



# Fairhaven Capital Planning Committee

## March 17, 2015 Meeting Minutes

Town Hall East Room – 4:00 p.m.

**Present:** Robert Baldwin, Wendy Graves, Cathy Melanson, Andrew Tillett, William Roth, Vinnie Furtado, Jeff Osuch.

Mr. Tillett called the meeting to order at 4:04 p.m.

### MINUTES

Dr. Baldwin motioned to accept the minutes of the March 9, 2015. Ms. Graves seconded. Vote was unanimous. (7-0).

### SEWER ENTERPRISE

Mr. Furtado explained the five-year Capital Plan for Sewer Projects and Equipment for FY16-20. The Sewer Capital Plan is based on sewer rate increases of:

- FY16 - \$0.55
- FY17 - \$0.30
- FY18 - \$0.30
- FY19 - \$0.30
- FY20 - \$0.30 (if necessary)

The Capital Planning Committee anticipates a borrowing of \$11-12 million in FY19 to fund major Capital Improvements at the Wastewater Treatment Plant. (See spreadsheet).

General discussion followed on revenue amounts to be available on a yearly basis.

### WATER ENTERPRISE

Mr. Furtado explained the five-year Capital Plan for Water Projects and Equipment for FY16-FY20. The Water Capital Plan is based on Water rate increases ranging from:

- 4-6% on Step 1 of Water rate (each year)
- 3-4% on Step 2 of Water rate (each year)
- 1-2% on Step 4 of Water rate (each year)

General discussion followed on revenue projections and collection issues. Mr. Furtado will revise both the Sewer and Water sheets for the next meeting.

General discussion continued on the General Fund – Capital Stabilization Account. The Committees decided to list a total for each year and not list a specific amount for a project or piece of equipment.

A five-year appropriation for an ambulance (\$50,000 per year) will be added to the plan.

Dr. Baldwin motioned to adjourn at 5:45 p.m. Ms. Graves seconded. Vote was unanimous. (7-0).

The next meeting of the Capital Planning Committee is scheduled for Tuesday, March 24, 2015 at 4:00 p.m. in the Town Hall East Room.

Respectfully,

Jeffrey W. Osuch  
Secretary  
(Minutes approved 03/24/2015)

	FY16	FY17	FY18	FY19	FY20
2 Police Cars	70,400.00	71,000.00 ±	71,500.00 ±	72,000.00 ±	72,500.00 ±
Highway Equipment	144,000.00	150,000.00 ±	165,000.00 ±	110,000.00 ±	160,000.00 ±
Roadwork	300,000.00	300,000.00 ±	300,000.00 ±	400,000.00 ±	375,000.00 ±
Hastings Floors - gr 8	151,440.00	521,000.00 ±	536,500.00 ±	582,000.00 ±	607,500.00 ±
Town Hall Floors	20,000.00				
Police Pick-up	36,928.00				
<b>TOTAL (1)</b>	<b>722,768.00</b>				
Harbormaster Truck		40,000.00 ±			
Town Admin. Car		30,000.00 ±			
Hastings Floors (6/7)		160,000.00 ±			
Fire Air Packs		20,000.00 ±			
<b>TOTAL (1)</b>		<b>771,000.00 ±</b>			
Borrow Principal/Interest		Police Radio System	100,000.00 ±		
		COA/Rec HVAC	200,000.00 ±		
		<b>TOTAL (1)</b>	<b>836,500.00 ±</b>		
		Police Communication		150,000.00 ±	
		BPW Floors		28,000.00 ±	
		Fire Building		50,000.00 ±	
		Harbormaster - truck		50,000.00 ±	
		<b>TOTAL (1)</b>		<b>860,000.00 ±</b>	
		Harbormaster boat			45,000.00
		BPW car			35,000.00
		Vehicles?			±
		Other - TBD			
		<b>TOTAL (1)</b>			<b>900,000.00 ±</b>
	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
<b>TOTALS (1)</b>	<b>722,768.00</b>	<b>771,000.00</b>	<b>836,500.00</b>	<b>860,000.00</b>	<b>900,000.00</b>
Borrow Principal/Interest					
Ladder/Fire Trck/Other Cap Needs/roofs/capital/MSBA	400,000.00	500,000.00	600,000.00	700,000.00	800,000.00
<b>TOTAL (2)</b>	<b>400,000.00</b>	<b>500,000.00 ±</b>	<b>600,000.00</b>	<b>700,000.00</b>	<b>800,000.00</b>
<b>TOTALS (1) and (2)</b>	<b>1,122,768.00</b>	<b>1,271,000.00 ±</b>	<b>1,436,500.00 ±</b>	<b>1,560,000.00 ±</b>	<b>1,700,000.00 ±</b>
<b>Land Sales (Projected)</b>		300,000.00 ±			
<b>TOTAL (3)</b>		<b>300,000.00 ±</b>			
<b>TOTALS (1) , (2), and (3)</b>	<b>1,122,768.00</b>	<b>1,571,000.00 ±</b>	<b>1,436,500.00 ±</b>	<b>1,560,000.00 ±</b>	<b>1,700,000.00 ±</b>

Policy for borrowing: only for Capital equipment/projects in excess of \$1 million (ex. High School exterior repairs, Police/Fire Station renovation)				
<b>Create Saving Accountants for Specific Equipment/Projects</b>				
<b>Ladder Truck</b>	FY16	300,000.00		
	FY17	300,000.00		
	FY18	300,000.00		
		900,000.00	Purchase in FY18	
<b>Fire Engine</b>	FY19	300,000.00		
	FY20	300,000.00		
		600,000.00		
<i>Committee still has flexibility to make adjustments if grants are received. Example: Hastings Roofs MSBA Fund FY17</i>				
Match - either move fire truck/use borrow amount				
<u>Borrowing:</u>	Project must be \$1 million or more			
	Ex: High School exterior repairs - estimated at \$6 million± (if no grants)			
	Borrow for 10 years - Principal payment \$400,000 plus interest at 3% = \$120,000			
	\$520,000 principal and interest payment in year 1.			
		<b>FY16</b>	100,000.00	
		<b>FY17</b>	200,000.00	
		<b>FY18</b>	300,000.00	
		<b>FY19</b>	400,000.00	Borrow \$4 million
		<b>FY20</b>	500,000.00	
		<b>FY21</b>	600,000.00	
		(continue increase \$100,000/year)		
	Set priority listing - for repairs, borrow \$3 to 4 million for Phase 1 repairs			
	Borrow for next project (Ex. Fire/Police Station) - when Town is appropriating enough money to cover principal and interest for two borrowings			
	Continue increasing appropriation for Capital Plan until amount raised each year equals 4 to 5% of the total Town budget - Example: \$50 million general fund budget. Capital Plan should raise \$2-2.5			

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Capital 5 Year Plan  
General Fund

Rev. 02-25-2015

	million per year						
	Note: Any sale of Town property (from Tax Title or other sales) would be placed in Capital account (Ex. 2014 Tax Title \$98,000 2015 sale of Staffon or School properties) - To be used for borrowing principal/interest payments or large capital purchase						

**Capital 5 Year Plan**

<u>Ambulance Fund</u>					
	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
<b>AMBULANCE</b>	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
<u>Sewer Enterprise</u>					
<b>SEWER ENTERPRISE</b>					
Pilot Study	50,000.00				
Pump Station upgrades	140,000.00				
Sewer System Rehab p. 2	80,000.00				
Sewer System Rehab p. 3	65,000.00				
Francis Street Sewer	50,000.00				
Replace #48	44,000.00				
<b>FY16 TOTAL</b>	<b>429,000.00</b>				
WPCF Impr. P. 2		1,300,000.00			
WPCF Nitrogen/Upg.		90,000.00			
<b>FY17 TOTAL</b>		<b>1,390,000.00</b>			
WPCF Nitrogen/Upg.			660,000.00		
Pump Station upg.			140,000.00		
Sewer System Rehab p.2			80,000.00		
Sewer System Rehab p.3			155,000.00		
Replace #45			45,000.00		
<b>FY18 TOTAL</b>			<b>1,080,000.00</b>		
Pump Station Upg.				1,500,000.00	
Replace #47/backhoe				1,000,000.00	
WPCF Improv. P.2				9,240,000.00	
Sewer System Rehab p. 4				800,000.00	
<b>FY19 TOTAL</b>				<b>12,540,000.00</b>	<i>borrow</i>
				WI WPCF	70,000.00
				<b>FY20 TOTAL</b>	<b>70,000.00</b>
<i>(Note: All items FY18-20 require rate increases)</i>					

### Capital 5 Year Plan

<u>Water Enterprise</u>					
<b>WATER ENTERPRISE</b>					
Tinkham Lane well	60,000.00				
Causeway Water main	40,000.00				
Causeway Water main	150,000.00				
Truck	44,000.00				
<b>FY16 TOTAL</b>	<b>294,000.00</b>				
		Truck	50,000.00		
		<b>FY17 TOTAL</b>	<b>50,000.00</b>		
		Akin St. water main	120,000.00		
		Truck	50,000.00		
		<b>TOTAL FY18</b>	<b>170,000.00</b>		
		Day St. water main	120,000.00		
		Truck	50,000.00		
		<b>TOTAL FY19</b>	<b>170,000.00</b>		
		<b>TOTAL FY20</b> To be determined			
<i>(Note: All items FY18-20 require rate increases)</i>					