

Town of New Castle, New Hampshire
Capital Improvement Planning (“CIP”) Committee
Meeting Minutes

Date: January 16, 2018

Location: New Castle Town Hall Meeting Room

Present:

Committee Members: Jeffrey Hughes (Chair), Dave McArdle, Fire Chief Dave Blanding, Damon Frampton, Rich Landry, Tom Maher, Christiane McAllister, Steve Tabbutt

Members of the Public: None

The Meeting was called to order by Jeffrey Hughes, Chairman, at 4:30 pm.

Welcome:

Mr. Hughes welcomed everyone to the meeting.

Approval of Minutes:

The Committee reviewed and unanimously approved the Minutes of the previous meeting.

V&E Fund:

Mr. Hughes distributed the following various iterations of the V&E Fund spreadsheet model:

- Funding level at \$132K
- Funding level at \$125K
- Funding level at \$100K
- Funding level at \$132K – without Marine 1
- Funding level at \$125K – without Marine 1

Mr. Hughes explained that the 2 scenarios without Marine 1 were run at the request of Mr. Frampton. Mr. Frampton explained his request was to understand the impact on the V&E Fund if Marine 1 was removed, based on the reasoning that the cost of Marine 1 to the Town was covered through a government grant. Consequently, Mr. Frampton suggested that the Town may take a similar approach in the future when Marine 1 might need to be replaced.

The Committee discussed Marine 1 and developed the following consensus:

FINAL

- The inclusion or exclusion of Marine 1 in the V&E Fund had no material impact on the Fund for the next 15 years (i.e. until the time of the need to expend funds for an upgrade/rebuild of the engine)
- As with other significant major capital items on the V&E Fund inventory, the approach that CIP has taken, is to plan for possible major capital purchases by setting aside dollars well in advance – thereby providing maximum flexibility at the time of purchase
- While CIP makes recommendations for funding and purchases – the ultimate authority to make the purchase rests with the Select Board
- When the time comes to purchase a new Marine 1 fireboat, alternate funding should be explored (i.e. government grants, etc.) to minimize the financial impact to the Town

Following a discussion, the unanimous consensus of those present was to continue to include Marine 1 in the V&E Fund.

Mr. Tabbutt reviewed the items from the list of Public Works on the V&E Fund. He confirmed that the items were correct, the pricing was correct, and the timing for replacement was correct.

The Committee then reviewed the 3 funding scenarios (\$132K, \$125K, \$100K) for the V&E Fund. Following a discussion, which included an update on the Town's plans for upgrading the Water/Sewer program, the members of the CIP agreed to a preliminary recommendation for funding at a level of \$132K. The Committee discussed the need to change the "interest rate" downward from 2.5% to 1.0%. The committee will defer final recommendation until after the spreadsheet is updated with this change in interest rate assumption.

Road Program:

The Committee members discussed the road program. It was confirmed that no additional funds (since the original \$80K) were added to the road program this year; no funds have been expended from this fund; nor have any roads been upgraded or repaired. Mr. Tabbutt confirmed that the priority and sequencing of the road program contained on the spread sheet are still valid.

It was also recognized that since new funds added to the road program, will not happen until December, there are not enough funds to move forward with the roads slated for upgrade and repair in both 2018 and 2019. Therefore, the roads slated to be repaired beyond 2018 must be delayed by one year.

It was also recognized that the prices for the cost of road upgrades, which have not been updated for two years, need to be updated for current pricing. Mr. Hughes reported that Mr. McDonald is working with Mr. Tabbutt and Derrick Hill to update the estimated costs on the Road Program Spreadsheet. In addition, as with the V&E Fund spreadsheet, the interest rate assumption for the Road Program should be changed from 2.5% to 1.0%.

The Committee members agreed to revisit the Road program at the next meeting once these changes have been made.

New Reserve Fund for Capital Improvements to Town-owned Properties:

As a follow-up to discussions at the December meeting, the Committee members discussed the merits of creating a new capital reserve fund to hold funds for capital improvements to Town-owned properties. Mr. Maher discussed the need for a fund, and described several potential capital projects. These included: the need for significant upgrade to Town Hall; replace/upgrade the fire panel at The Commons; and adding a phone to the Public Works shed.

The Committee members agreed to the need to establish this reserve fund in order to properly maintain buildings, maintain/improve the work environment for staff, and appropriately extend the useful life of Town-owned properties.

Mr. Maher and Mr. Frampton will bring back a recommendation on the need, priority, timeline and costs for known major capital facility upgrades to Town-owned properties.

Other Business:

There was no other business to come before the Committee.

Public Comments:

There were no public comments.

Adjournment:

The meeting adjourned at approximately 5:35 pm.

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Respectfully submitted by

Jeffrey Hughes
CIP Chair