

**Readfield Select Board
Meeting & Workshop Agenda
November 3, 2016, Readfield Town Office**

Meeting starts: 6:30 PM
Meeting ends (unless extended): 7:15 PM

Pledge of Allegiance

Regular Meeting - 10 minutes

17-089 - Minutes: Select Board meeting minutes of October 17, 2016. - 5 minutes

17-090 - Warrants: #18 & #19. - 5 minutes

Communications - 30 minutes

Select Board communications. - 10 minutes

Town Manager Report - 5 minutes

Public Communication - Members of the public may address the Select Board. – 15 minutes

Appointments & Re-appointments - 5 minutes

17-091 - Appoint a Warden for the upcoming election.

Adjournment & Short break

Joint Capital Investment Planning Workshop starts: 7:20 PM
Workshop ends: 9:00 PM

The Select Board and Budget Committee are holding a joint workshop (led by the Select Board) to discuss Capital Investment Planning and review potential capital savings and expenditures for the upcoming fiscal year.

Welcome and Introductions - 5 minutes

Discussion of Capital Investment Planning- 45 minutes

What are capital assets

Past CIP process

Components of capital investment planning

Strategy and goals

Options for managing capital assets and investments

Next steps

Discussion of Capital Investments in Fiscal Year 2017-2018 (FY18) - 45 minutes

Review of current CIP projects

REGULAR MEETING

- **MINUTES**
- **WARRANTS**

Readfield Select Board
Regular Meeting Minutes – October 17, 2016 – *Unapproved*

Select Board Members Present: Bruce Bourgoine, Thomas Dunham, John Parent, Christine Sammons, and Kathryn Woodsum

Others Attending: Eric Dyer (Town Manager), Kristin Parks (Board Secretary), William Starrett (Channel 7), Allen Curtis, Grace Keene, Holly Rahmlow, Milton Wright, Pamela Osborn, Sandra Rourke, Gary Quintal (CEO), Peter Bickerman

Executive Session

To have the Selectboard hold an executive session for the purpose of discussing the Town Managers review pursuant to 1 MRSA, Section 405, subsection 6(A).

Motion made by Bruce Bourgoine to enter into executive session at 5:32 PM for the purpose of discussing the evaluation of the Town Manager pursuant to 1 MRSA, Section 405, subsection 6(A). There may be action taken at the end of the executive session. The Town Manager was invited for a portion of the meeting. Motion Seconded by Kathryn Woodsum. Unanimous.

The Chair declared the Select Board out of executive session at 6:26 PM.

Regular Meeting

Mr. Bourgoine called the meeting to order at 6:30 pm followed by The Pledge of Allegiance.

- **17-082 – Minutes: Select Board meeting minutes of October 3, 2016**
 - **Motion** made by Mrs. Woodsum to approve the minutes of the October 3, 2016 meeting as presented, **second** by Mr. Parent. **Vote 5-0** in favor.
- **17-083 – Warrants #16 & #17**
 - **Motion** made by Mrs. Woodsum to approve Warrants #16 & #17 in the amount of \$257,678.90, **second** by Mrs. Sammons. **Discussion:** Harcros Chemicals is under Winter Maintenance but is regarding to the salt for the roads. Pike Industries is for the shoulder work and trail work. Wellman Paving covers the issues at the Transfer Station. **Vote 5-0** in favor.

Communications

- **Select Board Communications**
 - Mrs. Sammons mentioned that she had wanted to do something for the kids for Halloween but due to short timing it will not happen this year but will work on something for November.
- **Town Manager**
 - Mr. Dyer went over his Town Manager Report dated October 17, 2016.
- **Public Communications - Members of the public may address the Select Board on any topic**
 - None

Readfield Select Board
Regular Meeting Minutes – October 17, 2016 – Unapproved

Appointments & Re-Appointments:

- **17-084 – Appoint a member to the Appeals Board**
 - Holly Rahmlow gave a brief review of her background and why she is interested the Appeals Board and Trails Committee. Thank you from the Selectboard. Appeals Board is almost complete to be a functioning board.
 - **Motion** made by Mrs. Woodsum to appoint Holly Rahmlow to the Appeals Board beginning on October 18, 2016 with a term ending June 30, 2018 **Second** by Mr. Dunham. **Vote** 5-0 in favor.
- **17-085 – Appoint a member to the Trails Committee**
 - **Motion** made by Mrs. Woodsum to appoint Holly Rahmlow to the Trails Committee starting on October 18, 2016 with a term ending June 30, 2019, **Second** by Mr. Parent. **Vote** 5-0 in favor.
- **17-086 – Appoint a member to the Recreation Committee**
 - Tabled until next meeting so we can invite Adam Woodford for appointment.

Unfinished Business:

- **17-033 – Identify who individual Selectboard members voted for with respect to the Budget Committee appointments made on August 8, 2016**
 - Mr. Bourgoine gave a brief discussion on the miscommunication/understanding of the voting by ballots for Budget Committee. Below are the votes for public record:
 - Mr. Dunham: Allen Curtis, Pete Davis, Valarie Pomerleau – *Mr. Dunham mentioned that part of him voting for the three he did was because they were not serving on any other boards at the time.*
 - Kathryn Woodsum: Pete Davis, Martin Hanish, Andrews Tolman
 - Bruce Bourgoine: Pete Davis, Valarie Pomerleau, Andrews Tolman
 - John Parent: Pete Davis, Martin Hanish, Andrews Tolman
 - Christine Sammons: Pete Davis, Valarie Pomerleau, Andrews Tolman

New Business:

- **17-087 – Consider bids for the purchase of the old town truck and equipment**
 - Mr. Dyer went over the bid information and the bids that were opened on Thursday, October 13 at approximately 4:30 PM. There were 4 bids received. Lowest bid was \$3,422.00 by Warren Smith and the highest was \$6,555.00 received from Matt Scruton.
 - **Motion** made by Mr. Dunham that we accept the bid from Matt Scruton for the town truck, two plows and sander, and to have him remove it within 10 days, **Second** by Mr. Parent. **Discussion:** Mr. Dyer has already spoken to Matt Scruton. Money will go into the General Fund. Mrs. Woodsum mentioned she liked the way the bid was written and that he stated “as is” in his submitted bid. Allen Curtis spoke regarding adding the funds to the General Fund and if this was able to be done. Mr. Dyer to look into using the funds to pay down the new town truck. Discussion amongst the Selectboard regarding on how to spend the funds and not to overspend. **Vote** 5-0 in favor.

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- **17-088 – Complete the final Bond Bank loan documents for the new fire truck**
 - Mr. Dyer went over the information on the final Bond Bank loan document that the Selectboard needs to sign to complete the final step. Delivery date of the new truck is still not available. Mr. Dyer went over the payment schedule as presented in the packet.
- **17-0889 – Other**
 - **Review of Future Agenda Items:** Next Selectboard meeting is November 3 along with the CIP review meeting. Mrs. Woodsum would like to see a review process of the CIP process and how it is working.
 - Allen Curtis spoke on the fact that the RSU is going to need a new roof for the high school and middle school and if we had plans on how this would affect the town.

7:24 PM: The Selectboard meeting in recess until 7:30 PM for the Appeals & Hearing Workshop.

Appeals & Hearing Workshop

The Selectboard is holding a workshop on the appeal and hearing processes by which municipal decisions are reviewed. To this end the workshop will consider the following areas:

Overview of the appeals and hearing process

Code Enforcement Process

- Statutory basis
- Appeals process
- Administrative procedures and the role of the Selectboard
- Next steps
 - Gary Quintal, CEO went over the important duties of the Code Enforcement Officer.
 - The Appeals Board acts on errors by the CEO or Planning Board.
 - An administrative or variance appeal shall be filed within 45 days of the date of the written decision being appealed.
 - Any motion or request to reconsider must be made within 14 days of the decision of the board.
 - Any party that doesn't agree with the decision of the Board of Appeals or Planning Board may appeal to the Superior Court in accordance with Rule 80B within 45 days of the Boards final decision.
 - The Board of Selectmen will take any further action regarding ordinance violations upon notice from the CEO and may enter into an Administrative Consent Agreement.
 - The CEO gives a 1st notice, 2nd notice and the Final Notice that requires Selectboard action.

Quasi-judicial functions of the Selectboard

- Statutory basis
- Appeal/Hearing process
- Next steps
 - Eric Dyer went over the Town of Readfield Hearing Process Matrix Chart as presented in the packet.
 - There are 3 general areas where municipal officers may be called on for Quasi-Judicial:
 - Licenses & Permits

Readfield Select Board
Regular Meeting Minutes – October 17, 2016 – *Unapproved*

- Certain appeals like General Assistance or Tax Abatements.
- Personnel Matters
- Some appeals may be confidential
- Decided to develop a formal process for hearings and have the Selectboard work with committees.

Board of Appeals

- Status update
- Statutory basis
- Appeals process
- Next steps
 - Eric Dyer went over 2691 Board of Appeals information for the Town of Readfield. The town only went through with the LUO.
 - There are 2 types of hearings:
 - Legislative Public Hearing
 - Quasi-Judicial Public Hearing
 - Constitutional Rights. Have to keep it fair for everyone involved.
 - The Selectboard has the final decision.
 - The Appeals Board is to see if there are any violations that need further action.
 - Decided to clarify what we want the Board of Appeals to have jurisdiction over.
 - Eric Dyer and Gary Quintal to look into creating a formal complaint/intake form.
 - Create a Sub-Committee meeting with a few members from the Planning Board and Select Board and ask Appeals Board for help. Explore the ordinance.

Meeting/Workshop Adjourned at 8:30 pm. There was no motion on adjournment.

Minutes recorded by Kristin Parks, Board Secretary

COMMUNICATIONS

- **SELECT BOARD**
- **TOWN MANAGER**
- **BOARDS & COMMITTEES**
- **PUBLIC COMMUNICATIONS**

APPOINTMENTS
REAPPOINTMENTS &
RESIGNATIONS

**CERTIFICATE OF APPOINTMENT and OATH
FOR THE TOWN OF READFIELD**

(TITLE 30-A, M.R.S.A.ss2602)

Readfield Board of Selectmen

November 03, 2016

Item # 17-091

Appointment by the Select Board and Clerk

To **Ellen Blanchard** of Readfield, in the County of Kennebec and State of Maine: There being a vacancy in the position of **Warden** the Select Board of the Municipality of Readfield do, in accordance with the provisions of the laws of the State of Maine, hereby appoint you to said position within and for the Municipality of Readfield, such appointment to be for the June 14, 2016 Election.

Given under our hands this **3**, day of **Nov.** **2016**.

Clerk and Select Board of Readfield

Kathryn Mills Woodsum

Thomas Dunham

John Parent

Christin Sammons

Bruce Bourgoine

Robin Lint, Town Clerk

TOWN OFFICERS' OATH

I, **Robin L. Lint**, hereby certify that **Ellen Blanchard** this day personally appeared before me and took the following oath:

I, **Ellen Blanchard**, do swear, that I will support the Constitution of the United States and of the State, so long as I shall continue a citizen thereof.

I, **Ellen Blanchard**, do swear, that I will faithfully discharge to the best of my abilities, the duties incumbent on me as **Warden** according to the Constitution and laws of the State. So help me God.

Appointees signature: _____ Date: _____

Before me, **Robin L. Lint**, Clerk of Readfield Date: _____, Time: _____

STATE OF MAINE

County of Kennebec

Nov. 8, 2016

Personally appeared the above named **Ellen Blanchard** who has been duly appointed by the Select Board to the position of **Warden** in said Municipality, and took the oath necessary to qualify him/her to discharge said duties for the term specified above according to law.

Before me, _____ Municipal Clerk
Robin L. Lint

TOWN OF READFIELD

APPOINTMENT APPLICATION

The Select Board endeavors to appoint citizens to boards, committees and commissions based on prior education, training and experience or other qualifications related to the position for which applied. Applications for positions on the Planning Board and Board of Appeals are required to be interviewed by the Select Board and applicants for other appointive positions may be required to be interviewed by the Select Board. The Select Board shall not discriminate against an applicant based on religion, age, sex, marital status, race, color, ancestry, national origin, sexual orientation or physical or mental handicap unless the physical or mental handicap would prevent the applicant from performing the duties of the appointment and reasonable accommodation cannot be made. The Select Board shall not appoint an applicant to a position for which the applicant will likely have a frequent or recurring conflict of interest.

Name: _____ Date: _____

Mailing Address: _____ Readfield, Maine 04349 _____

Street Address: _____ Phone: _____

Please consider me for the position of: _____

Educational Background: _____

Experience and/or training that you have that might be useful in this position: _____

Present employment position, if any: _____

The reason you are interested in applying for this position: _____

Applicant's Signature

CLERKS SECTION

Application Received: _____

By: _____

Appointment Approved: _____

By: _____

Oath of Office Given: _____

By: _____

FUTURE AGENDA ITEMS

Appendix A

Future Agenda Items - Proposed DRAFT

November - Potential Meeting and Workshop Items

Treasurer's report discussion
Approval of Fiscal Year 2017-2018 (FY18) Budget Process
Emergency Operations Plan (EOP) / Hazard Mitigation Plan review
Annual Chairs Meeting - November 28, 2016 at 6:30pm

December - Potential Meeting and Workshop Items

Quarterly goals review (Comp Plan and Select Board)
Commercial Haulers Permits
Revised SWRC Interlocal Agreement

Potential Future Meetings Items:

Safety and access issues on Church Road
Record Retention Policy

Potential Future Workshops:

Personal Property Taxes

Ongoing Goals:

Group 1

Review the need for and nature of governance documents:
(Current and proposed ordinances and policies, town charter, etc.)
Review Capital Improvement/Investment Program
Clarify the authority of boards, committees and commissions
Hold an annual Community Meeting with a pot-luck supper.

Group 2

Welcome business, and develop a plan to support the business environment in Readfield
Investigate the most efficient, long-term renewable energy investment and conservation
Name and dedicate ball field
Create a Parks Commission
Obtain the status of, and create plans for town buildings, specifically the fire station, transfer station and library
Create activities for kids and adults
Understand and address issues of poverty
Create an action plan resulting from the age-friendly survey and report
Build the Church Street sidewalk

WORKSHOP

Currently Listed Capital Investment Projects

Department	Project Name	Actions	Source	Cost Estimate	NOTES
Cemeteries	East Readfield Cemetery Road	New	Reserve	\$ 7,500	
Cemeteries	Readfield Corner and Case granite walls repair	Improve	Reserve	\$ 10,000	
Cemeteries	East Readfield Cemetery expansion	New	Reserve	\$ 40,000	
Fire Station	BUILDING EXPANSION: ARCHITECT	Upgrade	Reserve	\$ 35,000	
Fire Station	REPAIR retaining wall (jersey barriers & gravel)	Improve	Reserve	\$ 5,000	
Fire Station	REPAVE Parking lot - completed 2013	Replace	Reserve	\$ 25,000	
Fire Station	REBUILD Septic Field	Replace	Reserve	\$ 50,000	
Gile Hall	REPLACE Boiler	New	Reserve	\$ 25,000	
Gile Hall	REPLACE Windows	Replace	Reserve	\$ 50,000	
Gile Hall	REPLACE Septic system	Replace	Reserve	\$ 20,000	
Gile Hall	REPAVE PARKING LOT - est. 60 tons	Replace	Reserve	\$ 10,000	
Gile Hall	REPAIR retaining wall (reset granite)	Improve	Reserve	\$ 3,500	
Library	REPLACE SEPTIC tank - pending bldg decision	Replace	Reserve	\$ 6,000	
Library	EXPANSION? New Building?	New	Debt	\$ 250,000	
Library	PAVE PARKING LOT? - pending bldg decision	Replace	Reserve	\$ 10,000	
Miscellaneous	TECHNOLOGY RESERVE	Replace	Reserve	\$ 10,000	
Miscellaneous	REVALUATION RESERVE	N/A	Reserve	\$ 65,000	
Miscellaneous	Maranacook Outlet Dam Maintenance	Improve	Reserve	\$ 24,000	
Miscellaneous	Maranacook Outlet Dam Reconstruction	Upgrade	Reserve	\$ 117,000	Readfield Tc
Miscellaneous	SB Goal - Renewable Energy Investment	Upgrade			
Miscellaneous	SB Goal - Plans for Municipal Buildings (Engineering review?)	Upgrade			
Sand and Salt Building	Salt Shed (might replace old, or reroof old)	Replace	Debt	\$ 150,000	
Recreation, Parks & Activities	FAIRGROUNDS ATHLETIC FIELDS	New	Grant	\$ 50,000	
Roads and Infrastructure	ROAD RECONSTRUCTION	Replace	Current Year F	\$ 150,000	
Roads and Infrastructure	Existing Debt Obligations	N/A	Debt	\$ 755,000	Total Debt
Roads and Infrastructure	ANNUAL MAINTENANCE PAVING PROGRAM	Improve	Reserve	\$ 200,000	
Roads and Infrastructure	Church Rd. Sidewalk	New	Reserve	\$ 40,000	Town Match
Roads and Infrastructure	WOOLEN MILL BRIDGE REPLACEMENT	Replace	Reserve	\$ 125,000	
Solid Waste Equipment	REPLACE 1 MSW (trash) COMPACTOR	Replace	Reserve	\$ 25,000	
Solid Waste Equipment	REPLACE 1 Recycling COMPACTOR	Replace	Reserve	\$ 30,000	
Solid Waste Equipment	PURCHASE 1 MSW CAN	New	Reserve	\$ 7,000	
Solid Waste Equipment	REPLACE 1 RECYCLING CAN (own 2)	Replace	Reserve	\$ 7,000	
Solid Waste Equipment	REPLACE '98 Cat Backhoe	Replace	Reserve	\$ 80,000	
Solid Waste Equipment	Scale	New	Current Year F	\$ 40,000	
Transfer Station	BUILD ROOF SYSTEM OVER MSW&RECYCLING	New	Reserve	\$ 50,000	
Transfer Station	PAVE NEW ROAD (rejected twice)	Improve	Reserve	\$ 30,000	
FD Equipment	FD Equipment Existing Debt	N/A	Debt	\$ 448,000	Total Debt
FD Equipment	REPLACE ENG. 62, heavy rescue (purchased in 2010)	Replace	Debt	\$ 125,000	
FD Equipment	REPLACE ENG. 63, pumper	Replace	Debt	\$ 425,000	
FD Equipment	REPLACE ENG. 65, forestry Chevrolet - replace with small pumper bigger (Replace	Replace	Reserve	\$ -	
FD Equipment	REPLACE ENG. 64, pumper tanker, Freightliner	Replace	Reserve	\$ 300,000	
FD Equipment	REPLACE RADIO EQUIPMENT / REPEATER when goes digital	Upgrade	Grant	\$ 40,000	
FD Equipment	REPLACE BOAT in 2025	Replace	Reserve	\$ 15,000	
FD Equipment	REPLACE ENG. 61, mini pumper Ford F550 - put in brush truck role	Replace	Reserve	\$ 225,000	
Maintenance Equipment	REPLACE '05 GMC Pickup truck (buy state auction - used)	Replace	Reserve	\$ 7,500	
Maintenance Equipment	REPLACE '16 Ford F550	Replace	Reserve	\$ 60,000	
Maintenance Equipment	REPLACE '05 Holder	Replace	Reserve	\$ 50,000	
Maintenance Equipment	REPLACE '07 John Deere tractor and attachments	Replace	Reserve	\$ 55,000	

Town of Readfield		Carryforwards		Receipts/		Expenses/		Counted Rev		Use of Carryf		Use of Tr	
Definition		Article #	Balance 07/01/15	Appropriation	Additions	Reductions	Reduction	to reduce Budget	Fund	Balance 6/30/2016			
1-455-00	Admin Technology	27	\$ 3,729.92	\$ 2,600.00	\$ 2,047.50	\$ 2,448.85				\$ 3,729.92			
1-497-00	Backhoe	25	\$ 23,968.59	\$ 8,645.00		\$ 4,474.19				\$ 26,167.24			
1-485-00	Bailfield Fairgrounds	19	\$ 7,236.41	\$ 9,060.00	\$ 7,426.00	\$ 7,476.11	\$ 9,060.00			\$ 2,762.22			
1-475-00	Beach	18	\$ 11,733.19	\$ 29,110.00	\$ 78.75	\$ 28,812.35				\$ 11,683.08			
1-450-00	Cemeteries	18	\$ 2,917.33	\$ 7,000.00		\$ 2,720.00	\$ 7,000.00			\$ 3,293.73	4000	use of TF	
	Cem- Living Fence	18	\$ 2,733.92							\$ 13.92			
1-451-00	Cemetery Capital		\$ 12,899.81							\$ 12,899.81			
1-447-00	Dispatching		\$ 5,524.74							\$ 5,524.74			
	Enterprise Fund	37	\$ 19,215.95	\$ 10,000.00	\$ 7,127.30					\$ 26,343.25			
1-441-00	FD Annual Physicals	23	\$ 4,666.75	\$ 125.00						\$ 4,666.75			
1-443-00	FD Emerg Comm	23	\$ 2,348.00							\$ 2,348.00			
1-442-00	Fire Dept Equip	23	\$ 79,256.83	\$ 98,290.00	\$ 7,041.07	\$ 99,154.50	\$ 5,580.00			\$ 71,353.40			
1-449-00	Fire PPG Replacement	23	\$ 8,000.00	\$ 2,000.00		\$ 6,175.00				\$ 3,825.00			
	Fire Tower Sites	23	\$ 2,220.76	\$ 2,000.00	\$ 12,338.00	\$ 1,465.46				\$ 15,093.30			
1-444-00	Fire Station Addition		\$ 35,521.75							\$ 35,521.75			
1-445-00	Fire Stat'n Improvements		\$ 9,204.60							\$ 9,204.60			
1-437-00	Forestry		\$ 697.00							\$ 697.00			
1-422-00	Gile Hall		\$ 24,836.02							\$ 24,836.02			
1-415-00	Grant Writing	13	\$ 6,366.07	\$ 2,500.00		\$ 1,425.00				\$ 4,941.07			
1-410-00	Heating Assistance	13	\$ 1,001.04	\$ 1,500.00	\$ 650.05	\$ 710.18	\$ 1,500.00			\$ 940.91			
1-480-00	Heritage Days	20	\$ 5,012.00	\$ 10,000.00	\$ 1,265.00	\$ 10,107.34				\$ 1,169.66			
1-487-00	Library Operations	17	\$ 6,214.82	\$ 26,438.00	\$ 5,518.70	\$ 29,429.47	\$ 2,075.00			\$ 6,667.05			
1-421-00	Library Building Imp		\$ 1,122.38							\$ 1,122.38			
1-420-00	Maranacook Dam Cap		\$ 16,470.00	\$ 28,000.00		\$ 7,995.00				\$ 28,475.00			
1-436-00	MillStream Bridge		\$ 369.10							\$ 369.10			
	Mill Stream Dam Project		\$ -		\$ 2,721.00					\$ 2,721.00			
1-490-00	Open Space(Fund 5)		\$ 6,815.72							\$ 6,815.72	New 15-16	By donator	
1-458-00	Playground	42	\$ 1,095.00	\$ 1,095.00		\$ 1,095.00				\$ -			
1-491-00	Capital Equipment		\$ 16,938.00	\$ 7,200.00		\$ 4,000.00				\$ 16,139.00	4000	from 14-15 Ceme	
1-478-00	Recreation	19	\$ 22,799.58	\$ 9,006.00	\$ 8,536.50	\$ 5,922.27	\$ 9,006.00			\$ 25,413.81			
1-495-00	Revaluation	38	\$ 65,000.00	\$ 5,000.00						\$ 70,000.00			
1-494-00	Road /Bridge Bond		\$ 5,830.04							\$ 5,830.04			
	Road Bond 13-14		\$ 454.13							\$ 454.13			
1-463-00	Snowmobiling	30	\$ 1,437.92	\$ 1,436.00	\$ 1,489.50	\$ 1,436.00	\$ 1,436.00			\$ 1,491.42			
	Summer												
1-493-00	Roads/Regional	24	\$ 120,943.19	\$ 547,283.97	\$ 44,659.20	\$ 523,875.10	\$ 37,388.00			\$ 151,623.26			
1-481-00	Conservation Land	15	\$ 29,556.71	\$ 4,365.00		\$ 1,149.76				\$ 28,771.95	Change Acct	Name	
	Town Boundries	13	\$ 1,260.00	\$ 2,500.00						\$ 3,760.00			
	Trails		\$ -	\$ 2,700.00	\$ 2,850.00	\$ 2,552.54	\$ 2,700.00			\$ 297.46	New 15-16	By donator	
1-489-00	TS Operations	27	\$ 60,038.50	\$ 126,797.50	\$ 19,581.48	\$ 121,915.96	\$ 18,800.00			\$ 65,701.52			
1-489-00	TS Capital	25	\$ 26,045.99	\$ 38,000.00		\$ 14,729.59	\$ 19,000.00			\$ 11,316.40			
1-448-00	Water Holes/Fund 5	23	\$ 4,237.11	\$ 500.00						\$ 4,737.11	#####		
			\$ 655,719.87	\$ 983,151.47	\$ 123,330.05	\$ 879,069.67	\$ 113,545.00	\$ 70,865.00	\$ -	\$ 698,721.72			

1. Purpose

This Policy is adopted to establish procedures for keeping an inventory of capital assets owned by the Town of Readfield and planning for capital needs through a Capital Investment Plan. It is intended to set procedures for the inventory of assets to facilitate capital planning and budgeting efforts, provide information for insurance purposes, and meet the requirements of Governmental Accounting Standards Board Statement #34.

2. Definitions

Capital Assets:

- Having a value of \$5,000 or more. This requirement can be for an individual item in excess of \$5,000, or for a “collection” such as a telephone system or computer network system.
- Having an estimated useful life of two years or more.
- Major capital asset categories will be buildings and improvements, land and improvements, machinery and equipment, vehicles, and transportation infrastructure.

Infrastructure:

- The basic physical structures that facilitate transportation and navigation; including, roads, bridges, dams, and water management systems.

Non-Capital Assets:

- Assets that are not capital assets.
- Having a value of less than \$5,000.
- Having an estimated useful life of less than 2 years.
- Generally, these assets include perishable or disposable supplies and supplies that are intended to be used in the course of providing municipal services (stockpiled road materials, perishable rescue supplies, etc.).

3. Enactment

This policy is enacted upon a majority vote of the Board of Selectmen and may be amended or repealed from time to time by the Selectmen or by Town Meeting.

4. Policy

Inventory An inventory of all capital assets will be conducted no less than every three years under the direction of the Treasurer. Capital assets will be recorded on an ongoing basis and as detailed below.

Capital Investment Plan: The Town of Readfield will maintain a Capital Investment Plan. The plan shall be the responsibility of the Treasurer and shall be updated in conjunction with the annual budget process. The plan will include all current capital assets and planned capital expenditures of the Town of Readfield. The plan format will be flexible but should include basic asset information in table form. A sample format is attached to this policy

Capitalization Method: All capital assets will be recorded at historical cost as of the date acquired or constructed, except for infrastructure, which is discussed later. If historical cost information is not available, assets will be

recorded at the estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

New Acquisitions: The Town will inventory and capitalize new capital assets that meet the criteria of this policy. Following the receipt of the item(s) that meet the criteria stated above, the value and other information should be noted by the Treasurer for inclusion in the Capital Investment Plan. Additions, improvements, repairs, or replacements to existing capital assets are not considered new acquisitions and are discussed below.

Improvements: The Town will capitalize substantial improvements to existing capital assets if the improvements meet the criteria of this policy.

Collections: The Town may capitalize the items listed below as collections

- Computers and Software, Printers, and Other Electronics
- Storage (safes, file cabinets, etc.) and Office Furniture
- Radios and Pagers
- Art Works and Historic Treasures
- Telephone Systems
- Mobile Fire and Rescue Equipment (equipment on truck “x”, all SCBA packs, etc.)
- Any other assets bought in a bulk purchase or reasonably aggregated that meets the criteria of this policy

Infrastructure: The Town of Readfield will report infrastructure to comply with G.A.S.B. #34. The Town will report its infrastructure assets at historical cost (if purchased or constructed) or estimated fair value (if donated). The Town will use an estimated historical cost when the actual cost cannot be identified. The replacement cost for infrastructure assets will be based on current year construction costs for similar assets or other information that approximates current replacement cost. The Town of Readfield will report newly acquired or constructed infrastructure assets in the fiscal year it acquires or constructs infrastructure assets. Also, the Town will use any existing sources of information to provide support for initial cost estimates for its infrastructure assets, such as bond documents, engineering documents, and capital budgets.

5.1. Adoption and Revision History

Adopted on: _____ Attested: _____.

Town of Anywhere, Maine Capital Plan July 1, 2003

Capital Improvement Element

Introduction

Background

What is a Capital Improvement Project?

What Can Capital Improvement Funds Be Used For?

Capital Facilities Needs Assessment

Existing Fiscal Conditions

Capital Improvements Funding Mechanisms

Existing Capital Facilities and Services

Capital Facilities Standards and Guidelines

Introduction

The Capital Improvement Element establishes a direct link between the town's capital investments, fiscal capacity and the comprehensive plan. The capital improvements element is a policy and guidance statement that provides the background, analysis, and direction needed for the town to make capital investment decisions and establish mechanisms to provide sufficient and continuous funding for projects to support Anywhere, Maine's public facility needs.

The capital improvement element summarizes Anywhere, Maine's "themes for action" and "strategies" as they relate to the needed infrastructure and community services. The capital improvements element outlines a series of Standards and Guidelines for infrastructure investments, assesses current conditions and needs, and establishes priorities for the town to fiscally meet the infrastructure demands. Areas covered by the capital improvements element include: transportation; water; open space; parks, trails and recreation; wastewater; drainage; and police and fire protection.

In order to support the themes for action and strategies, the town should maintain an up-to-date, five-year Capital Improvements Program (CIP). A five-year CIP is a needed planning tool to provide guidance and some predictability for future years' budgeting. The CIP prioritizes each of the capital improvement projects based on the findings and recommendations in the capital improvement element, and should be updated every three years to reflect completed projects and emerging needs.

Background

Anywhere, Maine has traditionally made large investments in the community infrastructure, such as the wastewater treatment plant, the fire station and the downtown improvement district. Recently, Anywhere, Maine has budgeted fewer and fewer capital improvement funds in proportion to the town's total budget. The town should reverse this trend in order to respond to its capital needs. While the town has established a capital fund (The Capital Reserve Fund), which receives 1% of the town's sales tax revenue to fund capital improvements, this is inadequate to solely keep pace with projected capital improvements. The capital fund could also be used to retire bonds obtained for capital projects, as well as for matching grants. The capital fund should not be used for improvements to water and sewer facilities. These facilities should be funded from the Sewer and Water Enterprise Funds.

What is a Capital Improvement Project?

As used in the capital improvement element and program, a capital improvement project is a major, nonrecurring expenditure that includes one or more of the following:

- Acquisition of land for a public purpose;
- Construction of a new facility (e.g., a public building, water lines, playfields, ice skating arena, etc.) or an addition to, or extension of, such a facility;
- A nonrecurring rehabilitation (i.e., something which is infrequent and would not be considered annual or other recurrent maintenance) or repairs of all or part of a building, its grounds, or a facility, or of equipment, provided that the cost is \$5,000 or more and the improvement will have a useful life of 10 years or more; (otherwise the project would be considered to be a recurring expenditure);
- Purchase of major equipment (i.e., items with a cost—individually or in total—of \$5,000 or more, which have a useful life of five years or more);
- Any planning, feasibility, engineering, or design study related to an individual capital improvement project or to a program that is implemented through individual capital improvements.

What Can Capital Improvement Funds Be Used For?

Capital improvement funds are earmarked for such projects as road improvements, bridge repair or replacement, or new police vehicles. Town funds, or bonds can also be used for the purchase of public open space, enhancement of park facilities, or other public amenities, such as Town Hall (i.e., the Star, Hook and Ladder Building).

Capital Facilities Needs Assessment

Identified infrastructure needs and deficiencies are based on the recommendations of each town department manager. Generally, capital improvement requests are submitted to the Town Manager annually for review and recommendation. Once all recommendations are received from each department and staff, the Town Manager develops a recommended five-year capital improvements program including revenues and projected appropriations for review by the Board of Selectmen. The Board of Selectmen approve capital expenditures annually based on the recommendations of the Town Manager and department managers. The requests are prioritized based on perceived need, budget availability, and related planning documents.

Existing Fiscal Conditions

Introduction

This section describes the fiscal implications of providing the public facilities and infrastructure required to meet the needs of both future and existing development.

The Town of Anywhere, Maine's overall budget is divided into several categories of funds. Each fund is considered a separate accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

Generally, expenditures in all funds are expected to increase over the next five years due to inflation, expanding population and the operation of services and infrastructure necessary to serve that population. These increased expenditures are expected to be funded with user and impact fees, either directly, or to make debt service payments on

bonds that will need to be issued by the town to fund infrastructure improvements. Services and programs not funded in this manner would require an increase in property taxes or an allocation of increasing tax revenue.

The financial condition of the town can be described as stable due to a growing population and tax base, which partially offsets increasing service and facility costs. The town currently has no long-term debt, except that the town has a loan for \$190,000 from the Maine Municipal Bond Bank.

Most current town debt obligations are funded with user fees and tax dollars. It appears the town should have no difficulty satisfying its debt obligations. The only outstanding long-term debt is a 1999 loan for \$190,000 from the Maine Municipal Bond Bank for additional water rights. While this does not constitute debt in a statutory sense, it is an obligation by the town. The debt will be paid by revenues from water and tap fees and is considered a debt of the Water Fund.

The town currently earmarks most of its existing revenue sources for either operating costs and debt service, or capital expenses. Those revenues earmarked for capital expenses are generally those restricted to capital projects by legislative mandate, those of a nonrecurring nature such as grants or bond proceeds and a portion of the sales and use tax revenues. The funds are grouped in the following manner:

Governmental Funds

Governmental funds are used to account for most governmental functions, and consist of the General Fund, Special Revenue Funds, and Capital Projects Funds. The general fund is the general operating fund of the town, and it accounts for all of the town's financial resources except those required to be accounted for in another fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The town's Special Revenue Funds include the Piers, Rivers, Harbor Fund, the Downtown Revitalization Fund and the Business Expansion Fund. The departmental Capital Reserve Fund serves as the town's capital improvement fund. The town also creates special Capital Projects Funds that are used to account for grants and other transfers in for special projects such as the Mountain House renovation and tennis court improvements. The town's General Fund and other governmental funds budgets stand at approximately \$720,000.

Proprietary Funds

Proprietary funds are used to account for certain services provided by the Town of Anywhere, Maine that are funded primarily by fees for services. The Proprietary funds consist of the Enterprise Funds and the Fiduciary Funds. The Enterprise Funds are used to account for: (a) operations that are financed and operated in a manner similar to private business enterprises where the intent of the town is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body had decided that periodic

termination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The town has two Enterprise Funds: the Water and Wastewater Funds. The Water and Wastewater Enterprise Funds account for the provision of basic utility service to Anywhere, Maine residents. The utility funds are financed and operated in a manner similar to a private business enterprise where operating and capital costs are financed or recovered primarily through user charges. Enterprise funds do not impact general fund revenues and expenditures (This will be discussed in greater detail later in the plan). The town has adjusted fees in an attempt to relieve subsidies from sales or property taxes that have historically been applied to the funds. However, the fees have not been set high enough to allow the funds to develop reserves to cover long-term growth and replacement needs. A sinking fund has been established in which reserves could be placed; however, that fund has never been activated because of a lack of excess revenues.

Fiduciary Funds are used to account for assets held by the town in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The town's only Fiduciary Fund is the Firefighter's Pension Fund, which is a non-expendable trust fund.

Sources of Revenue

Specific revenue sources are described in the following sections.

Property Tax

Property tax is levied upon the assessed value of real and personal property. Overall, the Property tax in Anywhere, Maine is .0123 mills per thousand. Property tax revenues have grown slightly over the last 4 years from \$393,190 in 1999 to \$425,198 in 2002. This represents an average increase of approximately 2.0% per year. In the last 5-years, the annual property tax revenue has averaged \$4,316,331. This falls well below the state property tax numbers, which have risen by approximately 6.5% annually.

Anywhere, Maine's annual budget relies heavily on sales and use tax revenue. In 2002, property taxes accounted for nearly 75% of all general fund revenues.

User Fees and Charges

The proprietary water and sewer funds are supported by user fees (also referred to as Enterprise Funds). Improvements funded with user fees are usually less costly improvements for which bond funding is not cost-effective. On-going renewal and replacement activities are also generally funded with pay-as-you-go user revenues whenever possible.

The Town of Anywhere, Maine has been effective in limiting water and sewer rate increases. The last potable water rates increase was in 1999. The water rate was increased

to \$14.20 per month for 10,000 gallons per month. A graduated rate is applied for every 1000 gallons over the allocated amount.

The town currently collects about \$178,000 from its water customers, which is inadequate to pay for operational expenses in the water fund. In the past, grants, sale tax and ad valorem taxes have made up the difference.

Anywhere, Maine has spent little to acquire water rights to support the town's needs in the past. However, in 1999 Anywhere, Maine obtained a loan from the Maine Municipal Bond Bank for \$190,000 to pay for additional water rights.

Sewer rates were last increased in 1998, when they were set at \$21.80 monthly per EQR (Equivalent Quantity Residential) for town connections. There is strong concern that the portion of this charge that is earmarked for sewer main depreciation and repair is inadequate. Rates may need to be increased in coming years and impact fees or other funding mechanisms may need to be established to support new and expanded water and sewer lines, and replace old lines.

Intergovernmental Revenues

Intergovernmental revenues are important part of the town's revenue sources. The revenue sources are made up of transportation funds from the state (i.e., road and bridge tax and highway users tax), as well as a tobacco tax and motor vehicle registrations from the state and grants. Intergovernmental revenues have increased slightly in the last four years, growing from \$757,245 in 1998, to \$765,000 in 2002. The town has been very successful in obtaining grants to help supplement the budget for needed capital improvements or planning efforts.

Capital Improvement Funding Mechanisms

Bond Funding

The town has relied on bonds and other forms of borrowing to fund all significant infrastructure requirements. By borrowing, the town may spread the costs of an improvement over its useful life, which also ensures that those using the improvement share in its costs. The town may contract indebtedness by borrowing money or issuing the bonds of the municipality for any public purpose of the municipality, including but not limited to the following purposes: supplying water, gas, heating and cooling, and electricity; purchasing land; and purchasing, constructing, extending, and improving public streets, buildings, facilities, and equipment; and for the purpose of supplying a temporary deficiency in the revenue for defraying the current expenses of the municipality. The total amount of indebtedness for all such purposes shall not at any time

exceed three percent of the actual value, as determined by the assessor, of the taxable property in the municipality except such debt as may be incurred in supplying water.

The following summarizes the types of bonds and financing tools the town has utilized in the past.

General Obligation Bonds

The town has no outstanding general obligation bond issues. Based on the existing valuation (approximately \$xxx million), the town could bond for \$xxx in general obligation bonds. However, annual payments should not exceed 10% of the towns revenues. All general obligation bonds must obtain voter approval.

In the future, without another alternative flexible revenue source for infrastructure or without additional dedicated revenue sources, general obligation bonds must again be brought to the electorate for approval of transportation system, law enforcement, and other improvements.

Revenue Bonds

The town has relied on user fee and other revenue supported bonds to provide infrastructure whenever pay-as-you-go revenues are not sufficient or appropriate and whenever user fees or dedicated revenue is available. For example, revenue bonds were issued in 1997 to finance the Downtown Improvement District and in 1998 for the water and sewer revenue refunding and improvement bond. Both revenue bonds have been retired.

Revenue bonds do require voter approval. The Board of Selectmen may issue revenue bonds for proprietary funds such as water and sewer or sale tax revenue bonds for other public improvements. Although there are specific limits imposed by statute, it is difficult to determine how much the town could bond for since various refunding and revenue funded bonds are not considered debt for the purpose of calculating the debt limitation. However, the annual bond payments should not exceed 10% of the revenues generated by any fund and should not impact the services and annual costs of operation.

In the future, revenue bonds will and should continue to be used to fund water and sewer infrastructure needs. Revenue bonds should also be explored for other specific infrastructure needs where the users of the infrastructure can be identified and reasonable fees can be established.

In 1998, Anywhere, Maine entered into a long-term contract with the neighboring Town of RHR to process the latter's wastewater through the town's facility. The contract requires both parties to contribute in annually determined amounts to Capital Reserve and Emergency Repairs Reserve (i.e., a sinking fund). Expenditure of the funds is subject to

the approval of both towns' governing boards, a Joint Wastewater Commission, or both. For 1997, 1998, and 1999, no contributions were made to the reserves.

Capital Leases

The town currently has no capital lease obligations. Leases are not subject to voter approval even if the lease obligates the town to a multi-year obligation that is irrevocable by future Board of Selectmen. The town has used lease purchases as a means of acquiring needed equipment including fire apparatus, police vehicles, road equipment, etc. The town is also in the process of lease purchasing important wetlands.

Grants and Loans

Grants and loans are another source of capital improvement dollars. There are state agencies that offer low- or no-interest loans to aid municipalities in funding capital projects. In most cases, these loans are not considered long-term debt, but rather behave similarly to capital leases, and require annual payments. In January 1999, Anywhere, Maine obtained one of these loans from the Maine Municipal Bond Bank for \$190,000 to purchase additional water rights.

Tax Incremental Financing District

Tax Incremental Financing Districts are another method to fund capital improvement projects. In most cases, special districts are established to a payoff a bond for a particular improvement project. Those property owners within the designated district pay additional taxes for specified period of time for an improvement. Special districts could also be established to provide upfront funds for a capital project.

Existing Capital Facilities and Services

Water Supply and Facilities

Anywhere, Maine's water is supplied exclusively by surface water from the RHR reservoir. The water flows into the treatment plant through two filters, each of which can handle 275 gallons per minute. This equates to a total capacity of 792,000 gallons per day. The water is placed into a "wet well" and then gravity fed into the storage tank. The storage tank has a capacity of 1 million gallons. However, 1/4 of the storage tank is above the "wet well", meaning only 3/4 of the storage tank can be filled by gravity, leaving a 750,000 gallon capacity. The daily demand ranges from 100,000 to 300,00 gallons per day. The treatment plant was constructed in 1965 and is in good condition, with the exception of a few minor structural needs.

Projected Needs

Generally speaking the water distribution system is in good condition. However, due to varying sized waterlines, there are areas in town that have high water pressure, and areas that have low water pressure. There is a need to replace all the 4" water lines with 6" water lines. This will provide the town with consistent water pressure and will add storage capacity to the system. Roughly 50% of the water lines are 4" lines. The treatment plant has the need for a few minor structural improvements including fixing the leaking wet well, expanding the walkway at the entrance to make it safer to pedestrians, and some minor concrete work on the exterior.

Additionally, a pump is needed to fill the storage tank, which would provide an additional 250,000 gallons to the storage tank.

Wastewater Facilities

The Anywhere, Maine wastewater treatment plant, which serves Anywhere, Maine, is inadequately serving the existing population and is going to need major upgrades. The plant is currently in compliance with state regulations; however, without some major upgrades it will not be long before the plant is out of compliance.

Currently, the plant treats a daily flow that has been reported to range between 200,000_900,000 gallons per day (gpd). The permitted capacity, set by the Maine Department of Human Services is 580,000 gpd. The treatment plant is in violation of the permit if it exceeds the capacity on a monthly basis. The daily flow is impacted by inflow and infiltration into the system due to old sewer lines and high water levels due to runoff. The system also serves many transient users, such as tourists, which increase the daily flow.

The plant currently has a design capacity, the peak flow the plant can handle at any one time, of 200 Equivalent Quantity of Residences (EQR). The current design capacity is significantly lower than recent years due to more stringent standards regarding the treatment of sludge and ammonia. The state has decreased the sludge and ammonia levels the plant can discharge and hold at any one time. The plant is currently handling approximately 800 EQR, or four times its capacity.

Projected Needs

Major improvements to both the collection system and the treatment plant are needed. Sewer transmission line replacement is needed to reduce inflow and infiltration.

Additionally, line replacement could significantly decrease the average daily flow into the plant.

A digester is needed to break down the sludge, and decrease the EQR. Currently, sludge is collected and removed from the plant by ground transportation, which adds a significant cost to plant operations.

Long-term needs (10-15 years) include an entirely new treatment plant in order to adhere to the higher water quality standards established by the state and to adequately serve the increasing population.

Transportation

The transportation system in Anywhere, Maine is comprised of three components: streets, bridges and pedestrian facilities. For the most part, the streets in Anywhere, Maine are built on a traditional grid pattern. The principal north-south streets are Main, Bridge and Summer Streets, which could be classified as collectors or arterials. All of the east-west streets are local streets. Most of the roads in town are paved, and have been moderately maintained. Grading has lead to drainage problems along the streets, and in some cases has exposed bedrock. The paved roads are in poor condition, due to a lack of proper road base under the asphalt. Significant cracks, holes and weak spots exist along Main, Bridge and Summer Streets. Loop Drive was recently resurfaced with asphalt and is in good condition. Green Road enters the town from the south and is a significant contributor to downtown traffic. Green Road is unimproved and contains limited drainage diversion devices resulting in drainage and sedimentation problems in town.

There are a total of thirteen bridges in the town that provide connections over the Anywhere River. The town has replaced or repaired several of the older bridges over the past several years. A new bridge is needed on Bridge Street to provide an additional route in and out of downtown, and a number of bridges are still in need of minor repair.

The third component of the transportation system is pedestrian walkways. Most all of the streets in Anywhere, Maine have sidewalks, with the exception of the streets in the extreme rural area. Where sidewalks exist, they are in generally in good condition. Many of the sidewalks are constructed of pavement, and have been properly maintained.

Projected Needs

The town will need to construct a main street bridge, as well as the Western Street Bridge, 11th Street Bridge, and Rose Street Bridge Walkways and curb and gutter in the downtown area need to be repaired and expanded to serve tourist destinations. Road and drainage improvements are needed on nearly all town streets in accordance with the

transportation plan. Estimates are currently being developed for the Capital Improvements Program.

Fire Protection and Emergency Response

Prior to 1997, fire protection in Anywhere consisted of several volunteer fire company's. However, in 1998 the Town created a Village Fire Company to help consolidate and fund the volunteer fire company's. The Village company included both Fire and Emergency services.

The Anywhere, Maine Fire Department consists of 30 active volunteers, including the Fire Chief. Equipment consists of two engines (one of which is an aerial device containing a 50' ladder), two "scat" trucks, which are all-purpose trucks (one is used as back-up and is not currently in service), two support vehicles with rescue materials, and a hazardous materials van. Generally, all equipment is in good working order. The department is funded by the municipality and by the special emergency service district.

Projected Needs

The most significant need identified is for additional bays on the Anywhere, Maine station to house both fire equipment and EMS equipment. Fire trucks are currently parked outside in order to allow space inside for an ambulance. There may be a need in the near future to add crew quarters to the Anywhere, Maine station, so an EMS crew can be stationed in Anywhere, Maine. All equipment is owned by the Town and the Town is responsible for all necessary upgrades.

Town of Anywhere, Maine Staff

The Town of Anywhere, Maine employs a relatively small staff. It includes a Town Manager, Town Clerk, Public Works Manager with twelve staff, Treasurer, Building Inspector, code enforcement officer, planner, assessor, and 25 other part time employees.

Projected Needs

As the town continues to grow, there may be need for new staff and additional office space. Population projections would indicate that immediate needs include a GIS system to track permits and infrastructure. No immediate need for additional staff is anticipated. Contract employees may be an appropriate alternative to assist with special project needs.

Police Protection

The Anywhere, Maine Police Department employs three full time officers, consisting of two officers and the chief of police. In 2002, the department handled 1,583 case reports, and was on track to handle roughly the same number in 2003 (440 case reports through the third quarter).

Projected Needs

The most pressing need identified by the Chief of Police was for a weatherproof, temperature controlled storage facility for criminal evidence. Evidence is currently stored in a metal trailer, which is not adequate for evidence associated with such cases as homicides.

School Facilities

Anywhere, Maine is in MSAD # 99. The town has one elementary school, with a current enrollment of 180 students, which has remained stable for past several years. The student-to-teacher ratio is 18:1. The high school for the area is located in Anywhere.

Projected Needs

None at this time.

Parks and Recreation

The Public Works Department is responsible for the five public parks and the area surrounding the Anywhere, Maine Lake, which includes the sheep viewing area and the warming hut.

Projected Needs

The parks are generally in good shape; however, there will need to be some minor maintenance and replacement costs to improve the turf and irrigation in some of the parks. Additionally, public restroom facilities in a few of the parks are needed.

The warming hut near the sheep viewing area, is in need of repair. The plumbing in the restrooms is outdated, making it difficult to find replacement parts, and the facility as a whole is in poor condition. In addition, the town has embarked on a lake trail project which will require a reasonable financial commitment for construction and long-term maintenance.

Capital Facilities Standards and Guidelines

In order to reasonably and responsibly identify and prioritize capital improvements, the town has established the following capital improvement standards and guidelines. The standards and guidelines establish the policy for prioritizing capital improvement expenditures and outline a fiscally responsible plan for recovering the infrastructure costs associated with new development. They also establish priorities for using infrastructure

capacity wisely and as an incentive for furthering community goals. The standards and guidelines are provided as basis for judging expenditures and implementing the Anywhere, Maine Comprehensive Plan.

Overall Capital Improvements Standards and Guidelines

Standard 1

Anywhere, Maine will strive to provide sufficient infrastructure within its service area to meet the standards set forth within the comprehensive plan, by preserving existing infrastructure and promoting new infrastructure when required due to growth and development.

Guideline 1A

The Capital Improvement Plan (CIP) will be reviewed annually to include the resources and improvements required to meet present and future infrastructure deficiencies and future infrastructure needs.

Guideline 1B

Capital projects will be evaluated using the following criteria:

- Does the project preserve the health and safety of the public by eliminating public hazards?
- Does the project promote efficient development?
- Does the project have a limited impact on the town's operating budget?
- Does the project protect prior infrastructure investments?
- Is the project consistent with the Town's plans?
- Does the project eliminate existing deficiencies?
- Does the project help maintain existing or adopted service standards?
- Are funds available to complete the project without significantly impacting the town's ability to complete other vital projects?

Guideline 1C

Develop master plans for drainage and parks improvements by 2005.

Guideline 1D

The needs for which the town is "fiscally responsible" shall be included within the capital improvements program, either concurrent with the impact of new development or as needed to satisfy an existing deficiency.

Guideline 1E

Funds shall be allocated for the replacement and renewal of infrastructure in an amount that will maximize the life of the infrastructure and minimize the operating costs of the infrastructure.

Guideline 1F

Bond funding alternatives will be evaluated for all projects in order to ensure that future residents share in the construction costs.

Guideline 1G

Total debt service expenses shall not exceed twenty (10) percent of the annual budget.

Guideline 1H

Future development should bear a proportionate share of the cost of providing infrastructure required to maintain existing or adopted levels of service. Impact fees, developer dedications, or contributions should be required in an amount equal to the cost of the infrastructure required to serve the development.

Guideline 1I

Capacity of existing or planned facilities should be monitored through the development review process to ensure that the town is not required to construct improvements beyond its fiscal capacity through the adoption of adequate public facility or concurrency requirements.

Guideline 1J

Land use decisions should be based on the planned availability of resources to provide sufficient improvements to maintain existing or adopted service standards. The land development code will provide a basis for evaluating proposed developments and assessing whether the planned or existing infrastructure is sufficient to serve the proposed development.

Guideline 1K

Development should be deferred in those areas without sufficient public facilities to meet the existing or adopted service standard if the funding alternatives are not approved by the electorate, or if another developer is unwilling to pay the costs of extending or improving such services.

Standard 2

In addition to meeting the basic health and safety needs of the citizens of Anywhere, Maine, the Town will strive to enhance its key community elements and improve its quality of life by providing ample public open space and recreational amenities, upgrading the community's appearance through enhancements to the community's gateways and streetscapes, facilitating pedestrian and bicycle transportation, and preserving the unique historic elements of the community. .

Guideline 2A

The Comprehensive Plan will be reviewed annually and a strategic capital improvement program will be updated and funded to help support the gateway, trail, pedestrian, streetscape, and other facilities priorities identified in the plan.

Guideline 2B

Future development should bear a proportionate share of the cost of acquiring and maintaining open space, parks and trails. Impact fees, developer dedications, or contributions should be required in an amount equal to the acquisition cost and maintenance of open space, parks and trails to serve the new residents.

Guideline 2C

Where necessary, the town may bond for improvements to gateways and streetscapes, to install trails, and to build the 7th Street Bridge, as well as for open space acquisition in order to distribute costs fairly to existing and future residents and businesses who would benefit from such improvements.

Guideline 2D

The town should develop a gateway and parking enhancement plan. The costs of implementing the plan should be funded through the creation of a new commercial corridor and downtown improvement district. The town should pass on a majority of the costs of the gateway improvements to the businesses in the community who would benefit most.

Guideline 2E

The town should dedicate 25% of capital reserve funds toward providing matching funds for grants that would support implementing elements of the comprehensive plan. The town should seek grants to help support all elements of the comprehensive plan before funding improvements through bonds and general fund revenues.

Statement No. 34 of the
Governmental Accounting
Standards Board

**Basic Financial Statements—
and Management's Discussion
and Analysis—for State and
Local Governments**

June 1999



Governmental Accounting Standards Board
of the Financial Accounting Foundation
401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116

when the exchange takes place.¹¹ Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions should be recognized in accordance with the requirements of Statement 33. (Additional guidance on reporting capital assets is discussed in paragraphs 18 through 29, below.)

17. Reporting for governmental and business-type activities should be based on all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, *unless* those pronouncements conflict with or contradict GASB pronouncements:

- a. Financial Accounting Standards Board (FASB) Statements¹² and Interpretations
- b. Accounting Principles Board (APB) Opinions¹³
- c. Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

Business-type activities may also apply FASB pronouncements issued after November 30, 1989, as provided in paragraph 7 of GASB Statement 20, as amended by this Statement.

Reporting Capital Assets

18. Capital assets should be reported at historical cost. The cost of a capital asset should include capitalized interest and ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges

¹¹In this Statement, the terms *transaction* and *transactions* refer only to *external* events in which something of value (benefit) passes between two or more parties. The difference between exchange and exchange-like transactions is a matter of degree. In contrast to a "pure" exchange transaction, an exchange-like transaction is one in which the values exchanged, though related, may not be quite equal or in which the direct benefits may not be exclusively for the parties to the transaction. Nevertheless, the exchange characteristics of the transaction are strong enough to justify treating the transaction as an exchange for accounting recognition.

¹²The provisions of FASB Statement No. 71, *Accounting for the Effects of Certain Types of Regulation*, only apply to governments that have *qualifying* enterprise funds.

¹³Changes in accounting principles, addressed in APB Opinion No. 20, *Accounting Changes*, as amended, should be reported as restatements of beginning net assets/fund equity, not as a separately identified cumulative effect in the current-period statement of activities or proprietary fund statement of revenues, expenses, and changes in fund net assets.

include costs that are directly attributable to asset acquisition—such as freight and transportation charges, site preparation costs, and professional fees. Donated capital assets should be reported at their estimated fair value at the time of acquisition plus ancillary charges, if any.

19. As used in this Statement, the term *capital assets* includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. *Infrastructure assets* are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings, except those that are an ancillary part of a network of infrastructure assets, should not be considered infrastructure assets for purposes of this Statement.

20. Capital assets that are being or have been depreciated (paragraph 22) should be reported net of accumulated depreciation in the statement of net assets. (Accumulated depreciation may be reported on the face of the statement or disclosed in the notes.) Capital assets that are not being depreciated, such as land or infrastructure assets reported using the modified approach (paragraphs 23 through 25), should be reported separately if the government has a significant amount of these assets. Capital assets also may be reported in greater detail, such as by major class of asset (for example, infrastructure, buildings and improvements, vehicles, machinery and equipment). Required disclosures are discussed in paragraphs 116 and 117.

21. Capital assets should be depreciated over their estimated useful lives unless they are either inexhaustible or are infrastructure assets reported using the modified approach in paragraphs 23 through 25. Inexhaustible capital assets such as land and land improvements should not be depreciated.

22. Depreciation expense should be reported in the statement of activities as discussed in paragraphs 44 and 45. Depreciation expense should be measured by allocating the net cost of depreciable assets (historical cost less estimated salvage value) over their estimated useful lives in a systematic and rational manner. It may be calculated for (a) a class of assets, (b) a network of

assets,¹⁴ (c) a subsystem of a network,¹⁵ or (d) individual assets. (Composite methods may be used to calculate depreciation expense. See paragraphs 161 through 166 for a more complete discussion of depreciation.)

Modified approach

23. Infrastructure assets that are part of a network or subsystem of a network¹⁶ (hereafter, eligible infrastructure assets) are not required to be depreciated as long as two requirements are met. First, the government manages the eligible infrastructure assets using an asset management system that has the characteristics set forth below; second, the government documents that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the government.¹⁷ To meet the first requirement, the asset management system should:

- a. Have an up-to-date inventory of eligible infrastructure assets
- b. Perform condition assessments¹⁸ of the eligible infrastructure assets and summarize the results using a measurement scale
- c. Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government.

¹⁴A network of assets is composed of all assets that provide a particular type of service for a government. A network of infrastructure assets may be only one infrastructure asset that is composed of many *components*. For example, a network of infrastructure assets may be a dam composed of a concrete dam, a concrete spillway, and a series of locks.

¹⁵A subsystem of a network of assets is composed of all assets that make up a similar portion or segment of a network of assets. For example, all the roads of a government could be considered a network of infrastructure assets. Interstate highways, state highways, and rural roads could each be considered a subsystem of that network.

¹⁶If a government chooses not to depreciate a subsystem of infrastructure assets based on the provisions of this paragraph, the characteristics of the asset management system required by this paragraph and the documentary evidence required by paragraph 24 should be for that *subsystem* of infrastructure assets.

¹⁷The condition level should be established and documented by administrative or executive policy, or by legislative action.

¹⁸Condition assessments should be documented in such a manner that they can be replicated. Replicable condition assessments are those that are based on sufficiently understandable and complete measurement methods such that different measurers using the same methods would reach substantially similar results. Condition assessments may be performed by the government itself or by contract.

24. Determining what constitutes adequate documentary evidence to meet the second requirement in paragraph 23 for using the modified approach requires professional judgment because of variations among governments' asset management systems and condition assessment methods. These factors also may vary within governments for different eligible infrastructure assets. However, governments should document that:

- a. Complete condition assessments of eligible infrastructure assets are performed in a consistent manner at least every three years.¹⁹
- b. The results of the three most recent complete condition assessments provide reasonable assurance that the eligible infrastructure assets are being preserved approximately at (or above) the condition level²⁰ established and disclosed by the government.

25. If eligible infrastructure assets meet the requirements of paragraphs 23 and 24 and are not depreciated, all expenditures made for those assets (except for additions and improvements) should be expensed in the period incurred. Additions and improvements to eligible infrastructure assets should be capitalized. Additions or improvements increase the capacity or efficiency of infrastructure assets rather than preserve the useful life of the assets.

26. If the requirements of paragraphs 23 and 24 are no longer met, the depreciation requirements of paragraphs 21 and 22 should be applied for subsequent reporting periods.²¹

Reporting works of art and historical treasures

27. Except as discussed in this paragraph, governments should capitalize works of art, historical treasures, and similar assets at their historical cost or fair value at date of donation (estimated if necessary) whether they are held as individual

¹⁹Condition assessments may be performed using statistical samples that are representative of the eligible infrastructure assets being preserved. Governments may choose to assess their eligible infrastructure assets on a cyclical basis. For example, one-third may be assessed each year. If a cyclical basis is used, a condition assessment is considered *complete* for a network or subsystem only when condition assessments have been performed for all (or statistical samples of) eligible infrastructure assets in that network or subsystem.

²⁰For example, condition could be measured either by a condition index or as the percentage of a network of infrastructure assets in good or poor condition.

²¹This change should be reported as a change in accounting estimate.

items or in a collection. Governments are encouraged, but not required, to capitalize a collection (and all additions to that collection) whether donated or purchased that meets all of the following conditions.²² The collection is:

- a. Held for public exhibition, education, or research in furtherance of public service, rather than financial gain
- b. Protected, kept unencumbered, cared for, and preserved
- c. Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Governments should disclose information about their works of art and historical collections as required by paragraph 118.

28. Recipient governments should recognize as revenues donations of works of art, historical treasures, and similar assets, in accordance with Statement 33. When donated collection items are added to *noncapitalized* collections, governments should recognize program expense equal to the amount of revenues recognized.

29. Capitalized collections or individual items that are exhaustible, such as exhibits whose useful lives are diminished by display or educational or research applications, should be depreciated over their estimated useful lives. Depreciation is not required for collections or individual items that are inexhaustible.

Required Financial Statements—Statement of Net Assets

30. The statement of net assets should report all financial and capital resources. Governments are encouraged to present the statement in a format that displays *assets less liabilities equal net assets*, although the traditional balance sheet format (assets equal liabilities plus net assets) may be used. Regardless of the format used, however, the statement of net assets should report the difference between assets and liabilities as *net assets*, not fund balances or equity.

²²Collections already capitalized at June 30, 1999, should remain capitalized and all additions to those collections should be capitalized, even if they meet the conditions for exemption from capitalization.