Middlesex Budget Committee
Capital Budget Preview Public Meeting
Thursday, October 12, 2023
6:00 PM

Present: Randy Drury, Elias Gardner, Mark Harris, Zara Vincent, George Longenecker, Dorinda Crowell

Meeting Minutes

6:00 Call to Order
6:01 Presentation of Capital Budget Preview

- CIP Budget Presentation FY 2024_2025.pptx
- Mark presented the slide presentation:
    - Background:
        - Work group was created in Summer 2021 with members from the Budget Committee, the Select Board, and a State consultant (Christian Meyer) to create the Capital Improvement Plan (CIP)
        - The intent in creating the CIP was to become more proactive in planning the replacement of large scale town capital assets, to spread and smooth out, as much as possible, the impacts to the town tax rate
        - Examples of major capital items include vehicles, equipment, land purchases, and paving
        - The Fiscal Year for the town is July 1st - June 30th
    - Definition:
        - The CIP consists of three components:
            - The Capital Asset Inventory
            - The CIP Process
            - The CIP questionnaire/submission form for new Capital items
        - The Capital Asset Inventory is the major piece, and lists all major town capital items along with their useful life and expected replacement cost
        - Capital assets worth $5,000 or more are included in the inventory, which looks out at least 15 years
        - The budget is a reflection of voter-approved expenses for a given year, while the CIP is future looking
    - Process:
        - The Budget Committee extracts the nest year's planned capital items for replacement from the asset inventory
        - If needed, affected departments are contacted to verify costs and replacement year
        - The capital budget for the next year is then created by the Budget Committee
        - A public meeting is held to inform voters
        - Then the proposed capital budget is presented to the Select Board during the annual budgeting process
    - New Capital Items for FY 2024/25:
        - Town Hall elevator repairs (if needed) - $30,000
        - New Dump Truck for Highway ($195,500) -
            - Would be financed over 5 years
            - Loan payments of approximately $48,000 beginning in FY 2025/26

        - New Excavator for Highway ($170,000) -
            - Would be financed over 5 years
            - Loan payments of approximately $41,000 beginning in FY 2025/26
    - Total Capital Funding for FY 2024/25:
        - Total of $136,000; an increase of $30,000 from the current year's budgeted amount of $106,000
        - The difference is funding for the Town Hall elevator repairs
        - Remaining capital funding for next year:
            - Town Hall Bldg Fund - $10,000
            - Bridge Fund - $6,000
            - Paving Fund - $30,000
            - Tennis Court Resurfacing Fund - $5,000
            - Town Garage Bldg Fund - $5,000
            - Asset/Equipment Fund - $50,000

- Mark also outline large capital expenditures over the next several years:
    - Fire Dept -
        - 2 Fire Engines, estimated @ $250,000 each, scheduled for replacement in 2030 and 2033
        - Tanker estimated @ $250,000,, scheduled for replacement in 2034
    - Highway -
        - Loader, estimated @ $85,000, scheduled for replacement in 2026
        - Dump Truck, estimated @ $157,000, scheduled for replacement in 2027
        - Backhoe, estimated @ $106,000, scheduled for replacement in 2028
        - Pickup Truck, estimated @ $43,000, scheduled for replacement in 2029
        - 2 more Dump Trucks, estimated @ $179,000 and $196,000, scheduled for replacement in 2030 and 2032

- Randy added that the costs mentioned didn't take into account inflation since 2021 or the usual 15% trade-in value the town receives for current vehicles. He also noted that town residents could access the updated Capital Asset Inventory on the town's website.
- Mark added that the town takes every opportunity to purchase used vehicles/equipment if feasible, to keep costs down.
- The meeting adjourned at 6:15 PM