

# **TOWN OF TAMWORTH**

## **NEW HAMPSHIRE**

### **CAPITAL IMPROVEMENT PROGRAM REPORT**

# **2023 to 2028**

Public Hearing held on Wednesday, September 14, 2022 by the  
**Capital Improvement Program Committee**

To be presented on Wednesday, September 28, 2022 to the  
**Tamworth Planning Board**

To be submitted on Thursday, September 29, 2022 to the  
**Tamworth Board of Selectmen**

To be submitted on Thursday, October 20, 2022 to the  
**Tamworth School Board**

## **Section 1.0 - INTRODUCTION AND SUMMARY**

### ***1.1 Introduction***

This year, the Tamworth Capital Improvement Program (CIP) Committee has altered significantly the Committee's Annual Report, in hopes of making the report more accessible to the average Tamworth resident. The report is more concise, but still contains the same numbers, tables and graphs which convey the essential information that the Board of Selectmen, et al., need in order to make the final budgeting decisions for the Town in Fiscal Year 2023 and the subsequent five years.

For the purposes of this document, a capital improvement is defined as a major expenditure for public property/facilities/equipment with a useful life of five years or more and a gross cost of more than \$5,000, or that is considered beyond the scope of normal annual operating expenses.

The purposes of the Capital Improvement Program are to:

- Provide a summary of proposed capital spending to be used in the preparation and approval of the annual budget;
- Provide consistent, objective evaluation of needs, and enable a dialogue between residents and officials about capital project priorities;
- Encourage departments and committees to think and plan for the future;
- Reduce surprises by informing residents, business owners, and developers of needed and planned improvements;
- Avoid spikes and fluctuations in tax rates;
- Enable a more efficient use of financial resources;
- Minimize the costs of financing;
- Ensure the Master Plan is being implemented; and
- Provide a legal basis for use impact fees and growth management ordinances.

### ***1.2 CIP Committee Members 2022***

Kathi Padgett	Chair, School Board Member
Sheldon Perry	Planning Board Member
John Wheeler	Cemetery Trustee Member
Lianne Prentice	Select Board Member
Kyle Ball	Community Member
Jack Waldron	School Board Member
Ian Haskell	Planning Board Member
Nicholas Grant	Planning Board Member
Eleanor Elbert	Community Member
Melissa Donaldson	Clerk

## Capital Improvement Program 2023-2028

### 1.3 Recommended Warrant Articles for 2023

The CIP committee recommends the following items be included on the 2023 Town and School Meeting warrants, to implement this Capital Improvement Program. Department initials and line numbers refer to Table 1 – Expense Detail by Department.

<b>Total CIP Budgets:</b>			
<b>TOWN</b>		<b>(1,449,016)</b>	
<b>SCHOOL</b>		<b>(127,549)</b>	
<b>TOWN GOVERNMENT</b>			
TG	2	Property Revaluation	(25,000)
TG	12	Municipal Software Replacement	(50,000)
<b>FIRE DEPARTMENT</b>			
FD	4	Fire Truck Capital Reserve	(275,000)
<b>HIGHWAY DEPARTMENT</b>			
HW	11	Road Reconstruction & Paving	(300,000)
HW	21	Scott Rd. Br. over Choc. R.	(400,000)
HW	23	Bridge Capital Reserve	(50,000)
<b>TRANSFER STATION</b>			
TS	1	Landfill: Closure Bond	(54,556)
TS	21	Capital Reserve Fund/TS Improvements	(274,460)
<b>PLANNING BOARD</b>			
PB	1	Build Out Analysis	(20,000)
<b>SCHOOL DISTRICT</b>			
SD	1	School Bond	(84,049)
SD	20	Flooring	(15,000)
SD	24	Exploration/Outdoor Classroom	(10,000)
SD	5	HVAC/Engineering Study	(10,000)
SD	3	LED Lighting	(8,500)

## Capital Improvement Program 2023-2028

### 1.4 Appropriations by Department

Figure 1 – CIP Appropriations by Department, 2023 shows capital appropriations, summed by department for the 2023 budget year. See [Table 1 – Expense Detail by Department](#) for specifics. Total CIP appropriations for 2023 are \$1,576,565.

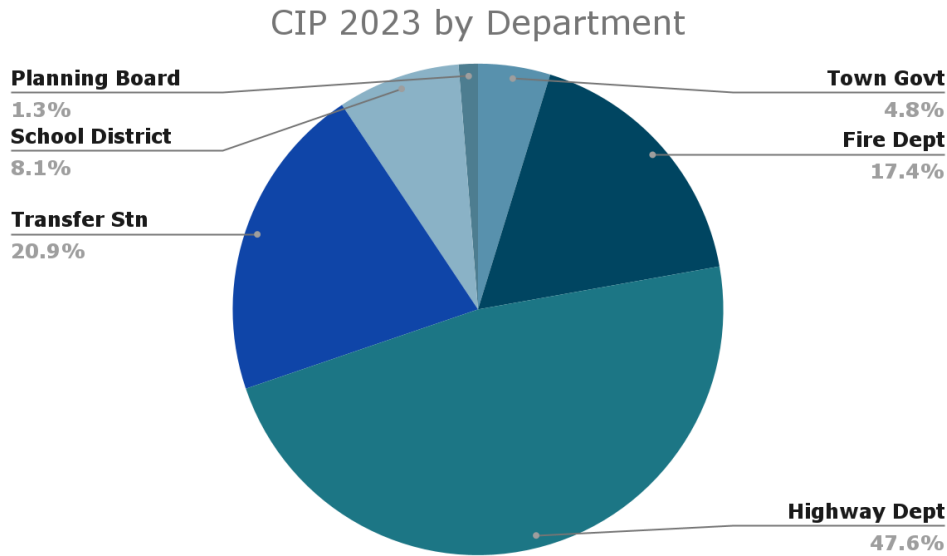


Figure 1 – CIP Appropriations by Department, 2023

Figure 2 – CIP Appropriations by Department, 2023-2028 shows capital appropriations, summed by department, for the six years included in this report (2023-2028). See [Table 1 – Expense Detail by Department](#) for specifics. Total CIP appropriations for the six-year period of this report (2023-2028) are \$6,430,525.

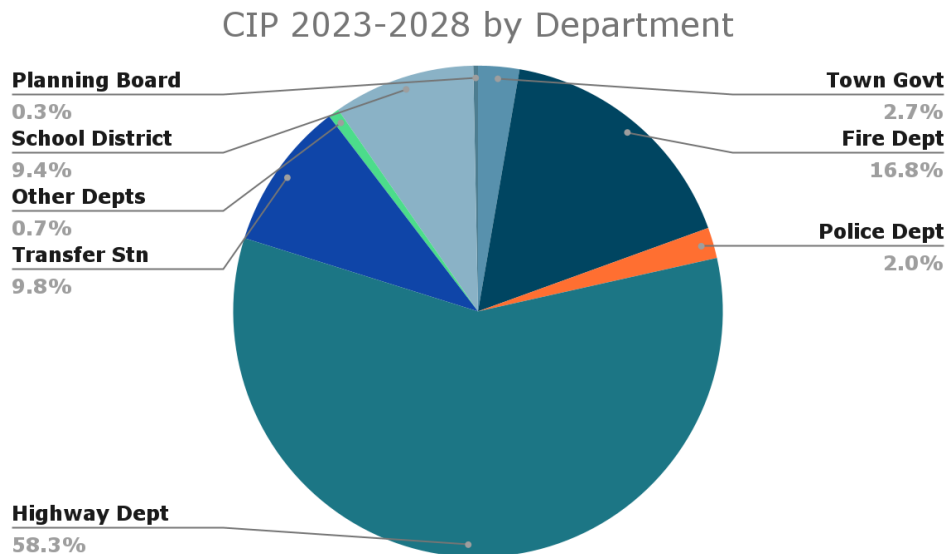


Figure 2 – CIP Appropriations by Department, 2023-2028

## **Capital Improvement Program 2023-2028**

The budget forecast for the near term is always higher than for the later years (e.g., \$1,576,565 in 2023 versus \$632,000 in 2028), due mainly to the following: departmental needs become more apparent as time goes by; equipment sometimes wears out sooner than anticipated; materials (for paving, bridge repairs, roofing, etc.) become more expensive than initially estimated; and estimates are sometimes made as much as five years in advance of actual purchases. Also, department and agency heads inevitably focus more on plans for the next few years than for later years.

Final payments for both the school and the landfill reclamation bonds will be made in 2023.

The CIP Committee uses the techniques described in 4.2 Next Steps to shift the timing of some expenses. This smooths out the tax rate impact to the greatest extent possible.

## Capital Improvement Program 2023-2028

### Section 2.0 - EXPENSE DETAIL BY DEPARTMENT

	<u>Department</u>	<u>RT</u>	<u>PR</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029-2031</u>	<u>Totals</u>
<b>TOWN GOVERNMENT</b>											
2	Property Revaluation	A	2	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)			(125,000)
12	Municipal Software Replacement	B	1	(50,000)							(50,000)
<b>FIRE DEPARTMENT</b>											
4	Fire Truck Capital Reserve	B	3	(275,000)	(275,000)	(132,000)	(132,000)	(132,000)	(132,000)	(453,200)	(1,531,200)
<b>POLICE DEPARTMENT</b>											
3	4WD Cruiser - Unit 3, App'd '21 (2013)	B	1		(65,000)						(65,000)
4	4WD Cruiser - Unit 1, 2021 Durango ('21)	B	1							(65,000)	(65,000)
7	4WD Cruiser - Unit 2, 2020 Tahoe (2019)	B	1				(65,000)				(65,000)
10	Building Improvements/Addition	B	3							(200,000)	(200,000)
<b>HIGHWAY DEPARTMENT</b>											
7	Articulating Loader w/ Attachment	B	1		(250,000)						(250,000)
9	Accessory Building	C	3							(100,000)	(100,000)
11	Road Reconstruction & Paving	B	1	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(900,000)	(2,700,000)
20	Mountain Road Bridge	B	1		(250,000)						(250,000)
21	Scott Rd. Br. over Choc. R.	B	1	(400,000)							(400,000)
23	Bridge Capital Reserve	B	1	(50,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(600,000)	(1,650,000)
<b>TRANSFER STATION</b>											
1	Landfill: Closure Bond	A	1	(54,556)							(54,556)
13	Recycle/Storage container open top (Metals-30 yard)	B	2							(5,207)	(5,207)
15	Trash Compactor	B	2		(25,000)						(25,000)
20	Commingle Container 2451P	D	3							(18,000)	(18,000)
21	Capital Reserve Fund/TS Improvements	A	2	(274,460)	(274,460)						(548,920)
<b>COOK MEMORIAL LIBRARY</b>											
3	Furnaces	B	2			(9,000)		(9,000)			(18,000)
1	Painting Exterior	B	2		(10,000)						(10,000)
4	Air Conditioning Unit	B	2		(18,500)						(18,500)

### Capital Improvement Program 2023-2028

PLANNING BOARD											
1	Build Out Analysis	C	2	(20,000)							(20,000)
SCHOOL DISTRICT											
1	School Bond	A	1	(84,049)							(84,049)
4	Roof Repairs (Completed 2021)	B	2							(50,000)	(50,000)
15	NFPA 13 Sprinkler system (p. 46)	D	4							(200,000)	(200,000)
16	Ventilation/Noise/Energy Efficiency	D	2		(150,000)	(150,000)	(80,000)	(50,000)			(430,000)
17	Glass Blocks in Gym wall (p. 35)	D	4							(10,000)	(10,000)
21	Seal Coat Parking area	B	2				(30,000)				(30,000)
20	Flooring	B	2	(15,000)	(15,000)						(30,000)
22	Boiler	B	2							(200,000)	(200,000)
24	Exploration/Outdoor Classroom	D	4	(10,000)							(10,000)
5	HVAC/Engineering Study	A	2	(10,000)							(10,000)
3	LED Lighting	C	3	(8,500)							(8,500)
	<b>Total</b>			<b>(1,576,565)</b>	<b>(1,857,960)</b>	<b>(816,000)</b>	<b>(832,000)</b>	<b>(716,000)</b>	<b>(632,000)</b>	<b>(2,801,407)</b>	<b>(9,231,932)</b>

Table 1 – Expense Detail by Department

## Capital Improvement Program 2023-2028

### Section 3.0 - FINANCIAL SUMMARY

#### 3.1 Capital Appropriations

Table 2 – Capital Appropriations summarizes the spending listed in Table 1 – Expense Detail by Department, and gives totals by department, by year. It is automatically generated from the detail in Table 1 – Expense Detail by Department. This is the anticipated amount of required appropriations by the town to implement all the listed projects.

Department	2023	2024	2025	2026	2027	2028	2029-2031	Totals
Town Government	(75,000)	(25,000)	(25,000)	(25,000)	(25,000)	0	0	<b>(175,000)</b>
Fire Department	(275,000)	(275,000)	(132,000)	(132,000)	(132,000)	(132,000)	(453,200)	<b>(1,531,200)</b>
Police Department	0	(65,000)	0	(65,000)	0	0	(265,000)	<b>(395,000)</b>
Highway Department	(750,000)	(1,000,000)	(500,000)	(500,000)	(500,000)	(500,000)	(1,600,000)	<b>(5,350,000)</b>
Transfer Station	(329,016)	(299,460)	0	0	0	0	(23,207)	<b>(651,683)</b>
Cook Memorial Library	0	(28,500)	(9,000)	0	(9,000)	0	0	<b>(46,500)</b>
School District	(127,549)	(165,000)	(150,000)	(110,000)	(50,000)	0	(460,000)	<b>(1,062,549)</b>
Planning Board	(20,000)	0	0	0	0	0	0	<b>(20,000)</b>
<b>Totals</b>	<b>(1,576,565)</b>	<b>(1,857,960)</b>	<b>(816,000)</b>	<b>(832,000)</b>	<b>(716,000)</b>	<b>(632,000)</b>	<b>(2,801,407)</b>	<b>(9,231,932)</b>

Table 2 – Capital Appropriations



## Capital Improvement Program 2023-2028

### 3.2 Capital Reserves & Other Sources of Funds

Table 3 – Capital Reserves & Other Sources of Funds reconciles funds added to or expended from Capital Reserves, and other grants or donations used to fund capital improvement projects. Figures for Capital Reserves Funds are as of 6/30/2022, and do not include transactions from the last six months of the year.

Capital Reserve Funds	Balance as of 6/30/2022	2023	2024	2025	2026	2027	2028	Funds Remaining
<b>Highway- Bridge CR</b>	153,313							
Added*		157,189	200,000	200,000	200,000	200,000	200,000	
Expended		(260,502)	(250,000)					
Balance Remaining		50,000	0	200,000	400,000	600,000	800,000	\$800,000
<b>Fire Department - Rescue Vehicle CR</b>	253,787							
Added		275,000	275,000	132,000	132,000	132,000	132,000	
Expended			(550,000)					
Balance Remaining		528,787	253,787	385,787	517,787	649,787	781,787	\$781,787
<b>Fire Department - SUV</b>	65,005							
Added		0	0	0	0	0	0	
Expended								
Balance Remaining		65,005	65,005	65,005	65,005	65,005	65,005	\$65,005
<b>Sewer CR</b>	28,293							
Added								
Expended								
Balance Remaining		28,293	28,293	28,293	28,293	28,293	28,293	\$28,293
<b>Transfer Station</b>	100,194							
Added**		274,460	274,460	0	0	0	0	
Expended								
Balance Remaining		374,654	649,114	649,114	649,114	649,114	649,114	\$649,114
<b>School Reno &amp; Repair CR</b>	103,008							
Added		30,000						
Expended								
Balance Remaining		133,008	133,008	133,008	133,008	133,008	133,008	\$133,008
<b>School Special Education</b>	161,585							
Added								
Expended								
Balance Remaining		161,585	161,585	161,585	161,585	161,585	161,585	\$161,585
<b>Totals</b>	<b>\$865,185</b>	<b>\$1,276,328</b>	<b>\$1,225,788</b>	<b>\$1,557,788</b>	<b>\$1,889,788</b>	<b>\$2,221,788</b>	<b>\$2,553,788</b>	<b>\$2,553,788</b>

\* \$107,189 grant to be funded by the Infrastructure Investment and Jobs Act.

\*\* An additional 35% is being provided by a matching grant from the USDA.

Table 3 – Capital Reserves & Other Sources of Funds

## Capital Improvement Program 2023-2028

### 3.3 Funds To Be Raised By Taxes

Table 4 - Funds to Be Raised by Taxes combines the expenses in Table 2 – Capital Appropriations with the Table 3 – Capital Reserves & Other Sources of Funds to give the net funds which must be raised each year by taxes.

	2023	2024	2025	2026	2027	2028	2029-2031	Totals
Town Government	(75,000)	(25,000)	(25,000)	(25,000)	(25,000)	0	0	<b>(175,000)</b>
Fire Department	(275,000)	(275,000)	(132,000)	(132,000)	(132,000)	(132,000)	(453,200)	<b>(1,531,200)</b>
Police Department	0	(65,000)	0	(65,000)	0	0	(265,000)	<b>(395,000)</b>
Highway Department	(489,498)	(750,000)	(500,000)	(500,000)	(500,000)	(500,000)	(1,600,000)	<b>(4,839,498)</b>
Transfer Station	(329,016)	(299,460)	0	0	0	0	(23,207)	<b>(651,683)</b>
Cook Memorial Library	0	(28,500)	(9,000)	0	(9,000)	0	0	<b>(46,500)</b>
School District	(127,549)	(165,000)	(150,000)	(110,000)	(50,000)	0	(460,000)	<b>(1,062,549)</b>
Planning Board	(20,000)	0	0	0	0	0	0	<b>(20,000)</b>
<b>Total Raised by Taxes</b>	<b>(1,316,063)</b>	<b>(1,607,960)</b>	<b>(816,000)</b>	<b>(832,000)</b>	<b>(716,000)</b>	<b>(632,000)</b>	<b>(2,801,407)</b>	<b>(8,721,430)</b>

Table 4 - Funds to Be Raised by Taxes

### 3.4 Estimated Tax Rate Impact

Tax Rate Impact =  $\frac{\text{Funds Raised by Taxes} \times 1,000}{\text{Total Assessed Valuation}}$

2021 Total assessed valuation: \$404,045,448

The Tax Rate Impact is a calculation of the relative impact of capital improvement projects on real estate taxes. This is merely an estimate of one part of the local property taxes, and should not be interpreted as an actual tax rate. There are a number of factors involved which cannot be predicted: the town's income, the assessed value in each future year, etc. The estimated tax rate impact presented here is not an actual tax rate; it is presented here for comparison purposes only. Please see 4.5 Other Observations for an explanation of the use of 2021 valuation figures rather than 2022.

### 2023 Estimated Tax Rate Impact

Tax Rate Impact is calculated by multiplying Funds Raised by Taxes by 1,000 and dividing by Total Assessed Valuation. The estimated tax rate impact for Fiscal Year 2023 is 3.26 ( $\$1,316,063 \times 1,000 / \$404,045,448$ ).

## Capital Improvement Program 2023-2028

### 3.5 Historical Comparison Chart

Figure 3 – Total Appropriations by Year is a line graph showing the history of total spending included in each of the last eight CIP reports. Each entry is the total of spending for the six years covered in that report. The labels refer to the year of the appropriation.

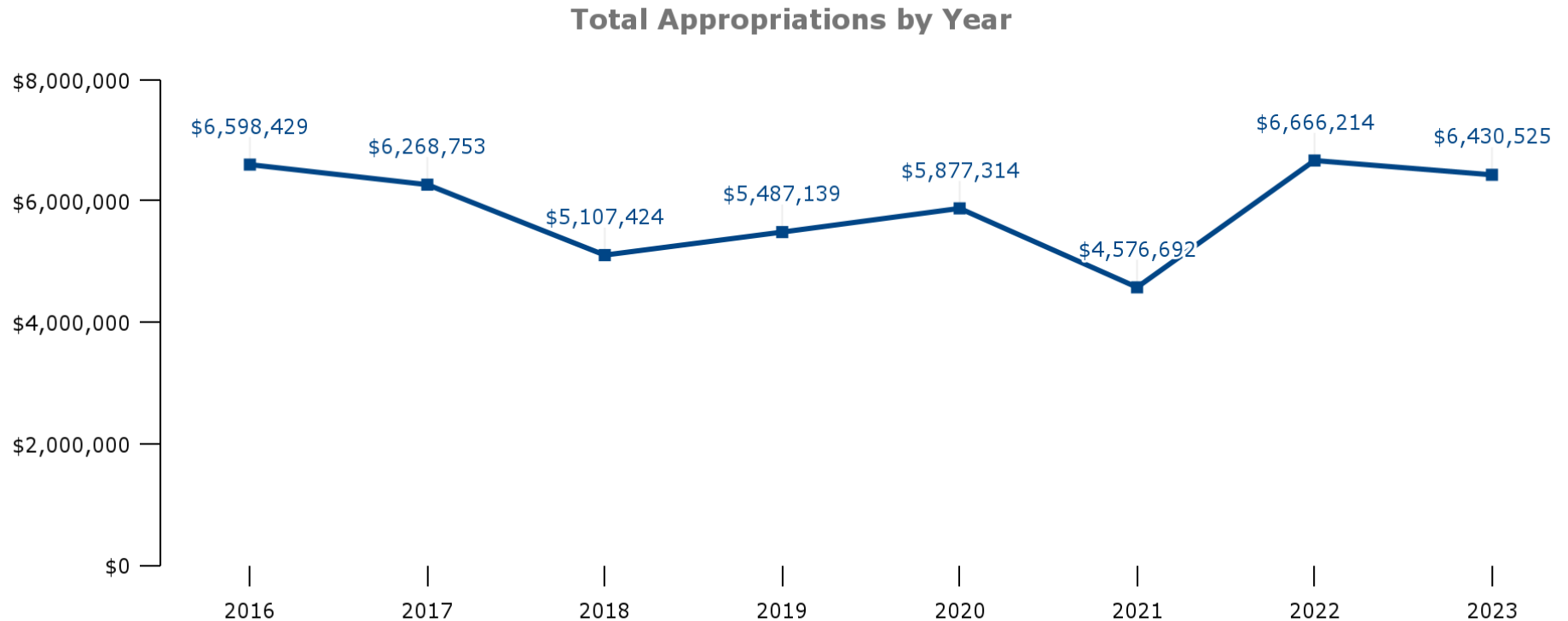


Figure 3 – Total Appropriations by Year

## **Section 4.0 - PROCESS**

### ***4.1 Steps***

The CIP Committee's immediate goal was to update Tamworth's previous Capital Improvements Program by gathering, adjusting, and reporting information on:

- Current/planned/proposed capital improvement projects
- Use of capital reserves and other sources of income
- Estimated tax rate impact
- Recommended warrant articles for 2023

### ***4.2 Next Steps***

The CIP Committee utilizes techniques of both RSA 32:7-a and capital reserve funds to shift funding, either before or after the year of the actual spending, to smooth out spending over the six-year period. The Committee categorizes the projects and expenses listed in Section 2.0, assigning ratings and priorities. It should be noted that further revisions to spending plans likely will alter both planned appropriations and the projected tax rates in future reports.

### ***4.3 Changes To Departmental Requests This Year***

The CIP Committee recommended reducing the amount of the 2023 contribution to the Bridge Capital Reserve Fund to \$50,000; the Highway Department had requested a \$200,000 contribution. The federal Infrastructure Investment and Jobs Act has provided funds for the repair of bridges in Tamworth in the amount of \$107,189, which the Committee took into account in determining the recommended amount of the 2023 contribution to the Fund. Due to the presently estimated \$400,000 cost of repairing the Scott Road Bridge, it was felt that this change would help reduce the overall 2023 budget total to a more manageable \$1.6 million, while still providing sufficient funds for the anticipated 2024 repair of the Mountain Road Bridge.

## Capital Improvement Program 2023-2028

### 4.4 CIP vs. Budget vs. Approved

CIP is a planning tool. The following table shows figures from the 2021 CIP report vs. those actually budgeted by the Select Board vs. funds approved by voters at the 2022 Town Meeting and Annual School Meeting. Variations are expected between the CIP planned amounts, budgeted amounts, and totals approved by voters. The CIP report is advisory only.

The purpose of this exercise is so the CIP Committee, budget makers, and departments can use comparison information annually, to review the process, and apply knowledge gained to future plans. Over time, this type of review should improve planning and prevent capital expenses from causing wide fluctuations in the town tax rates.

2022	Project Description	CIP	Budget	Approved
TG.2	Property Revaluation	(25,000)	(25,000)	(25,000)
TG.11	Town Office Vault Storage System	(40,000)	(40,000)	(40,000)
TG.12	Municipal Software Replacement	(50,000)	(50,000)	(50,000)
FD.2	SUV Command Vehicle	(52,000)	(65,000)	(65,000)
FD.4	Fire Truck Capital Reserve	(175,000)	(70,000)	(70,000)
PD.9	Building Improvements/Drawings	(10,000)	(10,000)	(10,000)
HW.4	Single Axle 6-Wheeler Plow/Sander	(200,000)	(200,000)	(200,000)
HW.11	Road Reconstruction and Paving	(250,000)	(300,000)	(300,000)
HW.20	Mountain Road Bridge	(250,000)	(250,000)	(250,000)
HW.23	Bridge Capital Reserve	(200,000)	(200,000)	(200,000)
HW.24	F550 Pickup Truck	(100,000)	(100,000)	(100,000)
PR.1	Fields/Park Maint. Equipment	(10,000)	(10,000)	(10,000)
TS.1	Payment for Landfill Closure Bond	(56,517)	(56,517)	(56,517)
TS.21	Cap. Res. TS/Improvements	(200,000)	(200,000)	(274,460)
	<b>Town Totals</b>	<b>(\$1,618,517)</b>	<b>(\$1,576,517)</b>	<b>(\$1,650,977)</b>
SD.1	School Bond	(174,092)	(174,092)	(174,092)

Table 5 – 2022 CIP vs. Budget vs. Approval by Voters

### 4.5 Other Observations

The Tax Rate Impact Figures included in this report were calculated using 2021 total assessment values, because 2022 values were not available by the time of the public hearing and are not expected to be complete by the time the report is scheduled to be provided to the Board of Selectmen in September, 2022. The Tax Rate Impact figures are for comparison only. A 1% change in the valuation figure would yield a 1% change in the Tax Rate Impact estimate. There are no plans to revise this report when 2022 assessed values are available.

## Section 5.0 - REFERENCE

### 5.1 Authorization

New Hampshire Revised Statutes Annotated (RSAs) 674:5 to 674:8 govern the creation and operation of a CIP Committee. The language which authorizes the establishment of a CIP Committee is:

"In a municipality where the Planning Board has adopted a master plan, the local legislative body may authorize the Planning Board to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years."

Tamworth's Capital Improvement Program was authorized at Town Meeting in 2006, when Article #5 (by Petition) was approved: "To see if the town, having a Master Plan adopted by the Planning Board on March 29, 1995, will vote to authorize the Planning Board to prepare and amend a recommended program of municipal capital improvement projects over a period of at least 6 years, in accordance with RSA 674:5."

### 5.2 Items Not Included

Some funds spent on capital improvements are not included in this report because they are not directly controlled by Tamworth taxpayers. Expenditures from the Conservation Fund are not included. RSA 36-A:5 authorizes the Conservation Commission to spend funds from the Conservation Fund. The 2000 Town Meeting voted that each year 100% of the first \$7,000 collected from the Land Use Change Tax be added to the Conservation Fund. That amount was raised to \$7,500 by vote at the 2017 Town Meeting.

### 5.3 Ratings & Priorities

The CIP Committee assigns each project a rating and a priority. The values appear in the rows of the table in Section 2.0 - EXPENSE DETAIL BY DEPARTMENT. They can be used for ranking or comparison when decisions need to be made about funding different projects. The rankings are reviewed each year. The values use the following scale:

Ratings:

- A = Urgent; Health/safety; Federal/State mandate; Deficient Condition
- B = Needed to Maintain Basic Quality/Level of Service, Existing Infrastructure
- C = Improve Level of Service; Reduce Long-Term Operation Costs
- D = Needs more research, planning, or coordination

Priorities:

- 1=Highest
- 2=Second
- 3=Third
- 4=Lowest

### 5.4 Financing Methods

There are six different methods of funding capital improvements used by the town, each with different cost and policy considerations.

#### Current Revenue

The easiest and cheapest way to finance capital projects is with current revenues (money raised by the local property tax for a given year). This method is typically used for projects with lower costs. When a

## **Capital Improvement Program 2023-2028**

project is funded with current revenues, the entire cost is paid off in one year, and there are no additional finance charges. Capital spending included within a department's annual budget requires only a majority vote for approval at Town Meeting.

### **Grants, Donations**

Resources from outside town government can be obtained for some projects, in the form of gifts, grants, or donations. This reduces the funds that need to be raised through real estate taxes. Typical examples are: grants obtained from State of New Hampshire Department of Transportation, the Moose Plate Fund, foundation grants, and private donations raised by individual town departments.

### **Bond Financing**

Bonds are used to finance major capital projects over long periods of time (typically 15, 20, or 30 years). They come with a significant cost: Even with modest interest rates, there is a price increase of 40-50%. Bonds commit resources over an extended period, and decrease budget flexibility for the duration. A two-thirds majority vote at Town Meeting is required to pass a warrant article for a bond. Warrant articles for the operating budgets that include bond payments require only a majority vote. Tamworth currently has two bonds: the landfill closure for \$1,459,719.89 expires in 2023, and the Brett School addition for \$4,758,400.04, which expires in 2022 (last payment to be made in 2023).

### **Lease/Purchase**

Lease/purchase agreements can be used for vehicles and major equipment purchases if the seller is willing to finance the purchase at a favorable interest rate. Lease agreements lengths are shorter than bonds (typically 3, 5, 7, or 10 years). For qualifying essential vehicles, payments are tax exempt, resulting in lower interest rates for the town. Entering a lease/purchase requires a separate majority vote the first year, but subsequent payments can be included in an operating budget. Leases typically include a cancellation clause, in case funds are not appropriated in future years. In the past, Tamworth used leases for Highway Department vehicles, but there are no leases at present.

### **Capital Reserves**

Capital reserve funds allow capital projects to be paid for over time, but before the fact. Current revenue is set aside over a period of years, prior to a purchase. This means a different group of taxpayers pay for the project than use it. One obvious advantage of a capital reserve is that major acquisitions can be made without the need of any interest payments, but capital reserves involve a different sort of premium: funds in a capital reserve earn interest, but at a rate lower than inflation. The result is that the buying power of funds held in capital reserves decreases every year. The decline is cumulative. Actual interest rates and inflation figures vary, but over a period of six years, the cost can exceed 10% of the total appropriation. With capital reserve funds, monies are "removed" from the town's budget in the year in which the money is raised, not in the year in which the actual purchase is made. A warrant article to create or add to a capital reserve requires a majority vote at Town Meeting.

### **Multi-year Appropriations**

Any purchase which can be bonded can also be funded with a multi-year appropriation. This is a relatively new tool, authorized by RSA 32:7-a. It requires an initial two-thirds majority vote, but money can be allocated in the budget in subsequent years without any additional votes. Similar to a capital reserve fund, the money is raised before it is spent. One big advantage is that potential vendors can be assured that no more votes are necessary to raise the whole amount.