



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

**March 17, 2018**



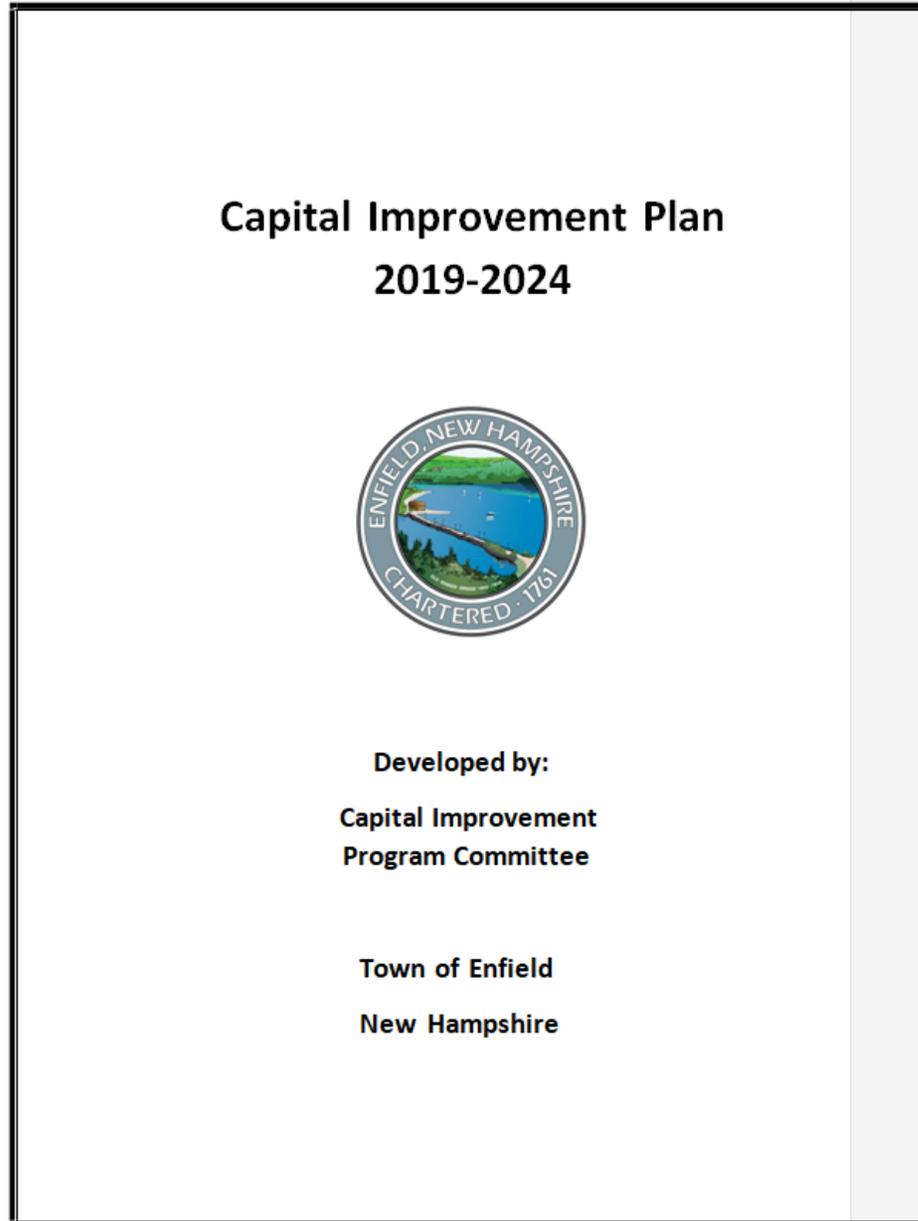
# Capital Improvement Program (CIP)

Year 7  
(initiated in 2012)



# CIP Overview

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



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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)

<b>Capital Reserve Fund</b>	<b>Value</b>
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
<b>TOTAL CAPITAL RESERVE FUNDS</b>	<b>\$1,845,831.44</b>



## 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

	<b>2016</b>	<b>2017</b>	<b>2018 (est.)</b>
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)

	<b>2016</b>	<b>2017</b>	<b>2018 (est.)</b>
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

	<b>2016</b>	<b>2017</b>	<b>2018 (est.)</b>
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
Huse Park B-ball Court	CIP-CRF	\$15,000**	
Whitney Hall Parking Lot	CIP-CRF	\$15,000	**Project will only be pursued if additional \$15-\$25K in external grants are secured
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
<b>Total</b>		<b>\$117,500***</b>	

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)

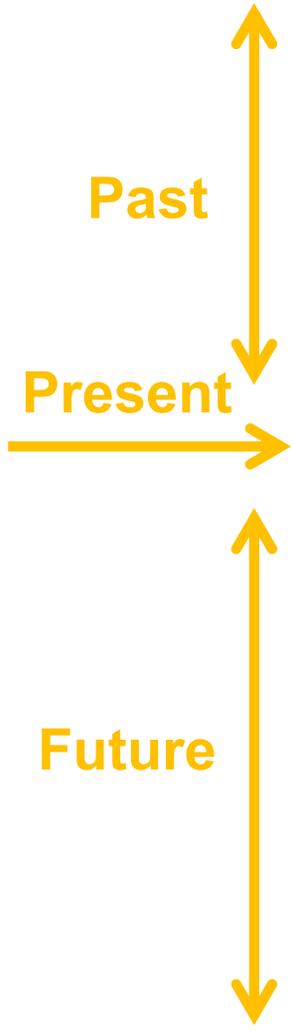
Estimated Impact on Municipal Tax Rate =

**\$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
<b>2018</b>	<b>\$395,968</b>
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 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.