



2018 Annual Town Meeting – Overview of Capital Improvement Program and Related Warrant Articles (Articles 5, 6, 10 & 11)

March 17, 2018



Capital Improvement Program (CIP)

Year 7
(initiated in 2012)



CIP Overview

- Initiated
- Develop Capital
- Develop short-te
- To smo purchas
- Identify

Capital Improvement Plan 2019-2024



Developed by:
Capital Improvement
Program Committee

Town of Enfield
New Hampshire

rolling

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Capital Item Funding Sources

- Capital Reserves (CIP, Water, Sewer, etc.)
- Trust Funds (Huse Park, Lakeside Park, 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 and CIP Committee require departments to obtain competitive pricing information for items before they are included in the CIP Plan and presented to Town Meeting voter for funding approval
- 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)



2017 Capital Projects, Vehicles & Equipment Upgrades - COMPLETED

| | <u>Budgeted Amounts</u> |
|---|-----------------------------|
| Crystal Lake Road Improvements (Engineering/Permitting/Pre-Construct.) | \$40,000 |
| Whitney Hall Improvements | \$10,000 |
| Police Cruiser (Unmarked) | \$35,000 |
| Fire Support Vehicle | \$45,000 |
| 11-ton Mini Excavator | \$30,000* |
| 25-ton Low Bed Trailer | \$30,000 |
| Vibratory Roller | \$60,000 |

*Total excavator cost was \$60K, \$30K of which was leased/financed





Current Capital Reserve Balances (as of December 31, 2017)

| Capital Reserve Fund | Value |
|---------------------------------------|-----------------------|
| CRF-Town Municipal Facilities & Equip | \$13,878.18 |
| CRF-Reappraisal | \$10,771.41 |
| CRF-Ambulance | \$3,002.82 |
| CRF-Municipal Water System | \$183,695.47 |
| CRF-Fire Vehicles & Equipment | \$47,827.96 |
| CRF-Cemetery | \$3,792.95 |
| CRF-Water Meter/Back Flow Preventer | \$13,610.58 |
| CRF-Municipal Sewer System | \$114,283.13 |
| CRF-Land Acquisition | \$124,614.99 |
| CRF-Library Technology | \$2,146.82 |
| CRF-Sidewalk Construction | \$16,271.96 |
| CRF-Bridge Construction | \$2,055.59 |
| CRF-Salt/Sand Facility | \$150.35 |
| CRF-Library Building | \$290,505.93 |
| CRF-Capital Improvement Program (CIP) | \$1,019,223.29 |
| TOTAL CAPITAL RESERVE FUNDS | \$1,845,831.44 |



2017 Capital Projects - TABLED

| | <u>Budgeted Amounts</u> |
|---|-----------------------------|
| Union Street Fire Station Roof Replacement | \$50,000 |
| Union Street Fire Station & Shedd Street Garage Furnace Replacement (<i>reprogrammed in 2018</i>) | \$16,000 |



2017 CIP-CRF Balance Sheet

as of December 31, 2017

| | 2016 | 2017 | 2018 (est.) |
|--|-------------|-------------|--------------|
| CIP-CRF Available Balance | \$822,351 | \$1,019,223 | \$1,254,791 |
| CIP-CRF Liabilities (<i>cumulative for all debt service</i>) | \$1,032,890 | \$1,150,865 | \$1,490,826 |
| Net Difference | (\$210,539) | (\$131,642) | (\$236,035)* |



2017 CIP-CRF Balance Sheet

as of December 31, 2017

*Assumes PD cruiser
is financed (4 years)

| | 2016 | 2017 | 2018 (est.) |
|--|-------------|-------------|--------------|
| CIP-CRF Available Balance | \$822,351 | \$1,019,223 | \$1,289,791 |
| CIP-CRF Liabilities (<i>cumulative for all debt service</i>) | \$1,032,890 | \$1,150,865 | \$1,530,308 |
| Net Difference | (\$210,539) | (\$131,642) | (\$240,517)* |



2017 CIP-CRF Balance Sheet

as of December 31, 2017

*Assumes PD cruiser
purchased with cash

| | 2016 | 2017 | 2018 (est.) |
|--|-------------|-------------|--------------|
| CIP-CRF Available Balance | \$822,351 | \$1,019,223 | \$1,254,791 |
| CIP-CRF Liabilities (<i>cumulative for all debt service</i>) | \$1,032,890 | \$1,150,865 | \$1,490,826 |
| Net Difference | (\$210,539) | (\$131,642) | (\$236,035)* |



2018 Town Meeting CIP-Related Warrant Articles



Article 5 (Vehicle Replacements)

*(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 **\$215,000** payable over a term of seven (7) years for the purpose of leasing one police cruiser (\$35,000) and one dump truck (\$180,000). The first payment will be due in 2019. The Capital Improvement Program Capital Reserve Fund, which the Board of Selectmen are agents to expend, will be used for the annual principal and interest payments for the life of the lease.*



Article 5 (Vehicle Replacements)

| | <u>Funding Source</u> | <u>Purchase Method</u> | <u>Principal</u> |
|-------------------|---------------------------|----------------------------|------------------|
| Police Cruiser | CIP-CRF | Lease- Purchase | \$35,000 |
| DPW Dump Truck | CIP-CRF | Lease- Purchase | \$180,000 |
| Total | | | \$215,000 |

Police cruiser and DPW dump truck will replace existing vehicles that are approaching (or have exceeded) their useful life

No impact on 2018 tax rate - funds have already been raised from prior year appropriations to the CIP-CRF



**2002 International
10-Wheel Dump Truck
In Service since 2001
>100,000 Miles
In Service 17+ Years**



**2014 Ford Interceptor Sedan (Taurus Body)
>111,000 Miles, In Service 4 Years, Multiple Collisions**



Article 5

- Comments...
- More comments...
- Still more comments...



Article 6 (Various Improvements)

*To see if the Town will vote to raise and appropriate the sum of **\$117,500** for Crystal Lake Road improvements (\$58,000), Fire Station and Shedd Street Garage Furnace and Insulation Upgrades (\$20,000), Huse Park Basketball Court Improvements (\$15,000), Whitney Hall Parking Lot Resurfacing (\$15,000), Transfer Station Office Trailer Replacement (\$6,500) and Community Building Security/Locks Upgrades (\$3,000), to authorize the issuance of not more than \$117,500 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 2018. The Capital Improvement Program Capital Reserve Fund, which the Board of Selectmen are agents to expend, will be used for the annual principal and interest payments for the life of the loan.*



Article 6 (Various Improvements)

| | <u>Funding Method</u> | <u>Principal</u> | |
|--|-----------------------|------------------|--|
| Crystal Lake Road Improve. | CIP-CRF | \$58,000* | *Remainder of \$180K project to come from supplemental DOT project will only be pursued if additional \$15-\$25K in external grants are secured |
| Huse Park B-ball Court | CIP-CRF | \$15,000** | |
| Whitney Hall Parking Lot | CIP-CRF | \$15,000 | |
| Union St. & Shedd St. Furnaces/ Insulation | CIP-CRF | \$20,000 | |
| Transfer Station Office/Trailer | CIP-CRF | \$6,500 | |
| Community Building Locks/ Security | CIP-CRF | \$3,000 | ***Combined into one 7-year bank loan |
| Total | | \$117,500*** | |

No impact on 2018 tax rate - funds have already been raised from prior year appropriations to the CIP-CRF



Article 6

- Comments...
- More comments...
- Still more comments...



Article 10

(Strategic Planning & Municipal Finance Software)

*To see if the Town will vote to raise and appropriate the sum of **\$76,000** for the purpose of funding a strategic planning and governance project and the purchase and implementation of municipal finance and permitting software.*

The CIP Committee supports funding for this important project and overdue software upgrades, and would have recommended funding these items directly from the CIP-CRF if they were eligible uses of the reserve.

Estimated Impact on Municipal Tax Rate =

\$0.14 per \$1,000 in assessed value



Article 11 (Appropriation to CIP) – Part 1 of 3

*To see if the Town will vote to raise and appropriate the sum of **\$395,968** to be placed in the Capital Improvement Program Capital Reserve Fund.*

The proposed 2018 appropriation represents a **\$26,200 increase** over 2017 appropriation (\$369,768)

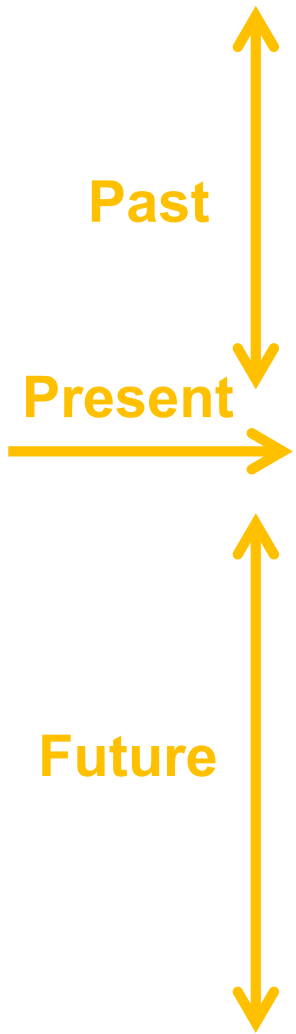
Estimated Impact on Municipal Tax Rate =

\$0.74 per \$1,000 in assessed value

(tax impact was roughly \$0.69 per \$1,000 in 2017)



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 |

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Article 11 (Appropriation to CIP) – Part 3 of 3

If Article 10 is approved, the appropriation to the Capital Improvement Plan Capital Reserve Fund (Article 11) shall be **decreased by \$76,000** to offset the impact of this appropriation on the tax rate.

*To see if the Town will vote to raise and appropriate the sum of **\$319,968** to be placed in the Capital Improvement Program Capital Reserve Fund.*

Estimated Impact on Municipal Tax Rate if Article 11 is amended =

\$0.60 per \$1,000 in assessed value



Article 10 (Special Projects) & Article 11 (CIP Appropriation) Estimated Impact on 2018 Tax Payments

| House Assessment | Tax Increase |
|------------------|--------------|
| \$150,000 | \$7.50 |
| \$250,000 | \$12.50 |
| \$400,000 | \$20.00 |



2017-18 Capital Improvement Program Committee

Fred Cummings

Bob Cusick

Sam Eaton

Gary Gaudette

Dan Kiley

Ed McLaughlin

Keith Thomas

Holly West

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.