



TOWN OF NEW LONDON, NEW HAMPSHIRE

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CIP Subcommittee Meeting DRAFT Minutes October 2, 2012

PRESENT:

Tom Cottrill, Planning Board Chair
Jeff Hollinger, Planning Board
Michele Holton, Planning Board
Jim Wheeler, Budget Committee Chair
Doug Homan, Budget Committee

STAFF:

Kim Hallquist, Town Administrator
Wendy Johnson, Finance Officer
Lucy St. John, Planning & Zoning Administrator

OTHERS PRESENT:

Steve Ensign, Board of Fire Wards
Jason Lyon, Fire Chief
Bob Brown, Conservation Commission Chair
Richard Lee, Public Works Director
Chad Denning, Recreation Director

Chair Cottrill called the meeting to order at 7:00pm. He noted that the presentations that night would include the Fire Department, the Conservation Commission, the Public Works Department, and the Recreation Department.

Fire Department – Chief Jason Lyon & Steve Ensign (Board of Fire Wards)

Fire Chief Lyon began by referencing Table #16, which displayed information regarding Apparatus Replacement. The time frames for replacement are the same as they were last year except that Ms. Johnson has changed the years to compensate for the fiscal year change-over.

Table #17 shows the Fire Department Equipment Repair/Refurbish Fund. Chief Lyon noted that this is the same that was approved by the Planning Board the previous year. He said he has asked for quotes to refurbish Engine #2 (Rescue), which included paint and corrosion repair, cab & pump module repair, replacement of the sills on the roll-up doors, replacement of tires, springs, the installation of the FireCom communication system, changing over to interior LED lighting, repairing of leaking valves on the pump panel, replacing the quick release brackets on the SCBA seats, removing the ladder rack, and repairing a crack on the left-side of the body. The quoted estimate is \$55,000. The current estimated refurbishment cost is \$32,000.

Chief Lyon said there are two options to meet this revised cost. He suggested increasing this year's contribution from \$13,000 to \$16,500. He noted the manufacturer recommended refurbishing the Engine #2 (rescue engine) chassis in two parts starting this year with an expenditure of \$18,500 this year and \$24,500 next year. He said an alternative is to increase the contribution to \$35,000 this year so as to do

the entire refurbishment this year. Lyon said he prefers the two-year plan because the engine will be out of service for less time and minimize the annual fiscal impact to the town.

Mr. Ensign said the fire wards concurred with the same option. They felt it better to do the work in two years rather than have the truck out of service for more than a month by getting everything done this year. In either scenario, the adjustment for future contributions has been increased to properly adjust for the refurbishment of the ladder in 2023. He noted that the cost estimates are higher than originally expected or had been quoted.

Chief Lyon said last year they lowered the capital contributions based on the removal of the tanker in 2018, which was recommended to be refurbished at that point. Mr. Homan asked about the status of the currently-on-order ladder truck. Chief Lyon said that the cab has been manufactured and the chassis will be put on next. He explained that vehicle is assembled in various locations around the country it will be completed in Louisiana and they expect to receive it by the end of February or the beginning of March, 2013.

Table #18 SCBA Replacement, has remained unchanged.

Mr. Hollinger referenced Table #16 and asked if there was a trade-in or re-sale figure for the ladder truck. Chief Lyon said it would likely trade in at \$35,000, which would be put toward the cost of the new ladder truck. Lyon thought they should wait on the acquisition of the ladder and then consider the savings. One option is to sell it outright which could potentially be a better scenario for the Town, making more money on the vehicle. Chief Lyon said he has reached out to different companies that match customers with this type of used apparatus but hasn't had any interest yet. He noted the truck will need another \$55,000 – \$75,000 of work before anyone can take delivery of it.

Ms. Hallquist said the sale of a vehicle is considered town money but if it is traded, it has to be voted on by the town to record as estimated revenue. There was talk about where money from a sale or a trade goes within the town and where it had gone, historically. Mr. Wheeler said historically, a trade-in stayed in the CIP. If it was sold outright, it would go into the General Fund.

Chief Lyon said the figure for 2018 to replace the tanker with an engine tanker is an estimate and when it is closer to the replacement date, the cost estimate will be updated. The tanker was purchased in 1998 after some changes in the purchase of the apparatus. The rescue engine was purchased in 2001/2002. They have three main pieces of apparatus and two additional vehicles: a utility truck and the car. The truck has various tools and equipment on it; it is used to maintain dry hydrants, is used for snow removal, and is cheaper than running an engine to every single call. The Town of New London has the fewest pieces of equipment than other surrounding towns and yet goes to more calls than the surrounding towns. They do more with less and when one piece of apparatus is down they are left with fewer than they are comfortable with. Chief Lyon noted these facts affect the ISO insurance rating for the town.

Ms. Hallquist said that the CIP is a recommendation from the department heads, and the Planning Board gives it to the Budget Committee as their recommendation. The Budget Committee doesn't have to fund anything the Planning Board suggests. She said it isn't really money they have or must be put into the capital reserves. It is a plan.

Chair Cottrill wondered about leaving \$860,000 in for the cost of the new ladder, or if it should be reduced by the amount of \$35,000, considering the trade-in. Mr. Ensign suggested leaving it as is as they may need to adjust the number in the following year once they know the exact amount of both the new ladder and the trade-in.

Mr. Homan said he didn't feel maintenance should be paid for through a CIP; it should be a budgeted for each year. The shortfall he is seeing here is due to maintenance on Engine #2.

Chief Lyon said he looks at this every year to determine if there is a need and if so, they put in a request. The Highway Department buys new equipment every year and either trades-in or sells their old equipment, which increases their CIP balances over a period of time. The Fire Department has equipment that has a 20-year lifespan. If the ladder truck is sold for an even \$100,000 he would need to adjust the plan to stay on track and not put more money in the CIP than needed.

Mr. Wheeler wondered if the rescue engine had deteriorated faster than expected or did prices increase over 50%? Chief Lyon said the ladder-rack removal was something not considered earlier. The apparatus is expensive to begin with, and equipment and replacement parts are expensive as well. For example, tires are about \$800 each and the National Fire Prevention Association (NFPA) recommends changing the tires every seven years. The tires they currently have are 11 years old. The \$32,000 to refurbish the engine includes the replacement of the tires. It also includes \$20,000 for unexpected issues that may arise. He reminded everyone of the catastrophic pump failure that took the ladder out of service for six weeks in the prior year. He said having a reserve for unexpected repairs is important.

Mr. Wheeler asked if the \$55,000 in repairs would improve the truck to a much greater extent than the \$32,000 would, which they were on track for. Chief Lyon said that it would enable them to make some upgrades, but not all. It certainly wouldn't take care of all the things that needed repair or replacement. He recalled that the old Pierce engine, purchased in 1976, was refurbished in 1988. The refurbishment at that time was about \$55,000.

Mr. Ensign said that the ladder rack was not included in the first estimate, which may account for some of the discrepancy in the figures.

Chief Lyon said it wasn't crucial to paint the engine, but the paint is worn. He felt these refurbishments would make the engine good for another 20 years. Mr. Homan argued equipment should be maintained when it needs to be maintained and not on a schedule. Chair Cottrill said this is an emergency vehicle and the department needs to be sure the equipment is in good shape. Mr. Homan said the soon-to-be-new ladder truck will duplicate most of the jobs of the existing vehicles and it wouldn't be that big a deal if one of the older apparatus was out for repair.

Mr. Wheeler asked if he needed to stay with the refurbishment date of 2024 for the new ladder truck. Chief Lyon said they should stay with that date. NFPA standards state that it should be refurbished in 2022, so it is already going two years longer than recommended.

Chief Lyon said he would bring some photos to the next meeting and make sure the language describing the different apparatus was consistent in the tables to avoid further confusion.

Chair Cottrill asked if the Fire Department feels it is on track to continue to stagger the purchases of large apparatus so that planned refurbishment and maintenance wouldn't affect service. Chief Lyon said all three pieces have a job and if even one piece is out of service, the department could be put in a difficult situation. New London relies heavily on mutual aid. If there is a call about smoke or fire, two additional tankers come from surrounding towns. Depending on the distance to the water they could require six tankers for every mile that they are away from a water source.

Chair Cottrill asked if mileage had anything to do with gauging the age and condition of the equipment. Chief Lyon said mileage is considered, but offered that the truck would get more mileage on the drive

from Louisiana to New Hampshire than it would for possibly the rest of its life. He explained the vehicles are well cared for but even so the ladder was out over three months to the tune of over \$60,000 last year, not because of a lack of preventative maintenance. It is difficult to find parts for a custom apparatus. His concern is having reliable, dependable apparatus to provide the best safety for the town.

Chair Cottrill opined for the high cost of the apparatus, one would expect better quality and longer service life and far fewer major corrosion problems on an \$800,000.

Mr. Hollinger suggested locking in the first option for the refurbishment of Engine #2. Chief Lyon said that what he has listed is the ceiling for those refurbishments so it may come in as less.

Conservation Commission – Bob Brown, Chairman

Mr. Brown read through his narrative, explaining the mission of the Conservation Commission. He explained it was the Conservation Commission's understanding that the \$0 contribution to the CIP in 2009 was a one-year agreement with the Budget Committee. The Commission felt strongly enough about this that when it was suggested to repeat no contribution again in 2010, a warrant article was prepared requesting a \$25,000 contribution that passed at Town Meeting. In 2011, \$10,000 was contributed. In FY 2012 the Conservation Commission made no request in exchange for the Budget Committee's support of an RSA which would allow the New London Conservation Commission to make donations to other entities (such as the Forest Society and Ausbon Sargent) to help purchase easements within the town.

Mr. Brown explained that they have acquired and conserved several properties in town, but that there are 40 more parcels on their "desirable lands" list. The Commission took the top 15 properties on the list and sent letters to the owners letting them know that their lands were of interest to the town with regard to conservation. Those property owners were offered a chance to discuss easements or possible sales. From this effort they received four responses, each of which are still considering information that had been presented to them. Mr. Brown indicated that these things have a tendency to take a long time.

Mr. Brown explained that currently there is \$446,447.00 in the Conservation Fund and a cap of \$500,000 is the target. He urged a contribution of \$25,000 for FY 2012 and offered the Commission recognizes the continuing soft economy. He referenced the master plan, which holds about 20 pages of conservation information indicating that conservation of land is important to the town. He noted that the Conservation Commission uses the Master Plan as their bible.

Mr. Homan said the money in the account needs to be enough to make a serious offer to someone, and to be able to make a deposit to get a purchase and sales agreement. Without a specific piece of land in mind, he felt this wasn't something they should contribute more money toward. He felt that the amount they already have would be enough to secure a property or even several properties.

Mr. Wheeler said that being in real estate he has learned that anyone within the town who is selling their property to the Town has to want to do it. There is always going to be a better offer from someone else. The town won't end up with a property where an owner is trying to maximize the value. A seller has to be willing to wait that long time to get their money after approval at Town Meeting. Therefore, the town may not have to worry so much about having full funding to purchase a piece of land since it may take a year or so for approval.

Mr. Hollinger asked how other pieces of conservation property had been acquired. Did the Commission ask for additional money from the town or did they use the money in the fund? Mr. Brown said that the Conservation Commission doesn't have the authority to make a deposit. It has to go to Town Meeting. To

a seller, it is more encouraging to work with a town that has the money and only needs to acquire an approval, than to work with a town that doesn't have enough money to spend.

Chair Cottrill asked if the Commission has ever lost a property because the town couldn't act fast enough. Mr. Brown said not in his last five years on the Conservation Commission. By passing RSA 36 last year, the Town is not obligated to make a purchase but they still hold the interest. The town can make a contribution to an organization like Ausbon Sargent or the Forest Society who negotiates the purchase of easements and conservation land. They are currently talking with five other organizations about a waterfront piece of land, which would be a partnership.

Mr. Wheeler asked about Conservation Commission's deliberation on the cap of \$500,000. Mr. Brown said that this went back before his time. Most people realize that if they were to obtain a property, it isn't going to be, for example, \$100,000 but much more. \$500,000 seemed like a round number to set as a goal.

Mr. Homan asked if land, offered at a discount to the town, would qualify the owner to take a charitable donation deduction for the actual value of the land. Ms. Hallquist said that if done correctly, a lawyer could do this for the owner.

Mr. Homan said that he didn't expect 10 years ago when this fund was established, that the Ausbon Sargent organization would get as big as it is. Chair Cottrill said that development of land was happening quickly at that time and people felt the Town needed to get serious about conserving land and to build up the fund so as to not miss out on an opportunity.

Ms. Holton thought they could afford to wait a year to see how the economy improved. Mr. Hollinger said he recalled when the funding increased to \$150,000 per year, there was more of a concern about acquiring land then as there is now. Chair Cottrill thought the fund was pretty well funded. He wondered how the fund was invested. Ms. Johnson said it was maintained by the trustees of the trust funds using very conservative accounts. Chair Cottrill said that if they don't fund it at all, it makes a political statement about the level of interest in the mission of the Conservation Commission. He said an allocation of \$5,000 could be viewed as a careful investment in tough economic times. Or they could choose to not fund it as requested and be proud of the fund at \$450,000+.

Mr. Wheeler agreed this is as much a political matter as a conservation one. Many could construe their zero contribution as being anti-conservation. If the Planning Board decides this is not appropriate, a warrant article could come before Town Meeting again. Mr. Homan said maybe they should be more cognizant of the big picture. Mr. Brown asked what the estimate on the tax rate was for \$25,000. Mr. Wheeler said it was two and a half cents per thousand. He thought the Conservation Commission should consider why \$450,000 was any better than \$500,000. It appeared to him that there was not a big difference in the numbers. If they use the fund and it needs to be refurbished, that would be a different story.

Mr. Hollinger said that they would be kidding themselves if they didn't think a petition warrant article wouldn't come before Town Meeting if they left it unfunded another year. Mr. Wheeler asked if a \$10,000 contribution would be seen as a snub and would encourage them to still submit a petition warrant article. Mr. Brown felt they would be a little more diplomatic than that and offered that they had started out wanting to request \$50,000 and were going down to \$25,000. He said that a number like \$15,000 or \$20,000 would generate some positive discussion. Mr. Homan thought they should just fund zero. He understood their point but they (the Budget Committee) also has a mission.

Ms. Holton asked if it would be suitable to compromise by splitting the request in half and fund \$12,500. Mr. Wheeler said he would love it if Mr. Brown met with Conservation Commission to find out why \$450,000 wasn't as good as \$500,000. Mr. Brown said that \$12,500 would probably be OK and he wouldn't be able to meet with the Conservation Commission until their next meeting on October 17th. Chair Cottrill urged the Conservation Commission to discuss the reasoning for choosing the target number of \$500,000. Ms. Holton said this discussion didn't mean that anyone here didn't appreciate Mr. Brown's efforts and the efforts of the Conservation Commission, but they hope this is seen this as them helping them move forward, even if it isn't at the pace they would prefer.

Public Works Committee – Richard Lee

Table #7 – Replacement Schedule

Mr. Lee noted that the “Muffin Monster” needed to be replaced, which grinds up the solids and gives their pumps longer lives.

Mr. Lee asked about the 3-bay garage which had been put off last year. It was determined that it was taken out of the budget because it wasn't a critical item. Mr. Lee said that administration would have one bay, which would be finished off for files, Recreation would have one bay for storage, and the Sewer Department would have a bay to store pipes and other equipment as needed. Mr. Wheeler thought it was pushed to FY 2014. Mr. Lee said that he thought it would be at least 2014/15. He thought there was still a need for it. Mr. Homan wanted a well-thought out plan for what is needed within the town for storage. There was some discussion of the records that are being kept by administration and why they need to keep them. Ms. Hallquist said that State Statutes identifies what records have to be kept and for what period of time. Some documents must be kept forever; other can be discarded after a certain period of years. Older files are moved from the Town Office basement into the cottage at the Transfer Station. Each year, items from the cottage are purged and new boxes of files are moved from the Town Office to the cottage.

Mr. Wheeler agreed the town needed to increase its storage space. Mr. Homan remarked that all the buildings in town have been built or rebuilt in the last 15 years and they are already talking about needing more space.

Mr. Lee noted that the item “Pista Grit” was to be removed from the budget because with the new kinds of pipe they are using they aren't getting the silt they did with the clay pipes. They can replace pumps for less than they could to replace the Pista Grit. They didn't see it a cost benefit to keep it in the budget.

Table 9 – Highway Equipment Program

Mr. Lee said that they have extended the lives of both the dump trucks. He would like to take the one for replacement in 2014 and push it out to replace it in 2015. He thought it might even make one more year but they'd have to wait until next year to decide that. He tries to get as many years out of the trucks as possible.

Mr. Lee said he would like to replace the refuse tractor in 2014 and increase the request from \$79,000 to \$85,000. His reasoning for this is after speaking with someone in the business, anything less than \$80,000 - \$85,000 would get them a very used tractor. The \$85,000 figure would likely insure a good used tractor with 200,000 to 300,000 miles on it, which is reasonable for a vehicle of this sort. Trash is hauled to Meredith three times each week. Mr. Homan asked if it would be cheaper to subcontract the hauling. Mr. Lee shared his experience and found the cost too variable and was not consistent year to ear. The man currently hauling trash has been very dependable with his service and price even though there have been many fluctuations in fuel prices.

Mr. Lee thought that by pushing the one-ton out a year, he won't have to add more money in the fund. He said that tentatively he may not need the extra truck as they didn't have another employee to drive it. This would decrease their need as well. He wanted to leave the table as-is for now but would know more next year on what they would need.

Mr. Lee said the trash trailers were rusting and they have made repairs on them. He thought that if the one-ton truck is not replaced the funds could be used to replace the trash trailers, as DOT would not pass them if they get much worse. He indicated they rotate the trailers and use them all equally. The aluminum trailers have a longer life expectancy. He thought they could get up to 20 years out of an aluminum trailer. They also hold more and necessitate fewer trips to Meredith.

Table #11 0 Highway building Program

Mr. Lee said he would like to refurbish the building and the salt and sand shed. Mr. Homan asked if he'd thought about adding on to the new garage with a metal framed, insulated building instead of refurbishing the shed. Mr. Lee said they cannot because of the electric utility right-of-way, and wetlands in the area. He said there is no other room on the site. He was told the basic framework of the building was good. They will tear the flooring out and add insulation. The highway workers will be involved in doing this work in an effort to save money.

Table #12 Gravel Road Paving Program

Mr. Lee explained that the table went out to FY 2038 before all the roads on the list would be paved. If they don't fund it, they will end up with people coming in with a warrant article to spend \$60,000 to pave a road. If they keep it going, at least they can show a good faith effort. This is a plan in place to pave roads. Mr. Homan thought they should deal with the squeaky wheels first. Mr. Lee said that the paving plan was not based on complaints; rather he focused on safety and winter maintenance issues.

Table #13 Sidewalk Replacement

Mr. Lee didn't think the money for Elkins would be spent until 2014. Chair Cottrill asked which sidewalks are underway or committed. Mr. Lee said all need to be maintained but the sidewalks funded by grants are required to be maintained at a cost to the town. The sidewalk from the School District to Homan's Corner needs to be ripped out and re-done. Other places have safety issues as well. Chair Cottrill didn't think they needed any more new sidewalks in town. Mr. Lee didn't know of any new sidewalks coming up, but these funds are for existing sidewalks that need refurbishing.

Recreation Department – Chad Denning

Mr. Denning said the CIP committee spent a lot of time last year on the table and put together something workable for everyone. The Recreation Department was pleased with the outcome. He asked for \$85,000 for the Bucklin Beach rehab project. He put RFPs out and of the 12 people they sent it to, received just one RFP which was for \$15,000 more than what was allotted. Either the contractors said they were too busy or that there wasn't enough money offered to make it worth their while. In his opinion, the upkeep of the beaches is a very high priority for the Town.

Mr. Denning explained that the tasks included in the upgrade at Bucklin was to make the bathroom ADA compliant, put on a new roof, and add low flow fixtures. Mr. Homan was shocked that only one bid came in. Mr. Denning said that the Board of Selectmen suggested going back out with the RFP process. Mr. Homan suggested using a bid sheet so that it would force contractors to itemize the work.

Mr. Denning said that the roof is leaking and that mold is becoming a problem. Chair Cottrill suggested hiring separate contractors to do the work rather than seeking one contractor that can handle all needs. Mr. Denning said this would make him be the contractor, which he was fine to do. He thought the Town

should hire one contractor to take care of all the town buildings. Ms. Holton thought there were plumbers who would do the work and there are others who would do the other portions as well. She offered to help him come up with more names. Mr. Denning said he welcomed the help and just wants the project done.

It was asked if they still wanted to do the ropes course now that Sunapee has one. Mr. Denning said that Colby-Sawyer College still wants something more local. Chair Cottrill wondered if they could split the cost with the college. Mr. Denning said that Kearsarge School District, Colby-Sawyer College and the Town are all planning to contribute \$50,000 to the project. He said that with his experience with ropes courses, they don't typically have a high maintenance cost. The ropes course would be located behind the sewer department on town-owned land.

Mr. Homan asked how the need for a ropes course was perceived. Mr. Denning that the School District came to him four or five years ago about wanting team building opportunities with the use of a ropes course. He had heard the same want from the college. It became part of the Recreation Department's master plan because the town has the property. Chair Cottrill suggested he check with the college to see if they are using Sunapee and if they still see the need to proceed with this project.

With regard to a remote ice rink, noted on the Recreation Department's table, Mr. Denning said he was thinking of adding an additional rink somewhere. Chair Cottrill thought there were many other places where people could skate. It had been rumored that Colby-Sawyer College would be putting in an ice skating rink on campus but after speaking to Dave Sauerwein, Dean of Students, he found that they would not be doing it this year. It was noted by Mr. Wheeler that the rink outside of the Town Office was used a lot in the winter and was in a nice location.

The meeting adjourned at 9:50pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London