

**VILLAGE OF ESSEX JUNCTION
CAPITAL PROGRAM REVIEW COMMITTEE
MINUTES OF MEETING
March 19, 2013**

MEMBERS PRESENT: Andrew Brown (Chairman); Lori Houghton, Rick Hamlin, Richard Donahey. (Harlan Smith and David Nistico were absent.)

ADMINISTRATION: Lauren Morrisseau, Interim Village Manager.

1. CALL TO ORDER

Andrew Brown called the meeting to order at 5:30 PM.

2. APPROVE MINUTES

February 5, 2013

MOTION by Andrew Brown, SECOND by Lori Houghton, to approve the 2/5/13 minutes as written. VOTING: unanimous (4-0); motion carried.

3. DISCUSSION OF ANNUAL MEETING PRESENTATION

The presentation of capital project information at annual meeting was discussed, noting the following:

- The state of the village with regard to capital projects will be discussed under the 'Other Business' portion of the annual meeting.
- Voters will be reminded that any project with a cost of \$10,000 or greater is considered a capital project.
- A brief history of the establishment of the Capital Fund by the village trustees in 1993 to avoid the need to borrow money for capital projects will be explained. [At that time IBM was paying 62% of the Grand List for the village so there was no need to borrow money. As the inventory and machinery & equipment taxes were eliminated the amount paid by IBM decreased. IBM agreed to pay a subsidy to ease the impact on the village. The subsidy ends in FY2014. IBM now only pays property taxes.]
- Capital projects include paving, infrastructure (roads, water and sewer lines), and facilities/buildings (fire station, roof), but does not include vehicles. There is a rolling stock fund for vehicle purchases.
- There is a list of known capital projects in the village. Projects are added to the list as identified. For example, Pleasant Street reconstruction and Mansfield Ave. paving are both capital projects that need to be added to the current list.
- There is an estimated \$11 million in capital projects on the current project list.
- Water line and sewer line projects are paid for with funds from the Water Fund and Sanitation Fund respectively.
- Sidewalk, road, and storm drain projects are paid for with funds from the General Fund.
- Of the \$11 million in capital projects approximately \$6 million are projects to be paid by the General Fund and with the Capital Budget which contains \$300,000.

- To complete projects on the list will take a significantly longer amount of time due to limited funds unless other sources of funding are found. One option is to increase taxes to increase the Capital Budget so projects can be completed in the next 10 years rather than 20 years. Additional ideas for funding are noted below.
- The current rate for doing projects that the village can afford at best is one project per year. At that rate there will be more projects added to the list than completed. This is not sustainable.
- Village staff has identified 30 projects (streets, sidewalks, water, and sewer work) that need to be addressed now. Sewer and water bills will cover some but not all of the work on water and sewer lines. The General Fund will cover some but not all of the infrastructure projects.
- One cent on the village tax rate raises \$100,000. A two cent increase raises \$200,000 which may allow one additional project with a modest cost to be done in a year. An increase of two cents will add approximately \$54 to the tax bill for a typical house in the village. The Town of Essex has a two cent capital tax that is paid by townspeople including residents of the village. The Town of Essex also has an eight cent highway tax that is not paid by village residents.
- The total cost of capital projects paid by the village General Fund is \$14,997,497.05. Pavement overlay projects total \$407,231.56.
- The total cost of capital projects paid by the village Water Fund is \$2,628,330.98.
- The total cost of capital projects paid by the village Sanitation Fund is \$275,492.73.
- The total cost of capital projects overall (sum paid by general fund, paving, water, and sewer for projects) is \$18,308,552.32.
- To save money the village does the following:
 - When possible the scope of a project is scaled down and longer lasting materials are used to lengthen the life of the work over time.
 - Except on main thoroughfares when a roadway is rebuilt sidewalk is added on only one side of the street rather than both sides.
 - When a street that is 30' wide curb-to-curb is rebuilt the width is narrowed to 28' which still allows on-street parking and cars to pass. The narrower road also helps to slow traffic speed.
- Ideas for funding include:
 - Maintain the status quo (the consequence is infrastructure in the village further deteriorates and makes the area less desirable);
 - Increase taxes and/or fees (with this approach current taxpayers burden the cost for improvements to be enjoyed by future generations, the tax rate increase could change in the future, the tax revenue goes into the General Fund and may not be directed to a capital project specifically);
 - Bonding for projects (presently bond rates are lower than in the past decade, bonding will allow more projects to be done in the near future, bonding covers the life of the project, bonding is typically for 20 years and the rate is set for that time period, bonding allows repayment by current and future residents who will benefit from project results).
 - Establish a tax incremental finance district/ local options tax (not likely to be supported).

- Significantly increase the fee for disturbing the pavement (would most impact homeowners repairing a sewer/water line break).

Lori Houghton suggested pictures of key road projects, such as Woods End, be displayed at the annual meeting to visually demonstrate the magnitude of the work to be done.

Attendees at the annual meeting will be asked for suggestions and ideas on funding capital projects. A straw poll could be taken on the priority of projects and the choice of funding. Residents will be reminded of the See Click Fix link on the village website to notify staff of matters needing attention, such as a streetlight that may be out.

Lauren Morrisseau will research bond information through the municipal bond bank. Rick Hamlin will compile total values for capital projects paid by the General Fund, the Water Fund, and the Sanitation Fund. Rick Hamlin will take pictures of key road projects. Andrew Brown will draft the presentation for annual meeting.

4. RANKING OF PROJECTS

Project ranking was postponed until the May meeting.

5. MEETING SCHEDULE

Next meeting

- April 2, 2013 at 5:30 PM.

Agenda Items

- Approve minutes
- Prepare for annual meeting

6. ADJOURNMENT

MOTION by Andrew Brown, SECOND by Lori Houghton, to adjourn the meeting.

VOTING: unanimous; motion carried.

The meeting was adjourned at 6:27 PM.

RScty: M.E.Riordan