

NEW LONDON CAPITAL IMPROVEMENT PLAN MEETING NOVEMBER 11, 2008

CIP COMMITTEE MEMBERS PRESENT: Jessie Levine (Town Administrator), Larry Ballin, Carol Fraley, Jeff Hollinger, Ken McWilliams, Bob Meck, John Wilson, Noel Weinstein , Tom Cottrill

ALSO IN ATTENDANCE: Tina Helm, Mark Kaplan, Richard Lee, and Jason Lyon,

Jessie Levine called the **MEETING TO ORDER** at 5:33 p.m. She introduced the new recording secretary, Camille Holmes, to the committee members.

I. FINAL DRAFT OF CAPITAL IMPROVEMENT PLAN DATED OCTOBER 7, 2008

Jessie Levine stated that there were some lingering questions concerning the plan proposal that she felt needed discussing before the final draft was submitted to the Planning Board.

Table 20 – Summary Table – Page 47 - Still includes inflation in some places and she felt that should be eliminated. Jessie Levine really would like a better handle on costs because guessing makes it harder to budget items. She asked the committee what would make more sense.

Bob Meck stated that there were two components that should be considered: 1) the cost of a Fire Department engine in 2012 through 2015; 2) that 7% should be incorporated into the highway department fund each year and costs checked every two to three years. Bob Meck asked where the 7% figure came from. Richard Lee said that he looked at the inflation he has experienced with his equipment costs over the past several years and applied that 7% inflation rate per year to the 2008 cost of his equipment to identify future costs.

John Wilson asked if the budget figure from the last year could be changed to match the current costs or if not, would it be possible to do 2 years and add that to this year's budget.

The consensus was to reflect on the inflation costs in the summary table which shows a 3% inflation rate at the end that is not in the capital reserve and would need to be put in the table in order to do a better job of estimating. Jessie Levine stated that in her estimation leaving it in would be putting monies away for the future which she felt was a good thing to do. It could then be reviewed every year. However, Mark Kaplan remarked that if nothing was broken, to just not add it at the end and leave it alone based on the unstable inflationary rate at this time.

The question was asked by John Wilson if the 3% government rate could be totally eliminated in all the tables and Jessie Levine replied that it could be in some of the tables but not all of them because there were different inflation rates used ranging from 3% to 7% in other Tables that needed to be included. It was decided by the committee to eliminate the column with inflation rates in Table 20 and to have future costs determined by each department.

Jessie Levine suggested the intersection improvement can be reduced from \$52k to \$30k through a funding grant that the town would need to match funds with. If the Town obtains a grant to improve the Crockett's Corner intersection, the Town could use money from the intersection capital reserve fund to pay for the one-third local match for the grant funds.

It was determined that a discussion should be had as to whether or not to lower the amount to \$30k or \$20k and keep those monies across the board. If the town does the improvement next year, it would cost nothing and the town can get a bond issue for \$500k to \$1M if it ever gets there – the idea being to put capital away to reduce the bond or to just have it become a general line item by dropping it to \$20k after 2018. Jessie Levine noted the Library was criticized for not being fiscally responsible and establishing a capital reserve fund for needed improvements.

The Town is not planning to pursue a community bond so it should be removed from Table 20 and any reference to it in the text.

Table 14- Debt Services needs to be renumbered as Table 21.

Table 19 – page 46 – Jessie Levine asked the committee to turn to Table 19, Gravel Road Paving Schedule on page 46, which originally included Quail Run being paved in 2008 and which she now was asking to be bumped to 2009 due to the current financial crisis. She noted the figure in Table 20 needs to be the annual capital deposit amount. Jessie Levine notes the CIP Committee could delay the whole table, but there is a need to save; the idea of capital reserve is to accumulate a little each year. If it's pushed off a year, it can be recalculated to spread out over an 11 year period. If it's only one year that is pushed off, there is no need to add money to the gravel road maintenance budget. Bob Meck indicated the CIP Committee can make this decision and then have a public vetting. Bob Meck stated that the town needed to hold down expenses as much as possible and by putting in money after one year may cause the town to do without a lot. Jessie Levine responded that the danger in that was it could cost more the following year. Bob Meck replied that some across the board cutting would upset certain lobbyists and that the town needed to cut in other areas. Jessie Levine stated that the committee needed to take each issue on its own merit. Options Jessie Levine outlined for how to deal with the gravel roads in 2009 include reducing the capital reserve deposits. and spreading it out over a longer time period. Richard Lee pointed out waiting to do that in 10 years doubles the cost of paving. The town can live without it for one year, but they will need to have something put aside, which is the whole point of the plan. If the town doesn't do that, a petition warrant could result and would cause the town to lose control of the whole program. After much discussion, the CIP Committee decided to extend the gravel road paving program over 11 years. Jessie Levine indicated she would recalculate the figures for Table 19.

Page 38 – Highway Equipment Replacements – Jessie Levine noted the CIP Committee has not discussed the recommendations made by Richard Lee to purchase both the backhoe and the excavator in 2009. Richard Lee indicated by purchasing both pieces of equipment in 2009, the dealer would reduce the purchase price by \$26,000. In addition, there would be an estimated \$5,000 savings on extended warranties. This would equate to a total cost savings of about \$31,000 which is a significant amount at 16% of the total cost. Richard Lee noted that if the town

holds onto the equipment, increased cost of maintenance, available inventory and reduced trade-in value all become issues. After much discussion, the CIP Committee agreed to include the purchase of both pieces of equipment in 2009.

Page 42 – Fire Truck Equipment – Table 16 – Jessie Levine noted the question that has been raised as to whether it is better to purchase the ladder truck in 2017 or move the time frame of the purchase up to 2012. Jason Lyon indicated the cost of the ladder truck in 2012 would be \$975, 000 and by 2017, it would increase to \$1, 400,000. \$425,000 in savings in the purchase price would be gained by purchasing the ladder truck in 2012. By putting more in over a shorter term, the town would end up saving more in the long run. He also stated that considerable changes in technology may occur. Jason Lyon noted federal emission standards require that all fire apparatus has to be refurbished every 10 years and replaced every 15 years. Manufacturers Detroit and Caterpillar no longer make the apparatus and new manufacturers need to be put in place. The department had 640 calls in 2008 (to date) and Jason expected the number of fires will increase. The engine has had a useful life and should receive good trade-in value. Right now the town has a 25 year old engine with a replaced radiator. Chief Lyon anticipates more maintenance problems as the vehicle ages and more maintenance due to salt causing rusting to aging steel components.. He agreed that the town should be cutting back, but the apparatus should be newer; the fire department is looking to replace equipment in 2012 (per schedule). Chief Lyon hoped to be able to trade-in the engine in 2012 for \$150, 000.

Following considerable discussion, John Wilson made a motion to have the equipment purchased in 2017, not in 2012. There was not a second to his motion. The CIP Committee agreed to purchase the ladder truck in 2012 and revisit it again next year.

Table 20 – Main Street Rebuild – The State Department of Transportation has dropped this New London project from their 10 year plan. The committee agreed to cut the line item of \$10, 000 each year.

Page 47 – Sidewalks –The CIP Committee discussed the sidewalk projects listed at the bottom of Table 20. It was decided by the CIP Committee that a meeting of the sidewalk committee was needed before determining any cuts on that line item.

Ken McWilliams and Jessie Levine indicated they would update the tables on the CIP draft before submitting it to the Planning Board.

A motion to adjourn the meeting was made by Jeff Hollinger and was seconded by Tom Cottrill at 6.54 p.m.