



OLD VALUES - NEW HORIZONS
COMMUNITY DEVELOPMENT

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Capital Improvement Program (CIP)
Meeting Minutes
July 30, 2013

The regular meeting of the Capital Improvements Program (CIP) was called to order on July 30th at 5:09 p.m., by Chairman Rob Gustafson, at the Community Development Department.

Present

Rob Gustafson, Chair 2013, Citizen Member
Roger Hohenberger, Board of Selectmen Alternate
Alan Carpenter, Planning Board Representative (joined the meeting at 5:15pm)
Jennifer Simmons, Secretary, Citizen Member
Jerome Rekart, School Board Representative

Excused

Al Letizio, Board of Selectmen Representative
Neelima Gogumalla, Citizen Member
Sy Wrenn, Vice Chair, Planning Board Representative
Elizabeth Wood, Staff Advisor

I. Chairman Rob Gustafson introduced the members of the board and reviewed the agenda. Mr. Gustafson suggested waiting to assign departments, to each member, so they can create a portion of the final report until the August 6th meeting as more board members may be present. However, Mr. Letizio was assigned the Solid Waste Management and Board of Selectmen write-ups.

II. **Solid Waste Management Department CIP Presentation**

By: David Poulson

Proposal: To put forward a CIP 2014 outlay request for the purchase of a wheel loader for the Transfer Station. This is a repeat replacement request of the 2006 JCB Wheel Loader based on Strategic Planning, Equipment Replacement Policy, and Capital Assets Inventory guidance. The total project cost will be \$80,000.

Justification: The loader is a vital piece of equipment at the Transfer Station. Without a loader, the waste streams cannot be moved from one location to another. In addition, the loaders are used for snow removal, towing, lifting, and other related tasks. Without an operational loader, the operation shuts down. The recommended replacement timeframe, for a loader, is estimated at 8 years or other justifiable criteria. The action plan is to purchase another matching loader to the 2009 Takeuchi to reduce O&M and inventory costs.

Discussion:

Mr. Poulson told the Board that the town currently has two loaders at the Transfer Station. If one loader goes down, there is another loader as a back-up. A loader is

operated 6-8 hours per day, over a span of 8 years, which equates to approximately 8,000 hours. Mr. Poulson stated that the age, condition issues, and high engine hours of the 2006 JCB Loader will most likely increase its future maintenance cost and reduce its value. Since 2009, the 2006 JCB Loader has been the second line loader. Mr. Poulson informed the Board that he will be back, in front of the CIP, in 4 years asking for a replacement of the Takeuchi Loader. He told the Board that the loaders, at the Transfer Station, are treated hard. He also explained the new regulations regarding air emissions. Loaders (Tier IV) that are in line with the new air emission standards, 2014 and thereafter, will be \$10,000-\$15,000 more in price. Mr. Poulson hopes to find a loader that doesn't have the Tier IV emissions. At this time, Mr. Poulson said that he could most likely find a Tier III Loader or below. He plans on replacing the 2006 JCB Loader with a Takeuchi Loader as the parts, pieces, and services can be duplicated. Mr. Poulson supplied the Board with the current list of "Capital Asset Inventory –Vehicles" for the Highway and Transfer Departments. He wanted the Board to know that the majority of the Transfer Station's assets are marked for replacement during the next 7 years.

Mr. Poulson also expressed his view on the CIP process. He believes that the threshold for the CIP should be increased to \$100,000+ and geared towards major capital projects related to infrastructure, expensive asset replacements, roads, etc. He thinks other expenditures should go through the Town budget process. Mr. Carpenter told Mr. Poulson that the CIP doesn't set the threshold, rather the Planning Board does.

Mr. Carpenter asked Mr. Poulson why the Transfer Station needed two loaders. Mr. Poulson replied that the Transfer Station needs one loader as a back-up in case the other loader fails. The Highway Department's Loader is too large to use at the Transfer Station.

Mr. Hohenberger wondered how much was spent on maintenance on the JCB this year. Mr. Poulson said approximately \$100-\$200 as the JCB operates infrequently. The JCB is the back-up loader. Mr. Hohenberger asked what the re-sale would be on the JCB. Mr. Poulson thinks re-sale would be approximately \$20,000. Mr. Hohenberger wondered if the JCB could be passed down to the Highway Department. Mr. Poulson doesn't think the JCB would be large enough for the Highway Department needs.

Mr. Rekart asked how much maintenance has been done on the Takeuchi. Mr. Poulson replied that he would need to go back to the books as there has been significant maintenance done on the primary loader. The current Takeuchi would become the second line loader if a new loader is purchased.

Mr. Gustafson asked if the \$80,000 covered the cost of the next loader net of a trade-in. Mr. Poulson said he is going to stick with the \$80,000 with the belief that he will be able to get around a Tier IV Loader. Mr. Poulson also said that the \$80,000 does not factor in the trade-in of the JCB.

Mr. Carpenter wondered why the JCB Loader can't keep getting fixed as it is the back-up. Mr. Poulson said that if the JCB keeps just getting repaired, year after year, the loader will depreciate and have no re-sale value. Mr. Poulson would like to avoid piling up replacements.

Mrs. Simmons asked what the current condition of the JCB is. Mr. Poulson said that the JCB is rusty and is pretty banged up. However, there are no major issues.

Mr. Rekart asked how many hours were on the 2006 JCB. Mr. Poulson responded that there are approximately 4,000 hours. The JCB has been sidelined since 2009. Mr. Rekart also asked what the normal life span was of a loader. Mr. Poulson said that it depended on the application and use of the machine.

III. **Board of Selectmen CIP Presentation**

By: David Sullivan with Mark Samsel (President of Windham Rail Trail Alliance)

Proposal: The town has received approval of a state transportation enhancement (TE) grant to finish the remaining .6 miles of trail along the Windham Rail Trail which is located off Depot Road. The town's 25% share, of the grant, is \$45,000 with the state contributing \$135,000. In order for the project to move forward, the town needs to raise its \$45,000 at the 2014 Town Meeting.

Justification: The project would complete the Windham Rail Trail to the Salem town line. The town of Salem is a partner in the TE Grant and will be constructing 2+ miles of trail improvements. Funding from the state, through the TE Grant, is limited in terms of availability and will be eliminated in 2015. If funding is not raised, the TE Grant Funds will elapse and be allocated to another community's project.

Discussion: Mr. Sullivan informed the Board that the Board of Selectmen would like to see the conclusion of the Windham Rail Trail which would be .6 miles. The trail is currently 3.6 miles long. The town has received approval of a grant (state and federal) which would amount to \$135,000. If the grant doesn't get used, it will go away in 2015 as this is the last year that it is being offered. In finishing this piece of rail trail (and a major stretch in Salem), Mr. Sullivan stated that the rail trail would run approximately 10 miles from Salem to Derry. He told the Board that the majority of the project costs would involve drainage improvements, base, and asphalt. The town is currently working with a local developer on a possible donation that could lower the cost. There is a meeting set for August 12th, with the developer, so the Board of Selectmen may come back to the Board to reduce the request of the \$45,000.

Mr. Carpenter wondered if the request went below the \$40,000 threshold, would it still fall under a CIP request. Mr. Sullivan replied that because of timing, the Board of Selectmen felt it should come before the CIP as this is the last shot to get it done. However, if the amount dips below the \$40,000 threshold, it may be able to go into the operating budget or be listed as a separate warrant article. Mr. Sullivan said the total scope of the project may be reduced to \$25,000.

Mr. Hohenberger asked how much the first 3.6 miles cost (total). Mr. Samsel replied that it was around \$450,000. Mr. Sullivan said that the town contributed around \$20,000 with some money coming from Conservation and private donations.

Mr. Rekart wondered how vendors/suppliers got paid and from which "bucket of money." Mr. Sullivan said that the state and town money is pooled together.

Mrs. Simmons asked what would happen if Salem was unable to get their portion of funding. Mr. Sullivan replied that Salem already has their funding and they are ready to go.

Mr. Rekart asked if there would be any surprises with the last .6 miles that need to be completed. Mr. Samsel said that there is some ledge and a spot will need to be built up for drainage. Other than that, Mr. Samsel said the work would be a straight shot.

Mr. Samsel told the Board that a count was done on the number of users, on the rail trail, for a Saturday and Sunday. The number was approximately 1,200 users.

IV. Other

Mr. Sullivan told the Board about an ongoing Operations Project that he is currently working on with department heads. The plan is looking at primarily equipment, infrastructure, and vehicles. The concern is where items will fit (in the operating budget v. CIP) as the CIP's threshold, of \$40,000, makes it more difficult to determine. The plan intends to partner up with what the CIP does. When the plan is finalized, the plan will be shared with the CIP. The plan would not impact this year's CIP.

V. Review Departments' Responses to CIP Request for Proposals

The following departments will not be submitting applications:

- Tax Department
- Senior Center
- Housing Authority
- Cable
- Community Development Department

The following departments have not yet responded:

- Assessing Department
- Planning Board
- Cemetery Trustees
- Police Department
- Maintenance Department
- Town Clerk's Department
- IT/GIS Director
- Windham Economic Development Committee
- Administration
- Local Energy Committee
- Rail Trail Alliance
- School Board

The Recreation Department and Highway Department have contacted Ms. Wood and stated that they anticipate submitting requests. The Heritage Commission has indicated that they may also have a request.

Mr. Sullivan had noted that the Rail Trail Alliance should not be included on the above list as it is a private entity.

Mr. Rekart informed the Board that the School Board has submitted a project request.

VI. Review and Accept the June 25th Meeting Minutes

Motion to approve the minutes by Mr. Carpenter and seconded by Mr. Rekart. Vote: 5-0

