

FINAL

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

Date: April 16, 2015

Location: New Castle Town Hall Meeting Room

Present:

Committee Members: Jeffrey Hughes (Chair), David McArdle, Tom Smith, Richard White

Department Heads & Guests: David McGuckin (Selectman), Fire Chief David Blanding, Steven Tabbutt (Public Works Director)

Members of the Public: Damon Frampton, Joann L. Ireland, John Ireland, Reginald Whitehouse

The Meeting was called to order by Jeffrey Hughes, Chairman, at 4:35 pm.

Welcome

Mr. Hughes welcomed committee members and guests to the meeting.

Approval of Minutes

The Committee reviewed the Minutes of the previous meeting. The Minutes were approved as mailed.

Update on V&E Fund

Mr. Hughes stated that the funding request for the V&E Fund, recommended by the CIP has been incorporated into the 2015-16 Budget.

However, because of the discussions on the financial impact of the purchase of a ladder truck, at the request of the Chairman, Tom Smith reviewed the current V&E Fund spreadsheet, and presented 2 sensitivity analyses related to the proposed purchase (2022) of a Ladder Firetruck. Mr. Hughes explained that the purpose of these analyses was to determine if there was a material impact on the V&E funding if there was a delay in acquisition of the ladder truck, or if a “regular” firetruck (at a lower cost) was substituted for the Ladder truck. The first sensitivity was a reduction in the purchase price by \$200k (assuming a regular firetruck was purchased in place of a ladder truck). The second sensitivity was a delay in purchase for 2 years. The results of the analysis were as follows:

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	Estimated 2016/17 <u>V&E Fund</u>	Remaining <u>Balance 2024</u>
- Baseline – current V&E Fund	\$137,500	\$330,208
- Sensitivity 1 - \$200K reduction in Ladder Truck	\$125,500	\$397,880
- Sensitivity 2 – Purchase of ladder truck in 2024	\$137,500	\$299,993

The committee members reviewed and discussed the results. Mr. White commented that the when the time for purchase of a firetruck arrives, the costs could materially change from what we might forecast today. For example, the inflation costs of a firetruck may increase at a greater annual rate than the rate of inflation assumed in the V&E Fund spreadsheet model.

The consensus of the members of the committee was to continue on at least an annual basis, to monitor capital vehicle and equipment needs (in collaboration with department heads, and the Select Board), estimated costs, and all future modeling assumptions.

Road Study

The committee continued discussion of the development of a comprehensive road program. Mr. Tabbutt reported that only limited progress has been made to inventory and assess the condition of town roads thus far. He recommended getting additional help to move this forward. The members of the committee concurred with the need to develop a road program and a reserve fund, and agreed with Mr. Tabbutt’s approach.

Other Business

The Committee members discussed the potential need for additional reserve funds. Chief among these needs (following the V&E Fund, and Road Program) is for a reserve fund for water/sewer system. Other potential areas appropriate for reserve funds might include purchase of land/real estate and repair/renovation/construction of Town-Owned properties.

Public Comments

Joann Ireland asked about the need for a Ladder truck.

There were no other public comments.

Adjournment

The meeting adjourned at approximately 5:30 pm.

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Respectfully submitted by

Jeffrey Hughes
CIP Chair