:05pm
2. Public Comment (2min./person limit)	All	6:05-6:15pm
3. Agenda Review & Minutes Approval	All	6:15-6:20pm
4. Review Recommendations from 2017 Update	All	6:20-7:00pm
5. Formulate Recommendations to Selectboard for FY21 Budget	All	7:00-8:00pm
6. Meeting Adjournment	All	8:00pm

Pomfret Capital Planning Committee
5218 Pomfret Rd.
Pomfret, Vermont 05053

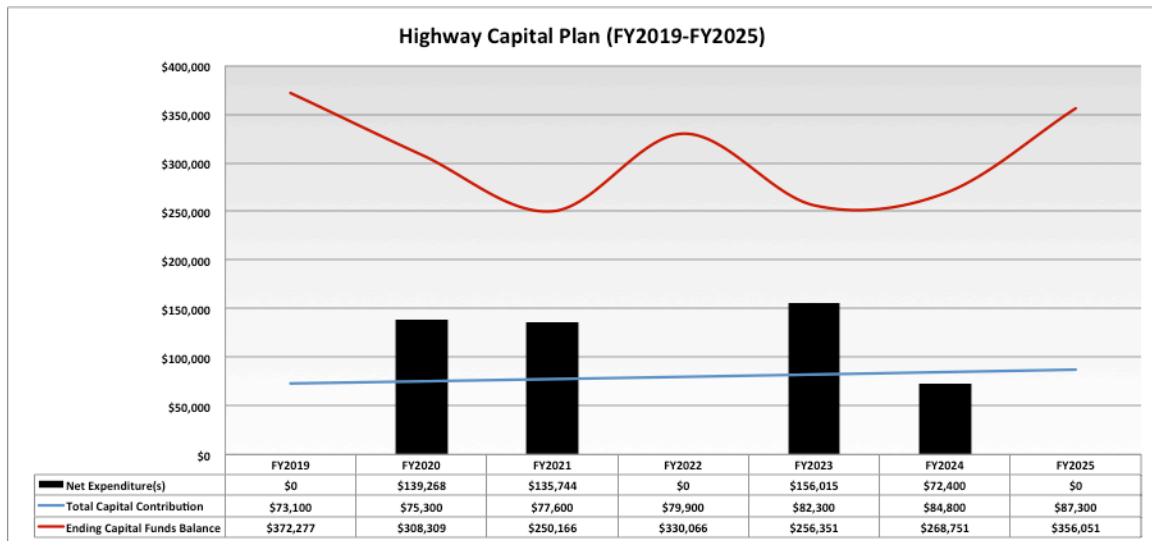
Recommendations for FY19 Capital Expenditures

Date: November 8, 2017

The Pomfret Capital Planning Committee (CPC) respectfully submits its capital planning recommendations to the Pomfret Selectboard for fiscal year 2019 (FY19).

Highway Capital Planning

The CPC recommends an FY19 appropriation of \$73,100 for the Highway Vehicle Reserve Fund. This represents a \$35,600 reduction from last year's appropriation. The decrease is the result of a proposed change in dump truck specification that will potentially cost \$30,00 to \$50,000 less for each truck as well as a revised strategy for splitting the cost of high-dollar, long service life equipment between current and future taxpayers. No expenditures are planned for FY19.



Over the next seven years, the capital plan projects a net expenditure of \$503,426 for the purchase of three new dump trucks (Truck #'s 1-3) and a replacement for the one-ton truck (Truck #4).

The Town's current positions for all Highway related reserve funds are as follows:

Reserve Fund Description	Balance * (as of Sep. 2017)
Highway Vehicle Reserve	\$299,176.91
Highway Guardrail Reserve	\$2,471.33
Highway Paving Reserve	\$111,402.95
Highway Bridge Reserve	\$151,293.44
Total	\$564,344.62

* Available to spend (beginning fund balance, plus earned interest, plus FY18 appropriation)

The following recommendations are limited to Highway equipment and do not include paving, bridge repair/maintenance or costs related to improvements that might occur at the Teago intersection in South Pomfret.

Recommendation #1: The CPC recommends maintaining the current seven-year replacement schedule for Town dump trucks, established by the board in the 2015 Town Report and recommended again in the [2016 Capital Plan](#) on page thirteen.

- Notes:
 - The 2016 capital plan contains an error. It scheduled replacement of all three dump trucks a year earlier than planned (six years instead of seven). The next planned truck purchase will be to replace Truck #2, placed in service in September 2012 and due for replacement in September 2019 (FY20).
 - The Road Foreman would like the Town to purchase a smaller profile dump truck – the Freightliner M2 106 recently placed into service in Vershire. The cost of that truck was \$150,100, which is roughly \$60,000 less expensive than our current truck specification. For planning purposes, the CPC has used an in-between cost estimate of \$183,000 for the next truck purchase. It's important to ensure that the any change in specification includes similar warranty coverage as we have today.

Recommendation #2: The CPC recommends against keeping a spare dump truck. Based on the amount of vehicle downtime, which averaged two days per year during the winter months, the CPC believes that it does not make financial sense to spend money for insurance and maintenance for the convenience of a spare, but instead recommends to contract for on-call service during the winter where extra help is needed, either because of weather conditions or vehicle downtime. The CPC recommends putting out a bid for contract on-call services to augment the Highway crew during the winter, as needed.

Recommendation #3: As previously recommended on page 16 of the 2016 capital plan, the CPC again recommends splitting the cost of equipment with a service life of fifteen or more years between current and future taxpayers. For example, the motor grader has a projected service life of twenty-five years and the cost of replacement is estimated to be \$372,000 in FY28. Fifty-percent of the cost would be paid by current taxpayers as a

reserve fund appropriation while future taxpayers, who will benefit most from that piece of equipment, would pay the remaining half of the cost. There are a variety of no or low-interest methods to pay for the future half of the cost and the CPC believes this is the most equitable and economical way to pay for increasingly expensive high-dollar equipment with long service lives.

Recommendation #4: As per the recommendation of the Road Foreman, replacement of the chipper in FY20 for an estimated amount of \$42,000 has been removed from the capital plan. The chipper is not used enough to justify replacement and there are ongoing discussions about selling the chipper the Town currently owns to purchase more needed equipment.

Emergency Services Capital Planning

For FY19, the CPC recommends that no money be appropriated to any of the four Emergency Services reserve funds. The Fire Department requested an annual appropriation of \$70,000 for FY19 while the FAST Squad did not make a request. The CPC's recommendation is based on a candid conversation with Chief Kevin Rice subsequent to the submission of the Fire Department's \$70,000 capital funding request, as well as email input from Frank Perron, the President of the FAST Squad. The CPC's recommendation for the Fire Department is based not only on the conversation with Chief Rice, but also because of the fact that there's adequate funding available for near-term purchases. No expenditures have been requested for FY19.

The current balances of the Emergency Services reserve funds are as follows:

Reserve Fund Description	Balance (as of Sep. 2017)
Fire Department Vehicle Reserve	\$385,872.39
Fire Department Non-vehicle Reserve	\$23,676.92
Communications Reserve	\$10,768.78
FAST Squad Reserve	\$6,679.36
Total	\$426,997.45

The CPC makes the follow additional recommendations:

Recommendation #1: The CPC recommends the same funding strategy for high-dollar, long service life equipment as recommended above for Highway. Namely, that 50% of the cost be appropriated annual to the Fire Department Vehicle Reserve Fund while future taxpayers would pay the remaining 50%. The CPC further recommends that the Fire Department contribute some portion of its fundraising dollars toward fire truck purchases and other high-dollar equipment, such as Self-Contained Breathing Apparatus (SCBA). The Fire Department has traditionally contributed roughly 20% toward the

purchase of SCBA. The Fire Department should similarly contribute toward the purchase of fire trucks.

Recommendation #2: The CPC recommends that the Town follow the 2016 Fire Services Evaluation on page 23 to set the service life for fire trucks to be thirty years. Pomfret is a small community with low-incident responses. The next truck replacement would be scheduled for FY24 when the oldest fire truck turns thirty years old. That trucks remains in operational and safe condition.

- Notes:
 - When the next fire truck needs to be purchased, the Selectboard should consider converting one of the Town dump trucks for fire service. For example, Highway Truck #3 is scheduled for replacement in FY21. By the time it's converted for fire service it would arrive at about the same time as Engine #1 would need to be replaced. The dealer who sold the Town the two Freightliner trucks stated that the Town could expect fifteen years of fire service from the truck.

Recommendation #3: The CPC recommends that Personal Protective Gear (PPE), including "bunker gear," be funded out of operating expenditures rather than capital. The Fire Department typically plans to replace 1 set of gear per year, or as needed. The cost of the gear is between \$1,600 and \$2,000 per set. Because the cost of PPE is recurring and generally low-dollar, it makes logical sense to treat this cost as an operating cost.

Town Buildings Capital Planning

For Town buildings, the CPC recommends an FY19 appropriation of \$35,000 for the Town Building Reserve Fund for the improvement of the brick building (Historical Society building). This amount would be used to replace the slate roof, estimated to cost roughly \$28,000, as well as another \$7,500 for redoing and repainting the windowsills and repointing the brick chimney. The drainage behind the building needs to be addressed. Jim Havill has agreed to perform this work as a donation valued at around \$2,000.

Reserve Fund Description	Balance (as of Sep. 2017)
Town Building Reserve	\$39,155.16
Total	\$39,155.16

The CPC further recommends that the current balance in the Town Building Reserve be held for potential changes as a result of the Holden Engineering Scoping Study due next spring. It's impossible to know how much money will be required for projects resulting from the study, if any. Known issues are addressing parking at the Town Hall and Town Offices and nighttime safety concerns between the two buildings, e.g., lighting and speed control. Finally, the CPC recommends deferring \$8,000 planned for painting the Town Offices until FY20.