

CIP COMMITTEE MEETING
May 12, 2011

Call to Order

Councilor Audet called the meeting to order at 6.00 p.m. in the GAR Hall, located on the second floor of Franklin City Hall.

In Attendance

Councilor/Chair Audet, Committee Members: Councilor Clarenbach, School Board Member Grzelak, Resident Kathy Fuller. Others in Attendance: City Manager Dragon and Finance Director Milner, Superintendent Ward, Business Administrator O'Neil.

Capital Improvement Plan

Manager Dragon and Director Milner presented the updated capital improvement books for the municipal portion of the budget. Superintendent Ward provided some updated Capital Improvement request sheets on behalf of the school

Director Milner discussed the first few sections of the Capital Improvements book which still needs to be updated by the committee. The Executive Summary needs to be reviewed by the committee. In addition, the committee should review guidelines of the committee as well as sections of the funding sources document. All sections requiring review of the committee has been highlighted. In addition, a section of the funding sources has been highlighted in blue because there is currently a proposed change to the fund balance language being considered by the City Council.

Director Milner has updated the existing bond summary, lease summary, bond anticipation notes, and capital reserve fund totals.

Next in the book is a summary of capital requests by year. Manager Dragon met with department heads for an afternoon to discuss which capital items should be prioritized in the earlier years of the plan- realizing that all needs cannot be funded at once. The summary worksheet is a result of that meeting. Director Milner has labeled detailed sheets with a reference number for easy cross reference.

Councilor Audet commented to the committee that he is going to try and get between \$150,000 to \$200,000 in the budget for capital this year.

Councilor Clarenbach noted that the school has bonding structured into their budget already and therefore they are starting from a better point than the City. The city has deferred capital improvement funding on the municipal side. Councilor Clarenbach asked Director Milner the cost for approximately a million dollars worth of bonding.

Director Milner replied that a bond payment would be approximately \$67,000 per every million dollars for a 20yr bond.

Councilor Clarenbach talked about the need to find a mechanism for funding the capital plan that is sustainable and the use of capital reserve accounts to fund replacement of items when they are retired.

Councilor Audet emphasized the need to convince the council of the importance of funding the capital plan.

Director Milner offered that the city's annual depreciation of fixed assets for both the city and school is about one million dollars.

Councilor Clarenbach discussed the need to put aside money for a bond payment for a couple years before we actually commit to a bond to make sure we are financially able to make the payment in the future.

Councilor Audet talked about the next steps for the committee. He stated there is no need to bring in the department heads to ask questions until we actually have money to spend. Therefore, he would like the committee to bring their comments on the guidelines and highlighted sections of the CIP book to the next meeting July 12th at 5:30 pm. Councilor Audet asked the manager to see if the library would be available for this next meeting per the request of member Grzelak regarding handicap accessibility.

Motion to adjourn made by Member Fuller, seconded by Councilor Clarenbach. All in favor, meeting adjourned.

Respectfully submitted,
Elizabeth Dragon