

**Town of Pownal**  
**Capital Improvement Planning Committee**

September 28, 2022

Mallett Hall

6:30 pm

- I. Roll Call; establish quorum; confirm agenda
- II. Review/approve minutes of previous meeting – March 23, 2022
- III. Public Comment
- IV. Select Board Input
- V. Elect Committee Chair
- VI. Elect Committee Scribe
- VII. Replacement Cost inflation (*see below*)
- VIII. Review Asset Schedule & Items due for funding (*see below*)
- IX. Discuss future meetings with department heads
  - a. Expectations
  - b. Guidance for discussion
- X. Open Discussion
- XI. Set next meeting date, time (set regular monthly meeting date, if possible)
- XII. Adjourn

## Capital Improvement Planning Committee

### Discussion of Replacement Cost Inflation<sup>1</sup>

When setting the assumptions used in the annual CIP spreadsheet the inflation rate for Replacement Cost is one of the most important values. It determines the annual growth in replacement cost of items over time and, therefore, impacts the projection of the appropriation needed each year to fund those items as they come due for replacement. The inflation assumption is traditionally a “gut” estimate for the committee due to the nature of the assets under consideration. The table below is provided to help inform the decision on the inflation rate used in the plan. It compares the annual rate of growth in the Replacement Cost from the GOLD Plans, 12/28/13 and 5/19/15, to the Replacement cost as of 4/1/22. It then determines the weighted growth in Replacement Cost for items with a positive growth rate for each period.

Replacement Cost Compound Annual Growth Rate (CAGR)											
Replacement Cost 4/1/22, based on cagr > 0 =		\$3,582,271									
Asset Schedule	4/1/2022	Year in Service	Service Life - Yrs.	CIP Gold		CIP Gold		Item weight (use 4/1/22)	Item weighted inflation from 5/19/15	Item weight (use 4/1/22)	Item weighted inflation from 12/28/13
				12/28/2013	nPer = 9	5/19/2015	nPer = 7				
Elevator software and sensors	\$48,280	2000	25		5%	30,000	7%	1.35%	0.09%	1.35%	0.07%
Mallett Hall Automatic Generator	\$8,000	2016	20		na	10,000	na	0.00%	0.00%	0.00%	0.00%
Mallett Hall Parking Lot	\$37,113	2022	50		na		na	0.00%	0.00%	0.00%	0.00%
Roof - old building east side of addition	\$24,000	2020	25		2%	20,000	3%	0.67%	0.02%	0.67%	0.01%
Air Bottles	\$30,000	2019	15	23,000	1%	27,000	2%	0.84%	0.01%	0.84%	0.01%
Air compressor system	\$60,000	2004	20	62,000	2%	52,000	2%	1.67%	0.03%	1.67%	0.03%
Air Packs	\$96,500	2004	20	98,000	1%	86,000	2%	2.69%	0.04%	2.69%	0.03%
Communications	\$23,000	2014	10	14,000	6%	14,000	7%	0.64%	0.05%	0.64%	0.04%
Dispatch Radio System	\$14,300	2020	10		na		na	0.00%	0.00%	0.00%	0.00%
Engine 1	\$696,000	2008	24	475,000	4%	475,000	6%	19.43%	1.09%	19.43%	0.84%
Engine 2	\$515,000	1998	32	440,000	4%	371,000	5%	14.38%	0.69%	14.38%	0.53%
Exhaust System - 2 Fire Stations	\$12,800	2017	25		na	37,000	na	0.00%	0.00%	0.00%	0.00%
Extrication Equipment	\$42,000	2022	25	41,000	0%	42,000	0%	1.17%	0.00%	1.17%	0.00%
Refurbish Eng 2	\$25,000	2022	100		na		na	0.00%	0.00%	0.00%	0.00%
Repeater System	\$11,000	2014	10	9,430	2%	9,500	2%	0.31%	0.01%	0.31%	0.01%
Squad 3	\$117,000	2000	27	128,000	na	132,000	na	0.00%	0.00%	0.00%	0.00%
Tank 4	\$545,000	2012	26	325,000	5%	356,000	6%	15.21%	0.95%	15.21%	0.74%
Thermal image camera (2)	\$14,000	2018	12		na		na	0.00%	0.00%	0.00%	0.00%
Excavator 2008 Caterpillar	\$196,000	2007	20	180,000	1%	180,000	1%	5.47%	0.07%	5.47%	0.05%
Loader Backhoe 2017 Caterpillar	\$170,900	2017	15	113,000	5%	113,000	6%	4.77%	0.29%	4.77%	0.22%
Motor Grader 2012 John Deere	\$280,000	2012	20	250,000	1%	250,000	2%	7.82%	0.13%	7.82%	0.10%
Poland R Rd multi plate	\$138,591	2022	33	100,000	4%	100,000	5%	3.87%	0.18%	3.87%	0.14%
Road Rebuild	\$0	2017	30		na		na	0.00%	0.00%	0.00%	0.00%
Sweetser Rd Bridge Deck	\$10,000	2005	20		0%	10,000	0%	0.28%	0.00%	0.28%	0.00%
Truck 1 - dump truck	\$230,000	2022	12	180,000	2%	190,000	3%	6.42%	0.18%	6.42%	0.14%
Truck 2 - 2014 Freightliner dump truck	\$230,000	2015	12	180,000	2%	190,000	3%	6.42%	0.18%	6.42%	0.14%
Truck 3 - 2017 Freightliner dump truck	\$230,000	2017	12	180,000	2%	190,000	3%	6.42%	0.18%	6.42%	0.14%
Truck 4 - 2012 International dump truck	\$0	2012	10		na		na	0.00%	0.00%	0.00%	0.00%
Truck 5 - Ford F-250 pick up	\$50,000	2020	10	50,000	0%	50,000	0%	1.40%	0.00%	1.40%	0.00%
Truck 6 - 2016 RAM 350 1 ton dump truck	\$58,000	2016	8	50,000	2%	50,000	2%	1.62%	0.03%	1.62%	0.03%
Wheel Loader	\$185,000	2022	20		na		na	0.00%	0.00%	0.00%	0.00%
								Wt CAGR	4.23%	Wt CAGR	3.27%

<sup>1</sup> CAGR = (EV ÷ BV) ^ (1 ÷ n) - 1  
 EV = Ending Value, BV = Beginning Value, n=periods

Exhibit VIII

Town of Pownal									
Capital Improvement Plan Committee									
FY End Date:	6/30/23								
Inflation Rate/Interest Rate:	2.5%	10.0%	Bonding threshold (choose one)					Version:	20220828-9.48.15 LOCAL
Investment Rate Short Term/Mid Term	0.6%	1.6%	<input type="radio"/> Service Life	15	years or more	Save to Local File		Create Gold Copy	
Investment Rate Long Term/Bond Fee:	3.0%	\$ 5,250	<input checked="" type="radio"/> Projected Cost	\$ 251,000	or more				
			\$ 6,097,484		Cap. Reserve =	\$ 680,902		\$ 5,612,613	
Refresh Capital Plan	Designated Account	Department	Current Replacement Co	Year in Service	Service Life - Yrs.			Projected Replacement Cost	Projected Refresh Ye
Elevator software and sensors		Mallett Hall	\$48,280	2000	25			50,724	2025
Mallett Hall Automatic Generator		Mallett Hall	\$8,000	2016	20			11,028	2036
Mallett Hall Parking Lot		Mallett Hall	\$37,113	2022	50			124,451	2072
Roof - old building east side of addition		Mallett Hall	\$24,000	2020	25			41,318	2045
Air Bottles		Public Safety	\$30,000	2019	15			39,363	2034
Air compressor system		Public Safety	\$60,000	2004	20			61,500	2024
Air Packs		Public Safety	\$96,500	2004	20			98,913	2024
Communications		Public Safety	\$23,000	2014	10			23,575	2024
Dispatch Radio System		Public Safety	\$14,300	2020	10			16,998	2030
Engine 1		Public Safety	\$696,000	2008	24			869,209	2032
Engine 2		Public Safety	\$515,000	1998	32			612,173	2030
Exhaust System - 2 Fire Stations		Public Safety	\$12,800	2017	25			20,463	2042
Extrication Equipment		Public Safety	\$42,000	2022	25			75,966	2047
Refurbish Eng 2		Public Safety	\$25,000	2022	100			288,139	2122
Repeater System		Public Safety	\$11,000	2014	10			11,275	2024
Squad 3		Public Safety	\$117,000	2000	27			129,146	2027
Tank 4		Public Safety	\$545,000	2012	26			789,323	2038
Thermal image camera (2)		Public Safety	\$14,000	2018	12			16,642	2030
Excavator 2008 Caterpillar		Public Works	\$196,000	2007	20			216,347	2027
Loader Backhoe 2017 Caterpillar		Public Works	\$170,900	2017	15			213,431	2032
Motor Grader 2012 John Deere		Public Works	\$280,000	2012	20			349,682	2032
Poland R Rd multi plate		Public Works	\$138,591	2022	33			305,421	2055
Replace Elmwood Rd Fire Station		Public Works	\$2,000,000		40			0	40
Road Rebuild		Public Works	\$0	2017	30			-	2047
Sweetser Rd Bridge Deck		Public Works	\$10,000	2005	20			10,506	2025
Truck 1 - dump truck		Public Works	\$230,000	2022	12			301,780	2034
Truck 2 - 2014 Freightliner dump truck		Public Works	\$230,000	2015	12			253,877	2027
Truck 3 - 2017 Freightliner dump truck		Public Works	\$230,000	2017	12			266,729	2029
Truck 4 - 2012 International dump truck		Public Works	\$0	2012	10			-	2022
Truck 5 - Ford F-250 pick up		Public Works	\$50,000	2020	10			59,434	2030
Truck 6 - 2016 RAM 350 1 ton dump truck		Public Works	\$58,000	2016	8			59,450	2024
Wheel Loader		Public Works	\$185,000	2022	20			295,750	2042
Item								-	
item			\$0	2018	50			-	2068
item			\$0	2019	50			-	2069