

CIP Committee
Draft Minutes
Thursday, August 27, 2015
6:30 pm

Meeting called to order at 7:02 pm in the Fire Station Meeting Room

Present: Steve Felton, Susan MacLeod, David Toth; Absent: Ingrid Heidenreich

Library: Mardean Badger, Library Trustee came to ask about the proposal that was mentioned in the CIP minutes of August 12 – that the Town explore negotiating with the bank mortgage holder of the Old School and consider whether the purchase for town use as well as library use was viable. Steve felt it was an option worth pursuing prior to any warrant articles being formulated. Purchasing the existing building would be less costly than a new building at ~\$1,000,000; current listing price is \$750,000, with \$500,000 mortgage balance. CIP could run numbers on a 10- or 15-year bond. The CEO of TCCCP approached the SAU Board with a proposal to amend some of the deed restrictions in order to open the market. The Board meets on Tuesday, September 2 and it was suggested that the Library Trustees attend the meeting and lobby the SAU to hold off on a decision. It could aid in the negotiations with the bank. The Library Trustees will attend CIP meeting on September 16 to discuss this further. It would be helpful if they had their consultant's report at that time.

Presentation update: Dave used the Powerpoint presentation from last year with updates based on feedback and new numbers will be added. He added "Simplify and Recommend Funding Strategies" which shows the problem with leasing all equipment. "Real vs Ideal Funding strategies" slide illustrates the need to use leases for immediate needs while building reserves for future outright purchases. Aggressive pursuit of grants will also be in the mix. "Asset Management" is now being used by the Water & Sewer and Fire Departments to identify and plan for all capital and other needs. There is software available to do the calculations. Management includes planned maintenance, repair and upgrades to extend the useful life of equipment and facilities. Presentation can use examples from W&S to illustrate the point. "Capital Improvement Cost Summary", 5.8 million for 2016-2025 is up from last year based on better numbers from departments and price increases from last year. No grant funds included, until they actually materialize. Plan summary for departments attached. Every year this plan is delayed=higher costs due to increased prices, inflation, higher interest rates and new regulation requirements. Of all the recommendations, deferring P&R, Town Administration and Library would be less costly than the other capital needs. If this plan is followed, within 5 years there will be greater control of the budget, and within 10 years more complete control. Grants, regionalization and investments for economic development will contribute to getting expenses under control. Still need to research the RSA about the actual mechanism to use the unassigned fund balance for purchases or to roll into capital reserves.

Next Meeting: Tuesday, September 8, 2015, 6:30 pm with BOS. Steve will confirm with Norm DeWolfe that CIP can present at BOS meeting at 6:30; will find out current capital reserve balances and will get useful life of equipment information from DPW. Dave will update sheets.

8:30 pm: Motion to adjourn, all in favor.