

**Official
As of 11/10/09**

**CAPITAL IMPROVEMENT PROGRAM (CIP)
COMMITTEE MEETING
MINUTES**

November 3, 2009

**HOOKSETT MUNICIPAL BUILDING
35 MAIN STREET
(2nd floor room 204)**

CALL TO ORDER

Chair R. Duhaime called the meeting to order at 6:05pm.

ATTENDANCE

Chair Robert Duhaime, Vice-Chair Martin Cannata, Nancy Comai, and Jack Mudge.
Excused: Dana Argo, and Marty Lennon.

REPRESENTING TOWN OF HOOKSETT

Christine Soucie, Finance Director

Approval of Minutes for 10-27-09

N. Comai motioned to approve the minutes of 10/27/09 with edits by N. Comai.

Seconded by M. Cannata.

Vote in favor. J. Mudge abstains.

R. Duhaime: I would like to invite Marc Miville in the audience to sit with the committee members and partake in this discussion.

BUSINESS

Fire-Rescue

Michael Williams, Fire Chief: I have a 10 yr plan spreadsheet with every piece of equipment the Fire Dept. has at both stations. It includes the engines, forestry vehicles, boats, etc., and the years they were purchased and when replacement for the equipment is needed. If you would like, I can review this spreadsheet with you.

M. Williams: The request from **Fire-Rescue** is for #5 **Engine #1 Cost \$375,000 (7 yr lease @ 4.5%).** Engine #1 has been on the 10 yr plan for replacement since 2000. It is a Class A pumper and the NFP lifespan standards are for 20 yrs, then it is bumped back to a reserve status. It was purchased in 1985, therefore in 2005 the NFP lifespan will run out. I have pictures for you (distributed to CIP Committee). Since the CIP request, we have found a better lease for \$340,000 vs. \$375,000. We will take off as much equipment from this engine #1 to add to a new engine. The lease price \$56,712 per year.

J. Mudge: Lease vs. paying retail, do we know what we could get if we paid cash?

M. Williams: I don't know. I think it will be a very close dollar amount. These are lease purchases.

J. Mudge: This seems like a good deal. If the Town could pay cash, there may be a cash incentive.

M. Williams: The direction from previous CIP Committees was to lease vs. purchase.

J. Mudge: Amortize over a period of time for big pieces of equipment.

M. Williams: I became the Chief 5 yrs ago, and the leases were requested 4 yrs ago. I would have started an apparatus replace fund years ago. It makes more sense to purchase.

J. Mudge: But if there is no money for a purchase, than a lease is an option. What type of truck is it?

M. Williams: It is an E1. We could end up getting an American LaFrance. We need to bid for the best price.

N. Comai: It is not just the money, this is an overall need. 20 yrs, give or take, is the lifespan on all of them.

M. Williams: It is 25 or 26 yrs old. An E1 is all aluminum. Some other vendors make them all stainless steel.

M. Cannata: Aluminum where?

M. Williams: The frame reels are steel, but the whole body is aluminum. Every year the engines must be pump test certified. Engine #1 just failed the pump test. It holds 1,000 gallons of water on it. It failed the vacuum test. Initial estimate is \$3,093 to fix it, however it may cost an additional \$4,000-\$5,000 over the estimate because of its age. Total may be \$8,000-9,000 needed to fix it.

M. Cannata: For each piece of apparatus, do you have a file on maintenance?

M. Williams: Yes.

M. Cannata: Is there a liability for marginal or failed equipment? Is this an upgrade in our insurance?

M. Williams: We had to take this apparatus out of service. There was a recent fatal fire in Hooksett and Engine #1 was there, but if it is non-certified (failed pump), we could have liability.

M. Miville: Legal ramifications?

M. Williams: Huge ramifications.

N. Comai: How fast could you get an engine?

M. Williams: We can get a demo truck tomorrow.

N. Comai: This item should go to the Town Council now, based on the scenario you just painted.

R. Duhaime: You are working with Engine #1 as a back up?

M. Williams: We have had sixteen (16) working fires in Hooksett this year. Prior to failing the pump test, we used Engine #1. I only have one back up engine in two (2) stations.

N. Comai: The issue with Engine #1 is bigger than this committee.

R. Duhaime: He has a lot of pieces of equipment to go over with us tonight.

M. Williams: Currently Engine #1 is out of service.

M. Miville: Totally out of service?

M. Williams: Yes, due to the legality of it.

C. Soucie: Last year Engine #1 was on the ballot and voted down. The Council has no purpose or funds to purchase an engine.

N. Comai: It was not on the ballot last year.

R. Duhaime: I wish the CIP Committee was working on this item for the last several years. We would have already had the funds.

N. Comai: You make decisions with what you know at the time. Now Engine #1 is out of service and an urgent need.

M. Miville: It was a tie vote in Council, and never became a warrant article on the ballot.

J. Mudge: If the vehicle is fixed, what is the residual value?

M. Williams: The trade value would be no more than \$10,000. Engines #4 & #5 were replaced at State auction. The trade-ins would have been \$4,000 and \$6,000 for the 1984 and 1989 vehicles. At State auction, we can make \$8,000-\$10,000.

M. Miville: If you paid the \$3,000-\$9,000 to fix Engine #1, can you make it operational?

M. Williams: Yes. We need a backup pump, especially with the rash of fires this year. The more you use the equipment, the quicker it wears out. We don't want to keep borrowing an engine from Manchester.

M. Miville: You will spend money on it?

M. Williams: We are hoping to only spend \$3,000, and have it operational for hopefully 6-8 months. This is the first repair attempted on the packing kits. The new pumps are not like that. The old packing kit has never fully been rebuilt; therefore it may cost more money to repair.

R. Duhaime: 2-3 yrs ago you were behind on CIP. Now you have 2005 & 2006 equipment.

M. Williams: Engine #1 is the oldest piece of equipment we have. This is a major repair, and we won't know the total cost until they start working on it. Carol only OK'd Engine #1 from the Fire Dept. CIP requests. She deferred everything else.

M. Williams: The request from **Fire-Rescue** is for #6 **SCBA Replacement aka Scott Air Packs & Bottles**. This item has been on the CIP since 1995. We currently have \$90,191. In 2020 we will have \$300,000. This item has been deferred one year because of Engine #1. It is still a very important item, and the right thing for the Town. This will be a big purchase. Our packs are now 5 yrs old, and in 2020 we don't want a big bill. The Town Administrator plan increased 25 yrs from 20 yrs.

M. Williams: The request from **Fire-Rescue** is for **Tanker #3 cost \$450,000 (7 yr lease @ 4.5%)**. Tanker #3 is a 1990 E1 tanker truck. At 2010-2011 it is 20 yrs of age. We would like to upgrade to a larger vehicle. It now holds 1,500 gallons of water and we would like to upgrade to a 3,500-gallon tanker. We need more water on wheels vs. hydrants. This item has been bumped to 2013.

C. Soucie: The reason for 2012-2013 is that the lease ends 2011-2012, and then this one comes on. This results in no additional impact. Carol recommended Engine #1, because of the necessity.

M. Williams: The request from **Fire-Rescue** is for **Boat #1**. We have two (2) boats. We want to replace the Nymph 1998 fishing boat. If we have a water rescue and need to pull people into the boat, we cannot do it with a fishing boat. We need an Avon or something like that. The donated boat has helped us out. This is one item on our list we could push back.

M. Cannata: Do you only do surface water rescues?

M. Williams: Yes, we have no dive team. Boat #2 zodiac style works very well.

R. Duhaime: We don't want to bump too many things together, but even you start budgeting now it is in your 10 yr plan.

M. Williams: Yes, we would like to put a little bit away each year.

M. Williams: The request from **Fire-Rescue** is for **Forestry #3 cost \$225,000 (7 yr lease @ 4.5%)**. Forestry #3 is a 1953 old Dodge power wagon. We have two (2) old State vehicles that DES lets us use. The other is Forestry #1. Forestry #3 was purchased 1985-1986, and it still runs but it is hard to get parts. Harold Murray would like to replace it with a larger vehicle. Look at the next year or 3 yrs. Tanker #3 and Forestry #3, we could combine into a cross-type vehicle for forestry and water; one vehicle and save money. We are looking into that. Harold is looking into a Unimog.

M. Miville: You don't have an ATV?

M. Williams: 13 yrs ago we had a John Deere gator vehicle. Harold and I have been working on this for a couple years out. Harold has been with Hooksett for 50 yrs. He is the Forest Fire Warden in Town and is employed by the State.

M. Williams: The request from **Fire-Rescue** is for **Construct Station Off Rte 3A at Exit 10 (Station #3) (20 year bond). AND New Engine for Station #3 cost \$375,000 (7 yr lease @ 4.5%)**. We wrote a grant. Londonderry received their grant for a fire station, because they were right at the airport. It is a \$200 million grant to all U.S. via stimulus. Londonderry received \$3 million. We haven't heard that we have been turned down yet. There is \$20 million left for NH not yet distributed. We have heard of some towns already receiving their denial. We haven't got a letter yet. The grant was written for a joint station with Manchester. We have a slim chance we may get the grant.

R. Duhaime: How much impact money is there for the fire station?

M. Williams: \$16,000 in impact fees for the building and design.

R. Duhaime: Are you negotiating with Arleigh Greene?

M. Williams: He offered property abutting quality drive, and we are negotiating.

R. Duhaime: If you have that parcel, then you wouldn't have to purchase property.

M. Williams: We can't build a fire station without land. If we get land, we could bump out the building five (5) years. This is a Town decision.

M. Cannata: In the grant you requested, did you say you had no land?

M. Williams: In the grant request, we said we had land and the project is shovel-ready. Manchester has a fire station on Hackett Hill Road. This item is deferred until the land is resolved.

M. Williams: The request from **Fire-Rescue** is for **Engine #2 cost \$500,000 (7 yr lease @ 4.5%)**. Engine #2 is a 1998 and will need to be replaced in 2015-2016. We have taken advantage of the warranties on this engine. It is in pretty good shape. It just passed the pump test.

N. Comai: When does the \$83,400 start?

C. Soucie: If lease payments, it starts that year.

N. Comai: We know we need one in 2015, why not put money away now; \$115,500 in 2011-2012, \$111,000 in 2015? I would love to give you the money to purchase Engine #2, but I know the Town Council said no warrant articles this year.

C. Soucie: What harm would it be to put a warrant article on the ballot for "x" amount of money?

N. Comai: Mike, you have done so much due diligence on your plan. If we could support you, we would. Deferring up and up and up doesn't settle with people.

R. Duhaime: Town Council may use the budget instead. Instead of buying Engine #1 next year, if you could get \$350,000 every year, then you would know you need to spend this amount of money in future years.

M. Williams: My first CIP presentation as Chief was \$50,000 for safety apparatus. If we this planning 5 yrs ago, it wouldn't be an issue today. I was told to lease everything back then.

C. Soucie: The CIP Committee doesn't set policy, but you have influence. They can see a benefit of all your work. At least you are doing your job, and providing information on what you are recommending and why.

M. Miville: Does the CIP Committee present the CIP Plan to the Town Council?

N. Comai: No, the Planning Board presents it.

R. Duhaime: As Chair of the CIP Committee, I will present the CIP Plan to the Planning Board.

N. Comai. And this year, we (CIP Committee) will all be at the Planning Board presentation to support you.

M. Miville: Remember, it is not just Mike asking for items, Dale will also be coming before this committee with his items, Police Dept., and other Town departments budgets with vehicles in need.

N. Comai: The average is \$367,000, so you make the Fire-Rescue average \$350,000.

M. Williams: The CIP Plan is only as good as what you make of it. If you keep moving items back, then everything will become non-functional.

M. Miville: Every year, voters may not buy a big reserve plan.

N. Comai: Voters do not want to see warrant articles year after year after year.

C. Soucie: If voters voted for public works as \$100,000 every year, then it becomes a need in 4 in 6 yrs. It depends on the sell.

N. Comai: Inventory, method of valuation, and strategize out to the whole Town is a far better plan.

M. Cannata: Pros and cons; had we done this at that time, we wouldn't be in the position we are now. Put money aside each year.

M. Williams: The apparatus replacement fund, this will be looked at further with Dale, Police, and Town vehicles. All vehicles and everything prioritized off the list.

C. Soucie: Have trust funds, then purchase.

M. Cannata: Put arguments and advantages for the money needed, so people can understand it.

N. Comai: For the purpose, do you put a dollar amount?

C. Soucie: That is one purpose.

N. Comai: Would the purpose be "apparatus replacement" or what the specific item is?

C. Soucie: You don't want a too narrow focus (i.e. E1), but rather "engine replacement fund" in more general terms. But you couldn't buy a tanker out of this. The only way to get money in a trust fund is through the ballot. You can't take extra operating money and

put it in a trust fund. If the Town had extra operating money, the next year you could use it in a fund balance.

N. Comai: Does this also go on the ballot?

C. Soucie: Yes, that is the only way to get money is by the ballot.

M. Williams: We will look into consolidating items.

M. Miville: When departments return money at the end of the year without encumbrance (i.e. highway \$172,000; Solid Waste \$180,000, Police \$292,000), rather than a fund balance, I think we just bought a fire truck, couldn't we?

C. Soucie: If there is a contractual obligation prior to June 30th, it must fit in the purpose of that fiscal year's budget. There is nothing in this year's budget that we will buy a fire truck.

J. Mudge: Lease price vs. purchase price, are we that close? Cash is king. Go into almost any place, and you will get a bigger discount using cash.

M. Williams: I have never had an opportunity to purchase.

J. Mudge: Has anyone asked for the cash price vs. lease price? The \$340,000 may now be \$200,000 cash or something like that. An amount the voters can wrap around. It makes sense to purchase.

M. Williams: We reduced our lease to \$340,000 from \$375,000. Christine figures out the lease, but not the company. They didn't ask how we were paying for it, and I didn't tell them.

C. Soucie: A lease is a check for \$340,000. I do agree you can get a cash discount.

J. Mudge: Go directly to the vendor.

M. Williams: That is what we did. I didn't say lease or buy when I talked to them. I am sure you can still negotiate. We put it out to bid, and the most competitive wins.

N. Comai: The company for the quote for repairs, do you have to service out to take items off Engine #1 to use them for the new engine?

M. Williams: No, we can do that work ourselves (i.e. radios, etc.).

J. Mudge: You are gaining interest off that money. Sell it to the voters to budget every year. That makes more sense to me.

M. Williams: It would have been a good idea to put money aside 5 yrs ago.

N. Comai: 5 yrs ago may have been a different climate. Something must have happened back then.

R. Duhaime: I have been on the CIP Committee for 7 yrs. Even back then, it was recommended to lease, because we didn't have money.

J. Mudge: Is Dale leasing all his? (looked at Dale's CIP spreadsheet).

N. Comai: Last year the CIP Committee pretty much put a nix on leases.

M. Cannata: Do you know what Manchester does for financing?

M. Williams: Manchester floated a \$3.5 million bond.

M. Williams: The request from **Fire-Rescue** is for **Boat #2**. This has been deferred to 2015-2016. We would need something like a Mercury.

R. Duhaime: Budget wise for both boats, we don't want them coming due the same year. Start budgeting now.

M. Williams: The request from **Fire-Rescue** is for **Car #3**. This will be up in 2015-2016. It is a 2005 vehicle. Cars #1, #2, and #3 are for the three (3) Chiefs. Cars #4 & #5 are old cruisers for both stations. We send the cruisers out for alarms to save fuel costs. The cruisers will never be replaced with new vehicles. These are hand me downs from the Police Dept. The cruisers have 120,000-130,000 miles on them. For replacing car #5, we will get a cruiser from the Police Dept. Car #5 went to the Highway Dept. last week.

M. Miville: Car #3, are you replacing with a new Expedition?

M. Williams: For fire prevention, we are thinking more like a van. The gator with the trailer we got with a State grant. It has a good lifespan. When we need to replace it, we will try to get another grant.

R. Duhaime: Ladder #1, 20 yr lifespan?

M. Williams: We have used it all the time in the past, but now it is only used for fire evacuations. Less mileage gives it a lot more longevity.

R. Duhaime: What will the cost be in 10 yrs out from now? With the 20 yr rule, you will need to buy a ladder truck in 10 yrs.

M. Williams: Manchester just bought three (3) engine trucks, and two (2) ladder trucks. Their ladders, at 100 ft platform, cost \$850,000 each.

M. Williams: The Fire Dept. impact fees say we can't replace apparatus. One thing we could do is add an additional engine vs. replacing. We need to justify with growth.

C. Soucie: They had \$492,000 prior to getting their 2nd ambulance.

M. Williams: Developers pay impact fees to the community. It is a growth issue, and we are having more fires.

R. Duhaime: Head's Pond, once built, will add a lot of residential homes. The nearest fire station is the Village Station. We need another fire station by exit 10. Down the road, we need to look at that.

N. Comai: When can we meet with the Town Council and/or Planning Board prior to our vote?

R. Duhaime: Prior to our vote, there is only one Planning Board meeting on Nov 16th, and one Town Council meeting on Nov 18th.

D. Argo: Excused, but provided the following via e-mail to be added into these minutes: "I reviewed the CIP requests from Chief Williams. Considering the fact that the SCBA equipment is the only request for 2010-2011, I have no comments for the Chief. I'm certain the new fire station will create much discussion this time next year."

M. Williams: You are all welcome to visit the Fire Station for a site visit of the equipment.

Other

Marc Miville Appointment to CIP Committee 2010-2011

R. Duhaime: We have received a letter from our Town Counsel (distributed to committee) that it is OK for a Budget Committee member to also serve on the CIP Committee. Marc will be added to the November 16, 2009 Planning Board Agenda for the Board's appointment of Marc to the CIP Committee.

Economic Development Committee (EDC) – Volunteer to CIP Committee 2010-2011

R. Duhaime: The EDC has added to their Nov 10th agenda, the request for a volunteer to serve on the CIP Committee.

*M. Cannata motioned to adjourn at 7:55pm. Seconded by J. Mudge.
Vote unanimously in favor.*

ADJOURNMENT

Chair R. Duhaime adjourned the meeting at 7:55pm.

Respectfully submitted,
Donna J. Fitzpatrick
Planning Coordinator