

**Town of Bow
Capital Improvements Committee
September 17, 2019
Approved as Amended Minutes**

The Capital Improvements Program (CIP) Committee met, Tuesday, September 17, 2019 at 5:30 PM. in Meeting Room C in the Municipal Building at 10 Grandview Road, Bow, New Hampshire.

Committee members present were: Chair Bill Oldenburg (Planning Board Representative); Vice Chair Dik Dagavarian (Citizen Representative); Jeffrey Knight (Budget Committee Representative) at 5:55PM; Colleen Hunter (Selectman Representative); Glenn Dugas (Citizen Representative) left at 6:30PM; and Mark Davis (Citizen Representative). Also present were Town Manager David Stack and Finance Director Geoff Ruggles. Jennifer Strong-Rain (School Board Representative) was absent.

I. Call to Order

The meeting was called to order at 5:30 PM.

II. Old Business

1. Acceptance of the any unapproved minutes.

Motion:

Jeffrey Knight moved to approve the minutes of September 11, 2019 and Selectman Hunter seconded. Motion carried by unanimous vote of the Committee. 6-0-0.

III. New Business

1. Review bonding large projects

Chair Oldenburg summarized the previous meeting's discussion. The discussion centered on whether bonding should be part of the Committee's recommendations. Large capital projects are too big to save for unless large contributions to the fund are made, increasing taxes. The goal of the Committee is to keep the contributions level and avoid huge contributions or spikes, in the contribution level and tax rate. There was some discussion on what level of debt service the town can afford. As bonds are retired, would it make sense to bond another large project, keeping the debt service level? Four large projects are or will be proposed at a soon future date. They include: Bow Elementary School Renovation/Addition Project; renovations to the municipal building and parking lot; community building; and continuing water lines in Bow Junction.

The Town of Bow cannot get a grant for the extension of the water lines unless it has committed funds to include in the project. The Bow Business Development Commission (BDC) voted to request a revolving loan fund be set up with \$250,000 deposited every year, in order to save matching funds for the grant. There was a question whether the taxpayers would be willing to put a quarter to half a million dollars away to save for it or did it make sense to bond it? Finance Director Ruggles provided a handout on annual debt service on outstanding town and school bonds and what a new bond(s) may look like at a certain rate, for a certain period of years, and the effect on the debt service. The CIP Committee had not discussed bonding as an option before. The benefit of bonding is that you can get the project all done at once and not piece meal, plus the costs are spread out over time to others that will benefit from the projects over the years. The Committee then reviewed sample debt schedules for the elementary school, municipal office building and community building to get an idea what bonding might look like and if new bonds could be fit in as others are retired, while keeping the debt service the same. Accessing impact fees for future expansion was discussed.

There was some discussion about phasing the municipal building project and whether it was feasible. If that route is taken, the bond would come out and the contributions to that fund would increase over time. The Committee agreed to include the concept of bonding of capital projects in the Capital Improvements Plan. They also agreed to leave the municipal building project as is and look at phasing next year. Bonding will be added to the conclusions and recommendations section of the plan with sample debt schedules to show how it would look. The Fire Suppression Water Supply revolving loan fund (RLF), Water System RLF (with a contribution of \$50,000) and Water System Maintenance RLF are being proposed. The Committee agreed with adding a \$5,000 contribution to the Community Building RLF, as there is no future plans for it yet, but to recommend bonding the remainder. Taking inventory of town cisterns was discussed as a recommendation.

2. Set next meeting

After some discussion, the Committee set the next meeting for Wednesday, September 25, 2019 at 5:30, Room C.

IV. Adjournment.

There being no further business before the Committee,

Motion:

Selectman Hunter moved and Bill Oldenburg seconded the motion to adjourn the meeting at 7:00 PM. Motion carried by unanimous vote of the Committee. 6-0-0.

Respectfully submitted,

Wendy Gilman, Recording Secretary