

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

**Date:** March 12, 2015  
**Call to Order:** 4:30 pm  
**Location:** New Castle Town Hall Meeting Room  
**Present:**

*Committee Members:* Jeffrey Hughes (Chair), David McArdle, Tom Smith, Richard White  
*Department Heads & Guests:* Police Chief Don White, David McGuckin (Selectman), Fire Chief David Blanchard  
*Members of the Public:* James Zuckerman

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

Continued Discussion of 2015-2016 Town Capital Budget

a) Report of Meeting with Selectmen and Budget Committee Chair

Mr. Hughes reported that he attended a meeting yesterday with the members of the Select Board and Tom Smith, Budget Committee Chair. The purpose of the meeting was to discuss the respective roles and responsibilities of the Select Board, Budget Committee and CIP with regard to the Town’s capital budget. The following were the key points of the discussion:

- The CIP is responsible for:
  - Developing a long range capital budget for the Town in collaboration with the Select Board, Budget Committee and Department Heads
  - Developing and maintaining the V&E Fund Worksheet – which includes:

- an annual assessment of current & long range capital needs
    - an annual assessment of the estimated costs of current and future capital needs
    - an annual assessment of the useful life of capital items in the V&E fund
    - an annual assessment of variables and assumptions used in the spreadsheet such as projected rate of inflation, expected interest rates, etc.
  - Reviewing and assessing capital requests (equipment, vehicles, facilities improvements, town infrastructure, etc.) from Department Heads, Select Board and others
  - Developing an annual recommendation to the Budget Committee and Select Board for capital item purchases, and level of required funding to properly maintain the V&E and other reserve funds.
- The Select Board is responsible for:
    - Making a final decision on the capital purchases (equipment, vehicles, etc.), capital investments (i.e. building construction/renovation projects), infrastructure (roads, water/sewer, etc.), and annual funding levels of reserve funds
  - The Budget Committee is responsible for:
    - In collaboration with the Select Board, incorporating CIP recommended, and Select Board approved, proposed capital expenditures, and annual funding levels of reserve funds in the annual town budget

b) Confirmation of the V&E Fund

In final preparation for the budget recommendation, Department Heads and CIP confirmed the following:

*Police:*

- The current timing for replacement of Police vehicles in the V&E Fund are correct.
- This timing calls for **replacement of 1 police vehicle in the 2015-2016 budget.**
- The estimated cost is **\$42,800.**

*Fire & Rescue:*

- The V&E Funding schedule for replacement of Fire and Rescue vehicles and equipment is correct.
- **The Lucas Compression System at an estimated cost of \$15K should be added to the EMS budget for purchase in 2015-2016 budget.**

*Public Works:*

- The V&E funding schedule for replacement of public works vehicles is assumed to be correct (the deferred final approval until reviewed and confirmed by Mr. Tabbutt)
- **Public Works requests funding for the planned purchase of a pick-up truck in 2015-2016. The current estimate is \$55,968. (Mr. Smith to follow-up with Mr. Tabbutt to confirm estimated price).**

c) Inflation and Dividend Assumptions

Mr. McArdle reported on research he had done to develop assumptions on inflation and dividends to be used in the V&E Fund spread sheet model. Based on his research and discussion by members of the CIP, the CIP agreed on the following:

- Inflation rate should be kept at 2% per year for the foreseeable future
- Dividend return should be adjusted down to 1.5% per year for the foreseeable future (based on current rate of return for 3 CD's holding V&E Funds)

Mr. Smith was requested to update the V&E Fund spreadsheet with these changes in assumptions.

Island Items Article

For the Committee members' information, Mr. Hughes distributed copies of the Island Items article from the CIP regarding the V&E Fund, proposed capital expenditures, the MHT School renovation project, and the Town Hall renovation project.

Other Business

The Committee had a general discussion regarding expanding town reserve funds beyond the current V&E Fund. Both the value and challenge of establishing additional reserve funds was discussed. There appears to be consensus among committee members that the Town should establish additional reserve funds. These reserve funds might include:

- Roads (repair, reconstruction)
- Water & Sewer
- Capital improvements (renovation/construction) to Town owned properties
- Purchase of real estate

The Committee agreed that reserve funds for: 1) Roads; and 2) Water & Sewer; should be given first priority. Mr. Hughes agreed to reach out again to Mr. Tabbutt to inquire about the status of the Town road inventory and assessment, and to inquire whether outside help is needed to accomplish this task.

### Public Comments

James Zuckerman inquired about the quality of the Town water supply. His concerns regarded the quality of the water (i.e. level of chlorine, etc.), and the adequacy of water pressure in the event of a fire.

Mr. White and Mr. McGuckin both commented that, New Castle water is supplied by Portsmouth, and that as New Castle is at the “end of the line” Dr. Zuckerman’s comments and concerns were quite valid. The Committee emphasized the need for the Town to test the Town water supply at various points in Town to assess the quality and adequacy of the Town’s water supply. The Committee also again, concurred with the need to establish reserve funds to prepare the Town for any future capital expenditure for the water system infrastructure.

There were no other public comments.

### Adjournment

The meeting adjourned at approximately 5:50 pm.

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Respectfully submitted by

Jeffrey Hughes  
CIP Chair