



2020 Annual Town Meeting – Overview of Capital Improvement Program and Related Warrant Articles (Articles 8, 9, 13, 14 & 15)

July 11, 2020



Capital Improvement Program (CIP)

Year 9
(initiated in 2012)



CIP Overview

- Initiated in 2012
- Develop and maintain a strategic 6-year rolling Capital Improvement Plan
- Develop an affordable funding strategy to cover our short-term and long-term capital needs
- To smooth out the tax impact through timing purchases and methods of financing
- Identify funding sources



CIP Overview

Capital Improvement Plan 2020-2025



Developed by:
Capital Improvement
Program Committee

Town of Enfield
New Hampshire



Capital Item Funding Sources

- Capital Reserves (CIP, Water, Sewer, etc.)
- Trust Funds (Huse Park, Lakeside Park, Employee & Retiree Benefits, Fuel Assistance, etc.)
- Tax Increment Finance (TIF) District Fund
- Municipal Taxes and User Fees
- Undesignated Fund Balance
- Grants (often requires some % of municipal match)
- Donations (tax deductible)



Capital Item Purchasing Methods

- Cash Purchase (Lump Sum, Interest Free)
- Borrowing (Principal & Interest)
 - Bank/Government Loans
 - Bonds
 - Commercial Leases



Operating Procedures

- The CIP Committee is striving to grow the value of the reserves over the long-run to increase the amount of projects, vehicles and equipment that are purchased with cash (as opposed to being financed)
- Consideration is given to an item's gross cost as well as interest expenses and indirect costs that will be accrued to provide true out of pocket costs (full cost accounting)
- The Town Manager requires departments to obtain competitive pricing information for items before requests are advanced to the CIP Committee for inclusion in the CIP Plan and presented to Town Meeting voters for funding approval (in the case of items being financed)
- The Town Manager and CIP Committee actively search for the most cost-effective options for items being financed (i.e., multi-year vehicle leases, bank loans, etc)



2019 Capital Projects, Vehicles & Equipment Upgrades - COMPLETED

	<u>Budgeted Amounts</u>
George Hill Road Improvements (Reconstruction of a roughly 0.8-mile section)	\$250,000
DPW Vehicles & Equipment (replacement F-350 & F-550 fully equipped; Cat grader overhaul)	\$155,000
PD Vehicles, Equipment & Facility (replacement cruiser; replace base station radio; station/garage renovation)	\$51,000
Firefighter Air Packs/Cylinders	\$30,000
Municipal Facilities Conceptual Design Services (ongoing)	\$20,000
Firefighter Air Packs/Cylinders**	\$30,000
Emergency/Unplanned Projects (Union St Fire Station Garage Door; Bog Road Culvert)	\$14,900

****An additional \$20,000 was contributed by a private foundation and \$35,000 from the Enfield Firefighters Association to fund \$80,000 worth of FD equipment upgrades**



2019 Capital Items – Vehicle/Equipment Replacements



DPW F-350 Pickup Truck



DPW F-550 Plow Truck



FD Airpacks

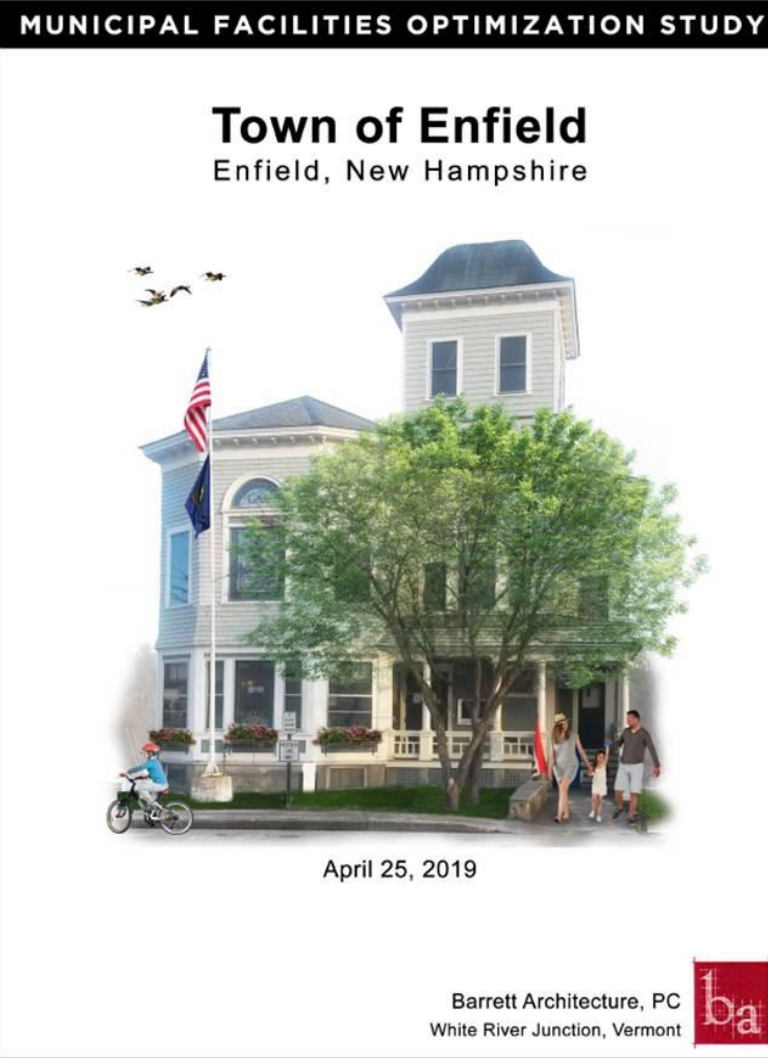


Police Cruiser



2019 Capital Items – Buildings, Roads & Infrastructure Projects

Police Station Improvements



George Hill Rd Improvements



Bog Road Culvert



2019 Capital Projects – **APPROVED BUT DEFERRED**

	<u>Budgeted Amounts</u>
Huse Park Basketball Court (TBD; grant dependent)	\$15,000
Transfer Station Zero-sort Compactor Replacement (2021)	\$20,000
File & Application Server Replacement (2020)	\$11,500
Community Building Security/Locks (2020)	\$3,000*

*The Town recently executed an agreement with a local contractor to complete this project and the new security/lock system will be installed during the spring of 2020



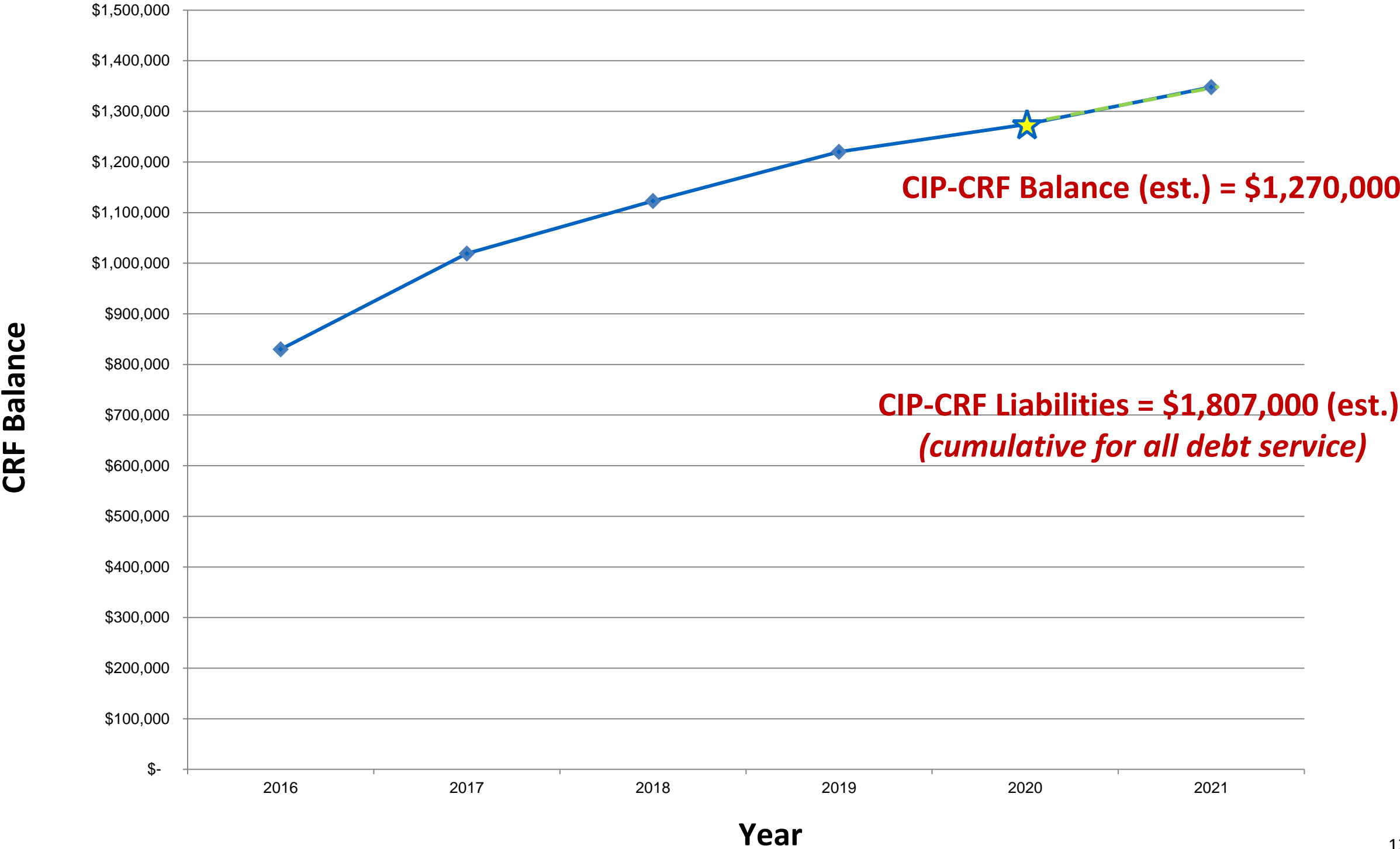
Current Capital Reserve Balances (as of December 31, 2019)

CAPITAL RESERVE FUNDS	
CRF-Town Municipal Facilities & Equip	\$14,156.83
CRF-Reappraisal	\$2,210.20
CRF-Ambulance	\$3,063.11
CRF-Municipal Water System	\$193,465.41
CRF-Fire Vehicles & Equipment	\$48,788.25
CRF-Cemetery	\$3,869.11
CRF-Water Meter/Back Flow Preventer	\$13,883.86
CRF-Municipal Sewer System	\$87,549.83
CRF-Land Acquisition	\$127,117.04
CRF-Library Technology	\$2,189.93
CRF-Sidewalk Construction	\$16,598.67
CRF-Bridge Construction	\$2,096.86
CRF-Salt/Sand Facility	\$153.37
CRF-Library Building	\$296,338.77
CRF-Capital Improvement Program (CIP)	\$1,219,994.83
TOTAL CAPITAL RESERVE FUNDS	\$2,031,476.06



2020 CIP-CRF - Balance Sheet

(Reflects Year End Balance)





CIP Committee Approved Projects & Equipment Upgrades – 2020 (BEFORE COVID-19)

	Cash	Financed
Police Cruisers (4, fully equipped)		190,000.00
Police Station Front Entrance Security Upgrades	6,000.00	
DPW One Ton Pickup (F-350)		48,000.00
DPW Facility Gas Tank	12,000.00	
DPW Zero Turn Mower	7,500.00	
DPW Steamer (Trailer Mounted)	13,500.00	
DPW Cat Loader Overhaul	18,000.00	
Oak Hill Road Bridge		150,000.00
Sidewalk Improvements (Main Street; 1,000 ft; Stamped and Painted to Replace In-kind)		40,000.00
IT Hardware/Software Replacement & Upgrades	45,000.00	
Community Building Improvements*	9,000.00	
FD Portable Radio Replacement**	20,000.00	
FD SCBA Replacements (2 Airpacks)**	14,000.00	

*\$4,000 of this cost will come from the MFE-CRF

**Has the potential to be offset with grant funding



CIP Committee Approved Projects & Equipment Upgrades – 2020 (FOLLOWING COVID-19)

	Cash	Financed
Police Cruisers (4, fully equipped)		190,000.00
Police Station Front Entrance Security Upgrades	6,000.00	
DPW One Ton Pickup (F-350)		48,000.00
DPW Facility Gas Tank	12,000.00	
DPW Zero Turn Mower	7,500.00	
DPW Steamer (Trailer Mounted)	13,500.00	
DPW Cat Loader Overhaul	18,000.00	
Oak Hill Road Bridge		150,000.00
Sidewalk Improvements (Main Street; 1,000 ft; Stamped and Painted to Replace In-kind)		40,000.00
IT Hardware/Software Replacement & Upgrades	45,000.00	
Community Building Improvements*	9,000.00	
FD Portable Radio Replacement**	20,000.00	
FD SCBA Replacements (2 Airpacks)**	14,000.00	

Red line indicates projects/purchases that will be deferred to 2021



2020 Capital Projects – DEFERRED (these were deferred before COVID-19)

	Budgeted <u>Amounts</u>
Fire-Rescue Pumper (TBD; AF grant submitted; need will be reevaluated in 2021 if grant not awarded)	\$600,000
Community Building Roof Replacement (2021)	\$20,000
Enfield Center Town House Repairs (TBD; grant funding has been received and competitive bids are being solicited)	\$5,000



2020 Town Meeting CIP-Related Warrant Articles



Article 8 (Police Cruisers)

*(Lease without Escape Clause) To see if the Town will vote to authorize the Board of Selectmen to enter into a long term lease/purchase agreement in the amount of **\$190,000** payable over a term of five (5) years for the purpose of leasing four police cruisers. The Capital Improvement Program Capital Reserve Fund, which the Board of Selectmen is agent to expend, will be used for the annual principal and interest payments for the life of the lease.*

**The Board of Selectmen and Budget Committee
are recommending this article be TABLED
and revisited at the 2021 Town Meeting**



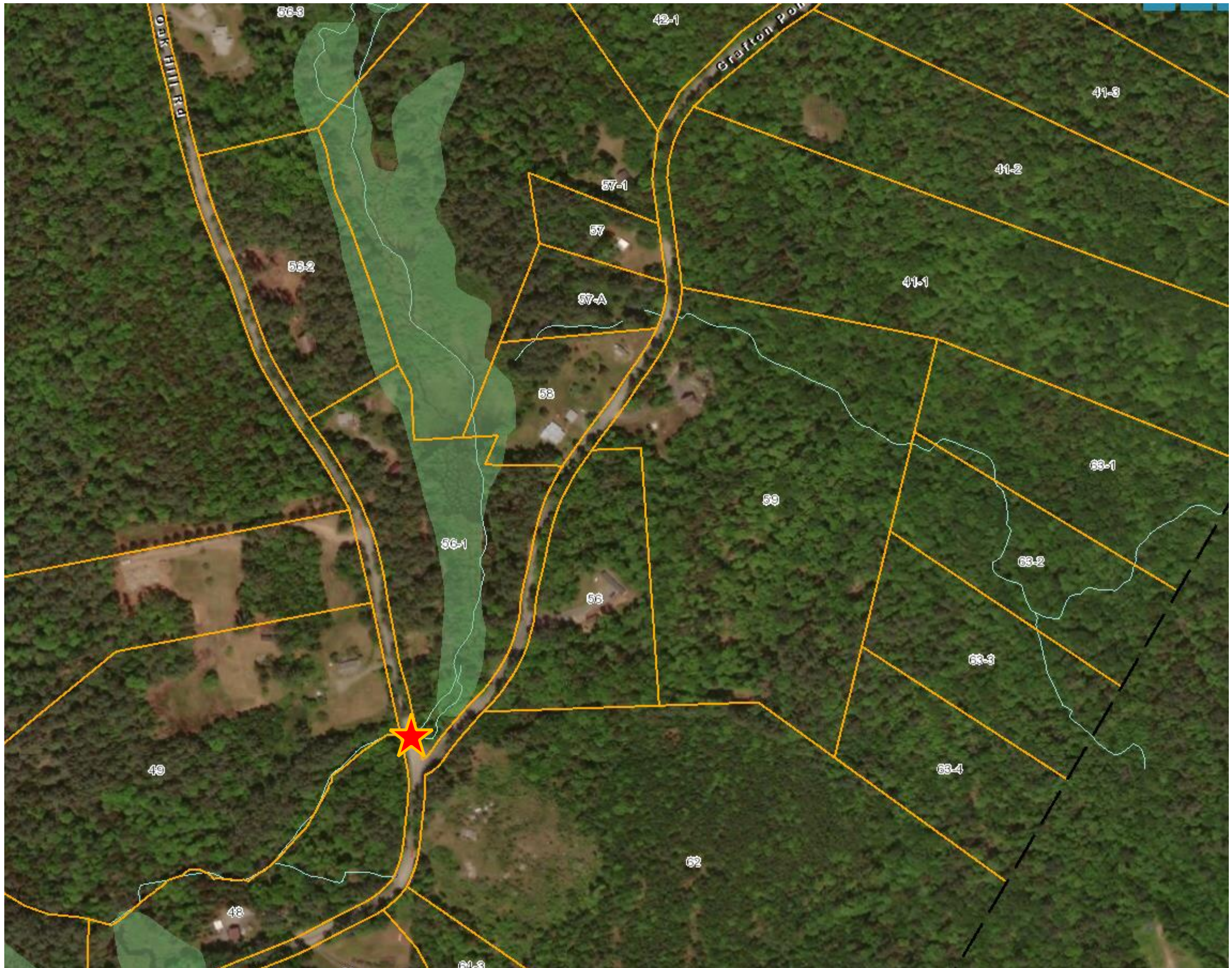
Article 9

(Oak Hill Road Bridge Construction)

*To see if the Town will vote to raise and appropriate the sum of **\$150,000** to replace a bridge on Oak Hill Road, to authorize the issuance of not more than \$150,000 of bonds or notes in accordance with the provision of the Municipal Finance Act (RSA 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon. The first interest payment will be due in 2020. The Capital Improvement Program Capital Reserve Fund, which the Board of Selectmen is agent to expend, will be used for the annual principal and interest payments for the life of the loan. Should both Articles 9 & 14 be approved, it is the intent of the Board of Selectmen to pursue integrated funding opportunities.*



Oak Hill Road Bridge Construction – Project Locus





Oak Hill Road Bridge Construction

- Failing culvert is located near the intersection with Grafton Pond Road spanning the Grafton Pond Outlet Brook.
- It is a large diameter corrugated metal culvert that was installed in 1994.
- The condition of the culvert is rated serious on the State of NH Municipal Bridges inspection program which places it among the “Red List” bridges, one of 241 municipal-owned bridges across the State in poor, serious or critical condition.
- The metal of the culvert is rusted or non-existent where it is in contact with the water.
- In order to avoid costly wetlands permitting the proposal is to replace the culvert with a bridge similar to the ones recently built on Boy’s Camp Road and Lovejoy Brook Road (which also replaced failed culverts).
- The proposed bridge will be two lanes wide and long enough to span the brook while leaving an adequate stream bed and stable bank underneath.





Article 9 – Additional Information

- The project will be funded with a bank loan (bundled with the sidewalk replacement project in the village area, if approved)
- Anticipated that the loan will be for a 20-year period
- Interest rate is anticipated to be 3.25% based on recently received bank financing proposal
- The Budget Committee voted unanimously to recommend passage of this article





Article 13 (DPW One-ton Pickup Truck Repl.)

*(Lease without Escape Clause) To see if the Town will vote to authorize the Board of Selectmen to enter into a long term lease/purchase agreement in the amount of **\$48,000** payable over a term of seven (7) years for the purpose of leasing one Public Works one-ton pickup truck. The Capital Improvement Program Capital Reserve Fund, which the Board of Selectmen is agent to expend, will be used for the annual principal and interest payments for the life of the lease.*

**The Board of Selectmen and Budget Committee
are recommending this article be TABLED
and revisited at the 2021 Town Meeting**



Article 14

(Sidewalk Replacements in Village)

*To see if the Town will vote to raise and appropriate the sum of **\$40,000** to replace sidewalks in the village area, and to authorize the issuance of not more than \$40,000 of bonds or notes in accordance with the provision of the Municipal Finance Act (RSA 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon. The first interest payment will be due in 2020. The Capital Improvement Program Capital Reserve Fund, which the Board of Selectmen is agent to expend, will be used for the annual principal and interest payments for the life of the loan. Should both Articles 9 & 14 be approved, it is the intent of the Board of Selectmen to pursue integrated funding opportunities.*



Article 14 – Additional Information

- Still evaluating most advantageous construction material (i.e., colored/tinted asphalt vs. brick)
- The project will be funded with a bank loan (bundled with the Oak Hill Road bridge construction project, if approved)
- Anticipated that the loan will be for a 20-year period with a 3.25% interest rate based on bank financing proposal
- The Budget Committee voted unanimously to recommend passage of this article





Article 15 (Appropriation to CIP) – Part 1 of 3

*To see if the Town will vote to raise and appropriate the sum of **\$448,368** to be placed in the Capital Improvement Program Capital Reserve Fund.*

The proposed 2020 appropriation represents a **\$26,200 increase** over 2019 appropriation (\$422,168)

Estimated Impact on Municipal Tax Rate =

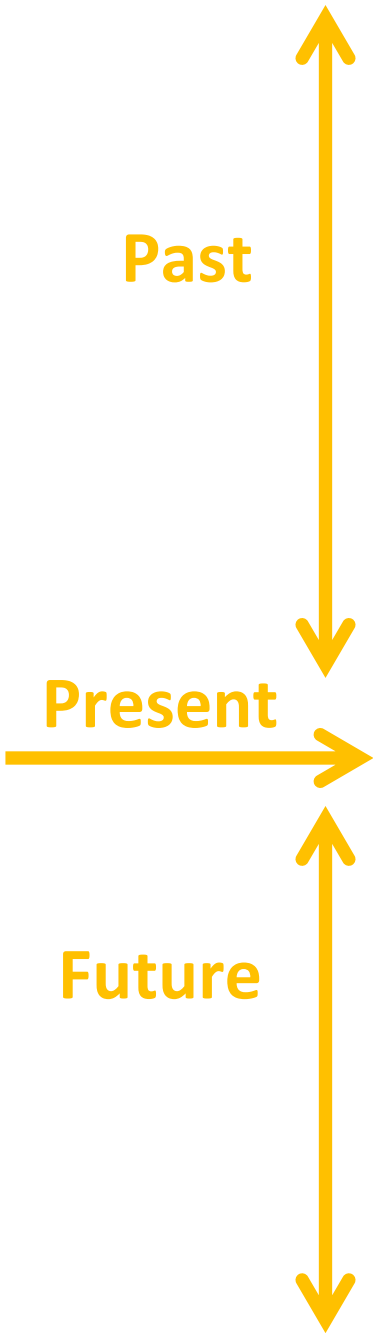
\$0.77 per \$1,000 in assessed value

(tax impact was roughly \$0.73 per \$1,000 in 2019)



Proposed Future Appropriations to the CIP-CRF (Part 2 of 3)

YEAR	AMOUNT APPROPRIATED
2012	\$210,168
2013	\$264,845
2014	\$291,783
2015	\$317,368
2016	\$343,568
2017	\$369,768
2018	\$395,968
2019	\$422,168
2020	\$448,368
2021	\$474,568
2022	\$500,768
2023	\$526,968
2024	\$553,168
2025	\$579,368
2026	\$605,568





Article 15 (Appropriation to CIP) – Part 3 of 3

Estimated Impact on 2020 Tax Payments

Home/Property
Assessed Value

Tax Bill Increase

\$150,000

\$6.75

\$250,000

\$11.25

\$400,000

\$18

\$600,000

\$27

\$1,000,000

\$45



2019-20 Capital Improvement Program Committee

Bob Cusick

Sam Eaton

Dan Kiley

Ed McLaughlin

Keith Thomas

Holly West

Eric Crate

Ryan Aylesworth, Town Manager

THANK YOU (the residents) for your ongoing support of the CIP.
This process is critical in maintaining a sound fiscal program.