

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

**Recommendations for FY21 Capital Planning**

Date: December 18, 2019

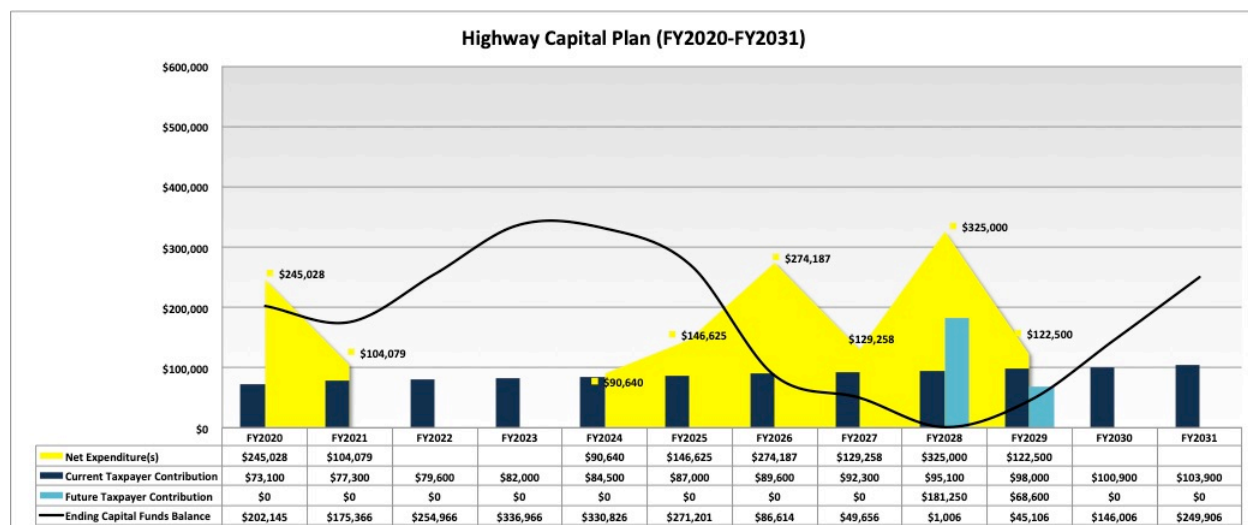
The Pomfret Capital Planning Committee (CPC) respectfully submits its capital planning recommendations to the Pomfret Selectboard for fiscal year 2021 (FY21).

**Highway Capital Planning**

The CPC recommends consideration of two possible models for funding Highway capital acquisitions – a flexible model for equipment with a service life of 15 years or greater that funds the vehicle reserve to 91% and a flat funding model that fully funds all purchases. The CPC expects \$1,889,175 in net expenditures between FY21-FY31. Historically, there have been well thought out capital plans, but those plans have not always been followed, causing a saw-tooth effect in the vehicle reserve. Since the inception of the CPC, however, the Selectboard has consistently followed the capital plan's funding recommendations. With each two-year review cycle, the Selectboard once again has an opportunity to revisit different funding strategies.

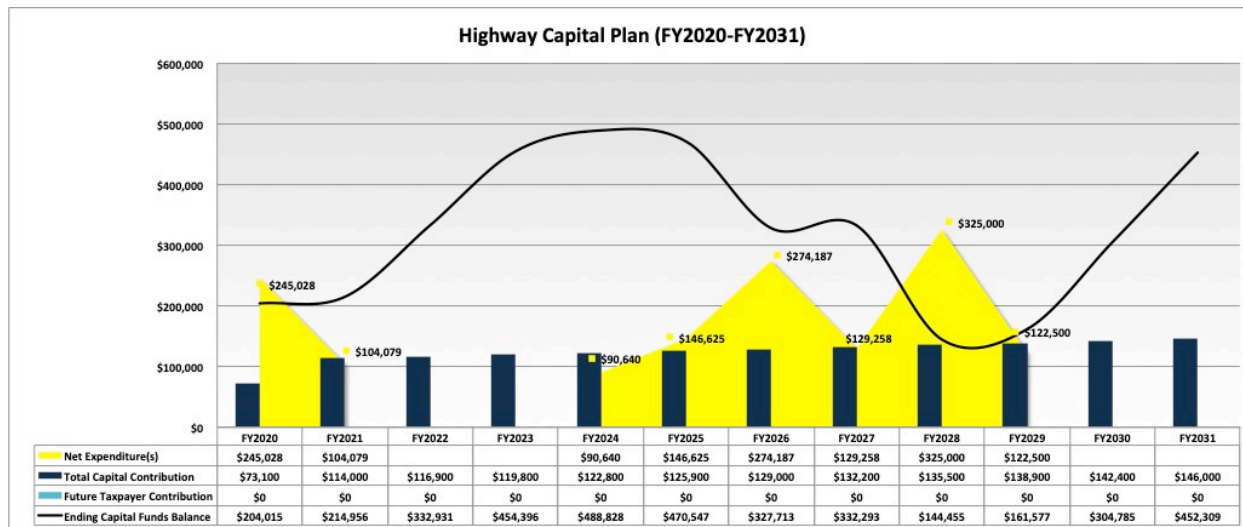
The first model is “flexible” in that the purchase of the grader, the loader and excavator are funded half by current reserve fund appropriations and the other half either by other mechanisms, such as financing, grants or tax appropriations. The total amount that would be financed in the next decade would be \$171,350, which is 9% of total expenditures for the period (\$1,889,175 in planned expenditures out to 2031). This is the model the CPC recommended for FY18 and FY19 and which the board approved. On average, this approach contributes \$90,018 per year to the vehicle reserve fund between FY21 and FY31. As originally recommended, the basic logic of this approach is that it is more equitable to current and future taxpayers and that it provides an inflection point for the Town to consider different strategies for how it might want to approach high-dollar, long-life equipment purchases.

**Flexible Funding Approach (91% funded)**



The second model is “flat” in that it funds the vehicle reserve to 100%. The main benefit to this approach is that it fully funds the reserve and precludes the need to consider other options to fill any unfunded balance. Contributions, adjusted for inflation, provide even contributions for taxpayers over time. Any surplus in the reserve account bears marginal interest and there are no un-anticipated interest charges for borrowing money. On average, this approach contributes an average of \$129,400 per year to the vehicle reserve fund between FY21 and FY31. Starting in 2032, it is projected reserve fund contributions can be reduced which will provide adequate funding thru 2052.

#### Flat Funding Approach (100% funded)



## Town Building Planning

Since the last report, a number of Town building projects were accomplished. The majority of the work centered on the Town Hall and the Old Town Clerk’s building. Between those two buildings, just over \$127,000 in capital, capital renewal, and non-capital routine maintenance was spent. The highlights include replacement of the windows at the Town Hall, painting and replacement of the slate roof on the Old Town Clerk’s building. *See revised Appendix D for current estimates.*

In the next two years, the CPC expects roughly \$74,800 in capital, capital renewal, and non-capital routine maintenance across all Town buildings. There are a number of small projects for the Town Hall, e.g., installing exterior lights, smoothing of the wheelchair ramp and replacement of the back porch. These projects total an estimated \$15,500.

There are a few leftover projects for the Old Town Clerk’s building, including drainage work, window painting and interior insulation, totaling an estimated \$14,300.

The Carriage Shed requires the most investment and any investment. The investments contained in Appendix D are consistent with historic preservation and total \$40,420.

The Town Office needs installation of a wheelchair access entry door and will require painting in 2022. These projects total \$17,500.

Finally, the Town Garage requires a number of small projects, including siding replacement, painting, the potential for installing a smoke and fire detection system (as recommended by VLCT), as well as a number of other small projects. These projects total \$40,000.