

**VILLAGE OF ESSEX JUNCTION
CAPITAL PROGRAM REVIEW COMMITTEE
MINUTES OF MEETING
December 3, 2013**

MEMBERS PRESENT: Andrew Brown (Chairman); Rick Hamlin, Richard Donahay. (David Nistico was absent.)
ADMINISTRATION: Lauren Morrissette, Co-Assistant Village Manager.

1. CALL TO ORDER

Andrew Brown opened the meeting at 6 PM.

2. MINUTES

November 5, 2013

MOTION by Rich Hamlin, SECOND by Rich Donahay, to approve the 11/5/13 minutes as presented. VOTING: unanimous; motion carried.

3. BOND INFORMATION

The memo from Susan McNamara-Hill to Lauren Morrissette, dated 11/26/13, regarding the procedure for bond votes was reviewed. The waste water treatment plant bond vote was in 2011. Cost for legal work associated with a bond is between \$3,500 to \$5,000. There are five capital projects with bonding in the budget. Projects to move up on the list (for FY15) are Woods End construction, library security cameras, Algonquin water line, Railroad Ave. water line, and paving. Old Colchester Road sewer is slated for FY19, but this is questionable. Surveillance cameras at the library are recommended by Vermont League of Cities and Towns and there may be grant money available. Next in line on the list of projects are:

- Central Street water line
- North Street water line and sewer
- Thasha Lane
- West Street
- Pearl Street

Lauren Morrissette reviewed the five priority capital projects totaling \$5.3 million and the bond payment amounts for the first two years:

- First year payment (interest only) \$133,500 - General Fund pays \$122,575, Water Fund pays \$10,925
- Second year bond payment \$417,26 - General Fund pays \$383,118, Water Fund pays \$34,148

There was discussion of securing a bond for \$5 million and drawing down the amount needed for a project as it is done. There was also discussion of whether there is a timeframe within which the bond money must be used. Lauren Morrissette will investigate the matter. Three options to pay for projects include:

- Continue to contribute \$300,000 per year to the capital fund and accrue the needed funds for projects. The drawback is that infrastructure continues to deteriorate while the money is being accrued.
- Bond for projects.
- Institute a short term tax increase.

Examples of the impact of a short term tax increase on a median value house in the village:

- \$150 one time increase for the School Street project
- \$675 one time increase for the Main Street project
- \$75 one time increase for the Hillcrest project
- \$350 one time increase for the Briar Lane project
- \$44 one time increase for the Maple Street project

Bond payment for \$5 million to cover all five projects for a median value house (\$266,000) is an average of \$93 per year over 20 years.

The terms of a \$5 million bond is 3.65% interest over 30 years.

There was discussion of setting money aside now in a fund for projects on the horizon (similar to the rolling stock fund, but for road projects). There was mention of doing the Main Street project and coordinating with the state paving and striping schedule to save money. There was brief explanation of how the village addresses roads that need repair (Public Works Director knows the road conditions and targets the work). It was suggested an inventory of critical road reconstruction in the village should be created in order to prepare and pay for the work. Municipal buildings and rec facilities should also be included in the inventory.

4. MEETING SCHEDULE

Next meeting

- January 7, 2014, 5:30 PM – 6:30 PM.

5. ADJOURNMENT

MOTION by Andrew Brown, SECOND by Rick Hamlin, to adjourn the meeting.

VOTING: unanimous; motion carried.

The meeting was adjourned at 7:10 PM.