

CAPITAL PLANNING COMMITTEE
Meeting Minutes
Nov 9, 2022
Scituate Town Hall - Select Board Hearing Room

- I. Committee Attendees, Richard Taft, Michael Gibson, Curt Gunther, Jack Whittaker, Chris Carchia
 - a) Not in attendance – School Committee Designees, Select Board Designees
- II. Invitees Nancy Holt (Town Accountant), James Boudreau (Town Administrator), Jamie Gilmore (Advisory Committee)
- III. Call to Order
- IV. Approval of Agenda – Approved 5 yea / 0 nay
- V. New Business
 - i) Review of Capital Plan – James Boudreau
 - (1) **Finding:** Overview of major points
 - (a) 5-year capital plan has a current estimated budget of 170.3M. Single largest expense in the forecast is a new school, accounting for 50%.
 - (b) 2024 – 24 M was requested by various departments to the Town Administrator, Of that total, 7.7 was recommended by Town Administration to be part of the 2024 fiscal plan.
 - (c) Current school estimated budget value of 85M is dated and is likely to be more expensive given the current inflationary environment.
 - (d) As part of its operating practice, the sewer department has started a study on sewer infrastructure which it then uses before finalizing large capital expenditures
 - (e) Free Cash is forecast at \$3.9M for 2024
 - (f) No borrowing revenue has been incorporated into the general fund. Town Administration is pausing any new borrowing.
 - (g) Water Enterprise – Not recommending the \$9M expense for Dolan Well at this time.
 - (i) This is to build a new well and facility building. Not a detailed or concrete plan has been finalized yet. Expenses necessary for permitting have been appropriated but not construction funds. State has passed new regulations for contaminant removal performance that continues a trend requiring higher levels of filtration, removal, or mitigation.
 - (ii) Conservation and pipe replacement has reduced water usage over the last 5 years of about 100M gallons.
 - (h) Capital plan creates a score for each recommended item which is intended to help prioritize capital expenses.
 - (i) Definition of terms
 - (i) Free Cash – fund not spent in the operating budget. Department of Revenue recommends that 3-5% of operating budget should go to free cash accounts at the end of every year.
 - (ii) General Fund – Funds from all tax receipts.
 - (iii) Retained Revenue – Funds not spent by an enterprise in the operating budget by an enterprise. Enterprise departments are Sewer, Transfer Station, Water and Waterways.
 - ii) DPW Engineering Division – Kevin Cafferty, Sean McCarthy, Mike Breen
 - (1) MS4 – Municipal Sewer – **\$150,000.**
 - (a) **Finding:**
 - (i) Mandated by the state for sampling and testing. It's not currently considered an operating expense. Due to state mandate, over 300 outfalls in town require testing and sampling as part of normal operation of department to comply with state standards.
 - 1. Since these are regular operation compliance requirements that have become part of the standard operation, they are not technically capital expenses.
 - 2. Due to historical practice by the department, they have not been considered as part of

the operating budget.

3. The department informed the capital planning committee that these compliance requirements have grown in expense from \$25,000 per year to the current requested amount. There is no expectation these compliance requirements will end.
- (2) Foreshore Protection - **\$200,000**
 - (a) **Finding:**
 - (i) Recently, the Town has received about \$6M in grants for foreshore projects. The opportunity to secure these grants was a result of preparatory planning approved by the Town Administration. Since state grant cycles can be unpredictable, it is necessary to have foreshore capital plans complete to take advantage of timing when grant applications are available for state or federal funds.
 1. Part of these requested funds are used for external coastal engineering firms for development of documents.
 2. Part of the funds are used for the actual repairs that become apparent during the year.
 - (ii) Sewall cost has been \$8000 / linear ft. Inflation pressures are expected to increase those costs to \$12,000 / linear ft.
 - (iii) Future planning may need to consider areas where Sewall construction exceed the benefit and areas are considered for managed retreat. This is not part of current operating or capital process.
- (3) Public Grounds – New Mower - **\$161,000**
 - (a) **Finding:**
 - (i) Current mower has reached end of life
- (4) Sidewalks, Roadways, Culverts – **\$200,000**
 - (a) **Finding:**
 - (i) General roadway fund for repairs in various areas.
 - (ii) Hollet / Country way railroad crossing has been expressed to be dangerous because it is too narrow for individuals to get out of the way of oncoming traffic. There is also overgrowth of vegetation that further impinges on safe usage.
 1. There is a plan to for approximately 20 different areas to build, replace or improve sidewalks. Those types of repairs are not part of this budget request.
 2. In the highway plan, various streets have been ranked for upgrades, repairs or improvements which are part of a larger master plan.
- (5) Parks and Grounds - John Deer Mower **\$51,000**
 - (a) **Finding:**
 - (i) 20 years old. Part of general maintenance for areas around town.
 - (ii) Estimated that the current mower is valued at \$2,400-\$3,000 at general auction. It is possible the mower could be traded in to reduce first cost of a new mower.
- (6) Two Public Ground Dump Trucks / One Highway Dump Truck **\$235,000**
 - (a) **Finding:**
 - (i) Older trucks are diesel and have higher fuel filtration maintenance expense.
 - (ii) All new proposed vehicles will be gasoline engines.
 - (iii) Some truck manufacturers are not taking orders.
 - (iv) Estimates are not considered firm due to inflation expense and are not final with regard to model or make. Request is being made for funds not necessarily for the exact model noted in the documentation. Current requests may be too specific with regard to make / model. Administration will investigate editing some of the requests.
 - (v) Current parts / chassis environment is taking 2-3 years to find replacement chassis and trucks.
 - (vi) There are approximately 26-30 trucks in the fleet. Many of trucks in the town fleet have been replaced over the past few years.
- (7) New Sidewalk Plowing **\$189,000**
 - (a) **Finding:**
 - (i) Currently running two machines. They are older machines. It takes a long time to get parts

and repair.

VI. Old Business/Other Business

i) Open Discussion

(1) Operating vs Capital Budget requests

(a) Examples include - School Technology, sewer testing and sampling, police radios.

(b) Items that are not consider capital expenses, can be sent back to advisory or select board to be included in operating budgets. Capital Planning Committee can recommend changes to select board or advisory.

(c) 70-80% of operating budget is limited by proposition 2.5%. and any new growth estimates.

(d) 25% increase in South Shore Votech assessment has increased due to more kids going to school there from Scituate Public Schools.

(e) Some of the discussions of capital budgeting and priorities may not be constrained to just what is defined as a “capital” expense.

(f) Changes in capital allocation will affect operating budgeting process and requests.

ii) Review of prior departmental submissions

iii) Review of upcoming meeting agenda

VII. Approval of minutes

i) Nov 2 meeting minutes will be reviewed and approved in the next meeting.

VIII. Adjournment – Motion to adjourn – Approve.