

# **TOWN OF TAMWORTH**

## **NEW HAMPSHIRE**

### **CAPITAL IMPROVEMENT PROGRAM REPORT**

### **2012 to 2017**

Public Hearing held on September 13, 2011 by the

Capital Improvement Program Committee

Presented on September 28<sup>th</sup>, 2011 to the

Tamworth Planning Board

Submitted on October 6, 2011 to the

Tamworth Board of Selectmen

## Table of Contents

0.1	Acknowledgements.....	3
0.2	CIP Committee 2011.....	3
1.0	SUMMARY .....	4
1.1	Introduction.....	4
1.2	Process .....	5
1.3	Progress.....	5
1.4	Next Steps .....	6
1.5	Conclusions .....	6
2.0	REFERENCE.....	8
2.1	Capital Improvement Definition.....	8
2.2	Report Time Frame.....	8
2.3	Authorization .....	8
2.4	Purpose.....	8
2.5	Departments/Committees/Boards.....	9
2.6	Items Not Included.....	9
2.7	Financial Tables.....	9
2.8	Credits & Debits .....	11
2.9	Line Number References.....	11
2.10	Ratings & Priorities.....	11
2.11	Financing Methods .....	11
2.12	Cost of Money .....	12
2.13	Policy Issues .....	13
3.0	FINANCIAL SUMMARY.....	14
3.1	Capital Appropriations.....	14
3.2	Capital Reserves & Other Sources of Funds.....	14
3.3	Funds Raised by Taxes.....	15
3.4	Estimated Tax Rate Impact.....	15
4.0	RECOMMENDATIONS.....	16
4.1	CIP Committee Changes.....	16
4.2	Recommended for 2012 .....	16
5.0	EXPENSE DETAIL BY DEPARTMENT.....	18
6.0	PROJECT DESCRIPTIONS .....	20

## ***0.1 Acknowledgements***

The Tamworth Capital Improvements Program (CIP) Committee wishes to acknowledge and thank all the Department Heads, Committee, Commission, and Board Chairs, and the Trustees of Trust Funds, all of whom so readily and effectively provided assistance.

The CIP Committee would like to extend special thanks to Cassandra Pearce, Town Administrator, and Anne Abear, Bookkeeper/Municipal Secretary, for their knowledge, attention to detail, help, and patience throughout this process. Without their assistance, it would not have been possible to complete this report.

## ***0.2 CIP Committee 2011***

Steve Gray	Chair
Willie Farnum	Board of Selectmen
Steve Jacobs	CIP Committee Member
David Little	Planning Board Member
Bob Seston	CIP Committee Member
Jack Waldron	School Board Member
John Wheeler	Trustee of Trust Funds
Melissa Donaldson	Clerk

## 1.0 SUMMARY

### 1.1 Introduction

The original Tamworth Capital Improvement Program was accepted by the Planning Board on February 26, 2009. This report is an interim update, for the period 2012-2017.

Section 1.0 Summary contains a description of the process, this year's accomplishments, future goals, and conclusions.

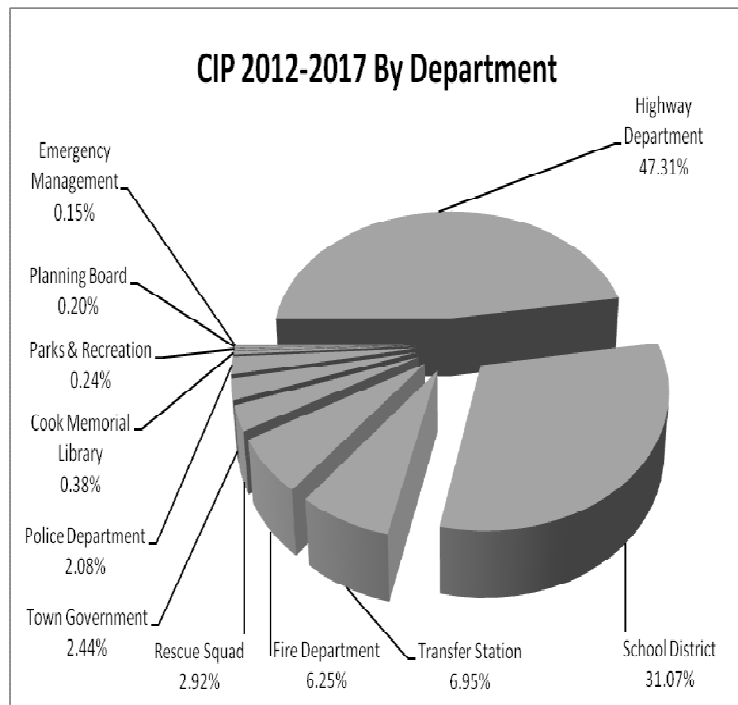
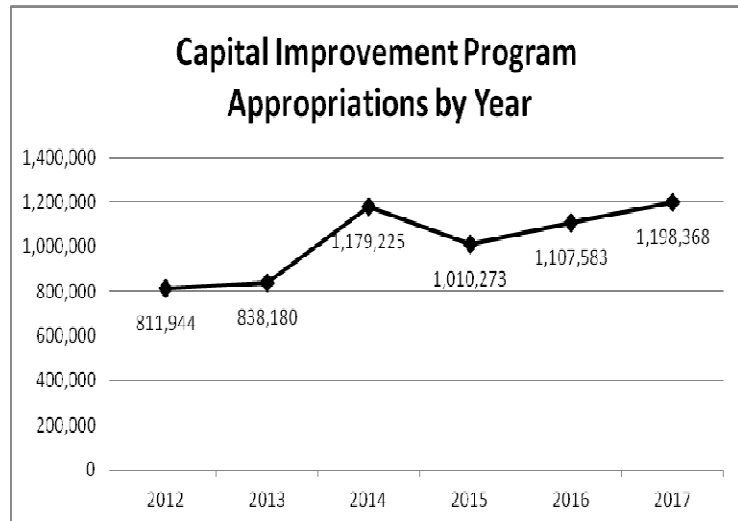
Section 2.0 Reference has background information on Capital Improvement Programs in general and methods and definitions used in this report.

Section 3.0 Financial Summary contains tables of expenditures, existing capital reserves, funds to be raised through taxes, and the tax rate impact of planned expenditures.

Section 4.0 Recommendations is an advisory report for the Selectmen and School Board (who are responsible for preparing the budgets), and for the voters (who ultimately approve all spending decisions) on recommended warrant articles to implement the Capital Improvement Program.

Section 5.0 Expense Detail By Department is a complete schedule of proposed capital expenses, allowing the town's elected officials to do comparative analysis, and prioritize, coordinate, and sequence the various municipal and school improvements which impact the tax rate.

Section 6.0 Project Descriptions is a listing of all of the town's Capital Projects for the next six years, with brief descriptions.



## 1.2 Process

The timeline of activities for this year's CIP committee was:

2011 CIP Committee appointed	04/27/11
CIP Public Hearing	09/13/11
CIP Report presented to the Planning Board	09/28/11
CIP Report submitted to Board of Selectmen	10/06/11

The CIP Committee's immediate goal was to update Tamworth's previous Capital Improvements Program (2011-2016) by gathering, adjusting, and reporting information on:

- Current/planned/proposed capital projects;
- Use of Capital Reserve Funds;
- Annual projected expenditures and sources of revenue, 2012-2017.

And, as time and adequacy of information allowed, to:

- Review individual projects in detail with departments and committees;
- Categorize projects according to need and urgency.

The CIP Committee gathered information through interviews, attendance at Department/Committee meetings, and solicitation of information from Town administrative and volunteer personnel. As noted, the departments, committees, and people were most helpful and cooperative.

## 1.3 Progress

Implementing the Capital Improvement Program is a work in progress. A review last year's goals, shows the following steps were accomplished this year:

1. **Revised Schedule** The CIP committee completed and delivered this report to the Planning Board and Selectmen at the beginning of the annual operating budget process. This allows it to be used to evaluate the impact of capital spending on the town's budget.
  2. **Close Capital Reserve Funds** At the 2011 Town Meeting, voters approved closing the following ten Capital Reserve Funds. This is a significant step in changing the way the town funds capital spending, a major goal of the CIP committee.
    - Town Revaluation Capital Reserve
    - Town Municipal Building Fund Capital Reserve
    - Recycle Equipment Capital Reserve
    - Fire Department - Truck Capital Reserve
    - Fire Department - Land Acquisition Capital Reserve
    - Police Department - Cruiser Capital Reserve
    - Highway - Garage Building Capital Reserve
    - Highway - Heavy Equipment Capital Reserve
    - Highway Equipment Maintenance Capital Reserve
    - Highway Paving Capital Reserve
- **Contingency Fund** Voters also approved the establishment of an operating-budget contingency fund for emergency repair/replacement of Town vehicles and infrastructure needs.

- **Provide Expense Details** All Town departments have made significant strides toward developing detailed expense estimates for future projects.
  - In 2010 the **School Board** contracted with H. L. Turner Group for an extensive study of capital projects relating to building maintenance, efficiency, function, and optimal use of building space. CIP projects for the first five years were identified in detail. As we move beyond that time frame, there are a number of costly projects and significant decisions that need to be made and included in future CIP updates.
  - The **Library Board** developed detailed cost estimates for their existing maintenance plan. Some items are beyond the period of this report. This detailed list provides the specifics of future capital needs.
  - This year, the **Highway Department** began using the Road Surface Management System software to inventory the town's roads, and build a ten-year maintenance plan. Lakes Region Planning Commission is providing technical assistance. Details were not available for this report, but will be included in future updates.
- **Include All Projects** The CIP committee has received good cooperation from town departments, boards and commissions, in supplying information on future capital spending requirements. In order to keep the tax rate impact level, all projects occurring in the next six years need to be identified early. This is especially true during the transition from capital reserve funds to annual budgets, as the primary source of funding for future capital improvements. If there are items omitted (town municipal building?) there will be conflicts with other sizable cost items in the subsequent years (fire truck, rescue vehicle, school building repairs, etc.)

## 1.4 Next Steps

- **Discontinue the Highway Transportation Maintenance Capital Reserve** This capital reserve was the town's 20% match for a project to expand the road shoulders on Route 113 from the Tamworth Village to Whittier Road. This fund can be closed as the State has abandoned this project.
- **Compare CIP to the Master Plan** The CIP Committee should review the recommendations of the 2008 Master Plan, in relation to proposed capital improvement projects recommended by town departments, to insure the goals of the Master Plan are being implemented.
- **Review Build Out Analysis** The CIP Committee should review the Build Out Analysis, in relation to proposed capital improvement projects, to insure that the town's infrastructure will accommodate future growth.
- **Continue Annual Review & Update** The CIP Committee should continue to annually review the Capital Improvement Program, and update this report.

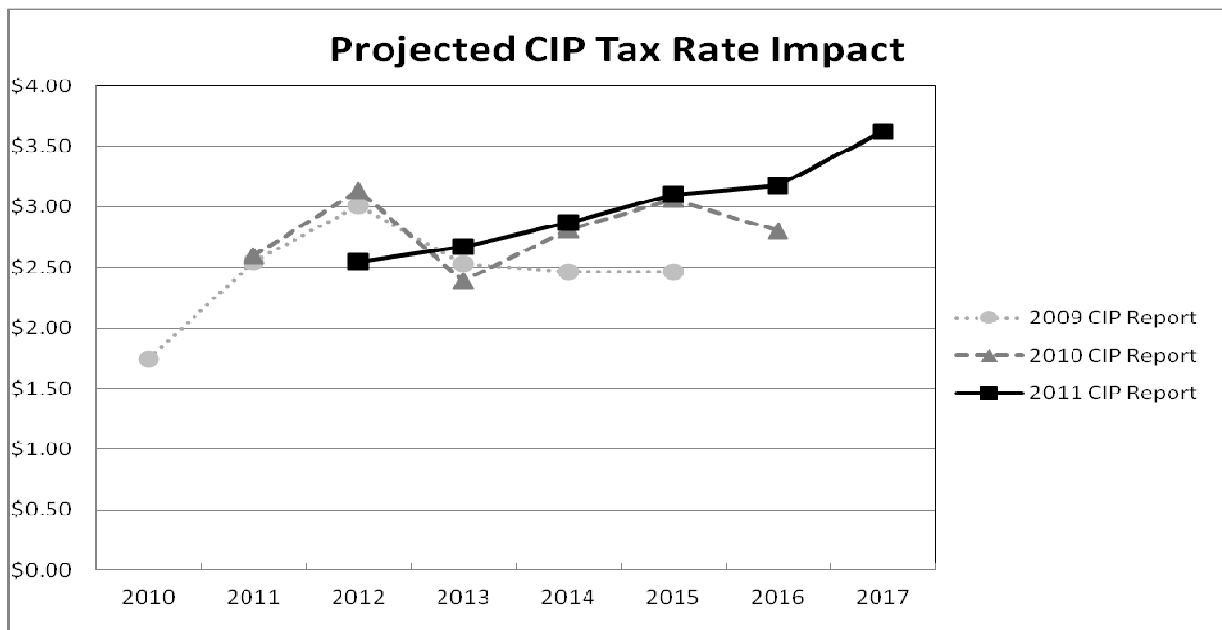
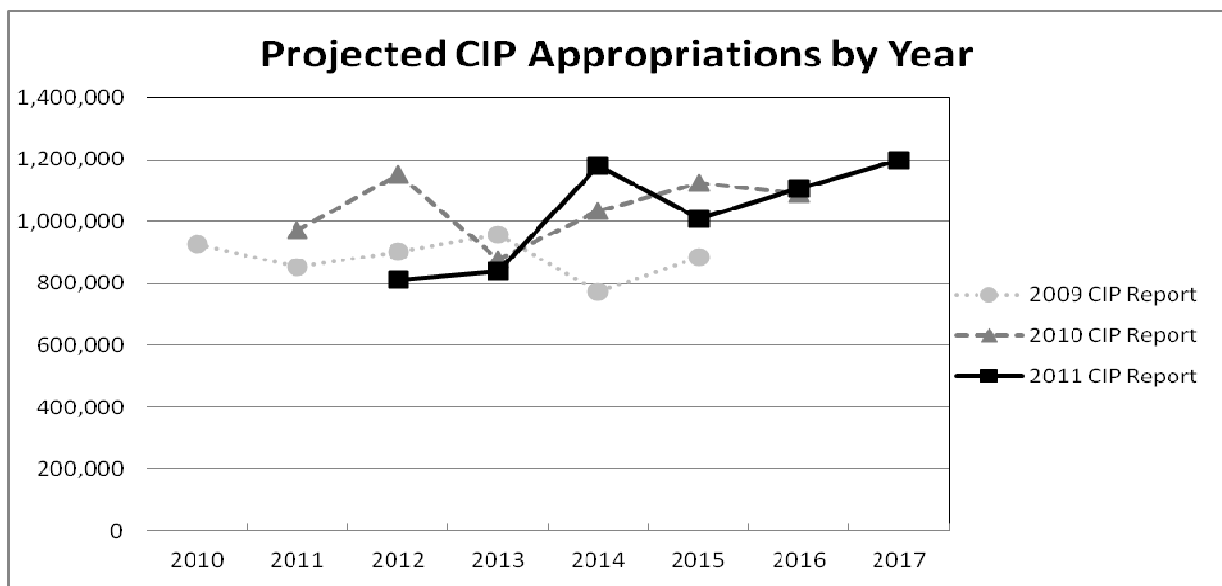
## 1.5 Conclusions

The total of CIP expenditures in this report for the six year period 2012-2017 is \$6,145,573, down 1.7% from last year's six year total of \$6,249,094, for the period 2011-2016.

However, the distribution is skewed toward the end of the period. The tax rate impact in this report jumps by 42%, from \$2.55 in 2012 to \$3.62 in 2017.

The selectmen and departments have done an excellent job keeping the tax rate down over the last few years, in response to the slowed economy. In some cases, this involved delaying planned capital spending, and pushing costs out into future years. There is a risk with this approach that many bills will come due at the same time. Some adjustments will need to be made in order to keep tax rates level.

The following charts show Projected CIP Appropriations by Year and Tax Rate Impact, from the CIP Reports of 2009, 2010, and 2011. The increases are the result of two factors: 1) more thorough reporting of planned expenditures, and 2) postponement of some expected projects.



## **2.0 REFERENCE**

### **2.1 Capital Improvement Definition**

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

### **2.2 Report Time Frame**

The time frame of this report is the six year period from 2012 through 2017. Expenditures between 2018 and 2021 are included, where known.

### **2.3 Authorization**

New Hampshire Revised Statutes Annotated (RSAs) 674:5 to 674:8 governs 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 project over a period of at least 6 years, in accordance with RSA 674:5."

### **2.4 Purpose**

The purpose of the Capital Improvement Program is 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 limited resources
- Minimize the costs of financing
- Insure the Master Plan is being implemented
- Provide a legal basis if the Town were to use impact fees and growth management ordinances



## ***2.5 Departments/Committees/Boards***

The CIP Committee contacted the heads/chairs of each of the following Boards, Commissions and Departments in Tamworth, to request that they prepare a listing for capital spending projects planned or contemplated for implementation during the next six years:

- Town Government
- Fire Department
- Police Department
- Highway Department
- Rescue Squad
- Parks & Recreation
- Conservation Commission
- Transfer Station
- Cook Memorial Library
- Emergency Management
- Energy Commission
- Planning Board
- Economic Development Commission
- Zoning Board of Adjustment
- School District

## ***2.6 Items Not Included***

Some funds spent on capital improvements are not included in this report because they are not controlled by Tamworth tax payers. They are listed here for completeness.

Funds for the **Chocorua Village Project** came from Congressional earmarks. At the 2009 Town Meeting, voters raised and appropriated \$975,000, with funds to come from Federal grant money. It is anticipated that construction will take place in 2012.

Tamworth's share of the \$44 million bond for the new **Kennett High School** is not considered a capital expense for Tamworth, because the payments don't represent an ownership interest. Tamworth's annual payments are imbedded in the High School Tuition line of the School budget. This year's figure is \$107,577.

The **Conservation Fund** is not included. The current value is \$57,230. Each year, funds collected by the Land Use Change Tax are added to the Conservation Fund. The formula is 100% of the first \$5,000. Expenditures are under the control of the Conservation Commission.

The **Atwood Fund** was a gift to the Rescue Squad from Harriet Atwood. The fund is used to buy needed equipment, under the control of the Rescue Squad. The current value is \$8,197.

## ***2.7 Financial Tables***

The core of the CIP report is represented in five related tables in Sections 3.0 and 5.0. They contain the financial details for planned Capital Improvement Projects, and the way they will be financed.

While Table 5.0 Expense Detail by Department appears last in the report, it's actually the beginning of the process. This table lists all capital projects, with estimated costs, at the lowest level of detail, based on input from the Departments, Boards and Commissions. It represents the spending required for each project, not the source of funds.

Any modification to the material submitted by departments, which was made by the CIP committee, is listed in Section 4.1. The CIP committee also assigns a rating and priority to each project, as described in Section 2.10.

Table 3.1 Capital Appropriations summarizes Table 5.0 by department, by year. This table is automatically generated from the detail in Table 5.0. This is the anticipated amount of spending required by the town to implement all of the listed projects. Again, this table doesn't reflect the source of funds.

Table 3.2 Capital Reserves & Other Sources of Funds represents any grants, donations or capital reserves, available to fund specific capital improvement projects.

Capital Reserves are limited to a specific purpose, reflected in the name, which can be tied back to the project. They are not available for other uses by that department.

Capital Reserve fund balances are listed as of the date of this report. Future values will be different. Additional lines are inserted for transactions that affect balances. For this table, funds added to Capital Reserves are shown as credits (positive) and funds expended from Capital Reserves are debits (negative). "Funds Remaining" is the sum of the beginning balance and all transactions for that fund.

Table 3.3 Funds Raised by Taxes represents the money that needs to be raised by taxes each year, to pay for all capital projects, after accounting for any capital reserves or other sources of funds. It combines the Appropriations in Table 3.1 with the Other Sources of Funds in Table 3.2. Everything else will be funded through that year's taxes.

Grants or donations are subtracted from the total of appropriations, since that money does not need to be raised through taxes. Funds added to Capital Reserves increase Appropriations, since they must be raised through taxes. Funds expended from Capital Reserves are subtracted, because that money has already been raised.

Table 3.4 Tax Rate Impact is a calculation of the relative impact of Capital Improvement Projects. It is merely a proxy, 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 school tax does not include the assessed value of utilities, while the town tax does. The rate presented is for comparison purposes only.

Tax Rate Impact is calculated by multiplying Funds Raised by Taxes by 1,000 and dividing by Total Assessed Valuation.

In 2011, the Total Assessed Valuation with utilities was \$358,305,842; the value without utilities was \$342,601,042. The value with utilities was used for these calculations.

The slope of line of CIP Appropriations by Year is different than the Tax Rate Impact, because the Tax Rate Impact includes the other sources of income not reflected in the Capital Appropriations.

## 2.8 Credits & Debits

This report summarizes both spending and revenue for the Capital Improvement Program. This may appear redundant, but raising money and spending the money are two different steps. Both require planning. Listing the details and timing of future expenses requires planning by departments for the maintenance of infrastructure or expansion of services and facilities. Capturing spending-plan detail allows a fine-tuned scheduling of the fund-raising requirements, one of the goals of the CIP.

The spreadsheets list revenue as credits, and planned spending as debits.

## 2.9 Line Number References

Table 5.0 - Expense Detail by Department assigns each project a sequential line number, by department. The line numbers are used to tie a particular project to the descriptions in Sections 4.0 and 6.0.

## 2.10 Ratings & Priorities

The CIP Committee assigns project ratings and priorities using the following scales:

Rating:

- 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

## 2.11 Financing Methods

There are five alternative means of funding Capital Improvements used by the town, each with different cost and policy considerations.

- **Current Revenue:** The easiest way to finance capital projects is through the use of 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 project is funded with current revenues, the entire cost is paid off within one year. If the town has the capacity to pay for a project in one year, then there are no additional finance charges. If the project is included within a department's annual budget, then a separate vote on the project is not required. A Warrant Article on the budget requires a majority vote.
- **Capital Reserve Fund:** For capital projects that involve larger amounts, current revenue is set aside over a period of years in order to make a purchase. One obvious advantage of a capital reserve fund is that the major acquisition can be made without the need to go into the bond market and without making interest payments. With

capital reserve funds, monies are "removed" from the town's budget in the year in which the money is appropriated, not in the year in which the purchase is actually made. A Warrant Article to create or add to a Capital Reserve fund requires a majority vote. When the project is due, a Warrant Article to remove the monies from the reserve, supplemented, if necessary, by monies from current taxes, requires a majority vote.

- **Lease/Purchase:** For vehicle and major equipment purchases, a lease/purchase agreement can be used, if the seller of a piece of equipment is willing to finance the purchase at a favorable interest rate. Lease agreements run for shorter amounts of time than bonds (3, 5, 7, or 10 years.) For qualifying essential vehicles, payments are tax exempt, resulting in lower interest rates for the town. Payments for lease/purchases require a majority vote each year during the lease.
- **Bond Financing:** Bonds are used to finance major capital projects over longer periods of time (typically 15, 20, or 30 years.) They commit resources over an extended period, decreasing budget flexibility during that time period. Interest payments over the life of the bond add substantially to total project costs. The New Hampshire Bond Bank or commercial banks financing can be used as sources for bond financing. A two-thirds majority vote is required to pass warrant article for a bond. Warrant Articles for the operating budgets including bond payments over the life of the bond require only a majority vote.
- **Grants, Donations:** Resources from outside town government can be obtained for some projects, in the form of gifts, grants, or donations. This will reduce the magnitude of funds that need to be raised from real estate taxes. Typical examples are grants obtained from State of New Hampshire Department of Transportation, the Moose Plate Fund, and private donations raised by town departments. Sometimes grant funds do not arrive until after the expenditures have been made. A majority vote is required on a Warrant Article to expend funds obtained through grants and donations.

## ***2.12 Cost of Money***

Different forms of financing have different cost premiums.

There is no additional cost when funds from current revenue are used. But there is a limit to the capital capacity of the town in any given year.

The biggest cost increase comes from using bonds, even when the interest rate appears low. For example, the land fill closure cost \$1,051,905. It was funded by a 20-year bond with a 3.72% interest rate. The total cost is \$1,459,719.89, which is a 38.72% increase over the original price. The School addition cost \$3.2 million, financed by a 20-year bond with a 4.87% interest rate. The total cost is \$4,758,400.04, which is a 48.7% increase over the original price.

Lease/purchase agreements acquired by the town have similar interest rates, but because the duration of the loan is much shorter, the impact is not as great. The two 6-wheelers the Highway Department is leasing carry a 4.71% finance charge. The Caterpillar grader had a 3.75% finance charge.

Using Capital Reserves carry premiums of a different sort. Funds in a Capital Reserves earn interest, but at a rate substantially lower than the rate of inflation. The result is that the value of funds held in Capital Reserves decrease 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.

There are also administrative costs involved with any type of financing, which add up over time. Beyond the initial paperwork, every transaction that involves financing requires additional paperwork, and the time and attention of the Selectmen, administrative staff, and voters every year, to no additional benefit.

### ***2.13 Policy Issues***

Funds for Capital Improvements can be appropriated in the past, present or future, relative to when the expense occurs.

The choice of which financing method is used involves a policy choice about who should pay for a particular project. If the project is to replace a piece of equipment that is being regularly used and has a finite life, it is usually reasonable to ask those who benefit from its use to pay for its replacement. However, if the project is to provide a new facility or piece of equipment that is to meet expanded future use, then it is reasonable to ask the future users to pay for it as they use it, rather than build up a Capital Reserve at the expense of those who may not use it.

The optimal solution is to manage capital spending to minimize finance charges and unnecessary transaction costs.

### 3.0 FINANCIAL SUMMARY

#### 3.1 Capital Appropriations

Department	2012	2013	2014	2015	2016	2017	2018-21*	Totals
Town Government		(75,000)				(75,000)	(300,000)	(450,000)
Fire Department						(384,000)		(384,000)
Police Department	(35,000)	(35,000)		(23,000)		(35,000)		(128,000)
Highway Department	(362,314)	(340,000)	(815,000)	(600,000)	(450,000)	(340,000)	(710,000)	(3,617,314)
Rescue Squad					(179,734)			(179,734)
Parks & Recreation	(15,000)							(15,000)
Transfer Station	(76,124)	(74,164)	(72,203)	(70,242)	(68,281)	(66,321)	(245,675)	(673,009)
Cook Memorial Library					(23,529)		(52,000)	(75,529)
Emergency Management		(9,000)						(9,000)
Planning Board	(12,500)							(12,500)
School District	(311,006)	(305,016)	(292,023)	(317,031)	(386,039)	(298,047)	(1,592,271)	(3,501,433)
<b>Totals</b>	<b>(811,944)</b>	<b>(838,180)</b>	<b>(1,179,225)</b>	<b>(1,010,273)</b>	<b>(1,107,583)</b>	<b>(1,198,368)</b>	<b>(2,899,945)</b>	<b>(9,045,519)</b>

#### 3.2 Capital Reserves & Other Sources of Funds

Capital Reserve Funds	Balance 8/31/2011	2011	2012	2013	2014	2015	2016	2017	2018- 2021	Funds Remaining
School -Reno. & Emerg. CR	27,228									0
Expended During FY2011		(27,228)								
Cook Memorial Library - Building	18,892									0
Expended							(18,892)			
Rescue Squad - Rescue Truck CR	49,810									0
Expended							(49,810)			
Highway - Bridge CR	32,306									2,306
New Funds Created			100,000	120,000	100,000	100,000	100,000	100,000		
Expended					(250,000)				(400,000)	
<b>Totals</b>	<b>128,236</b>									<b>2,306</b>

This reflects:

- School Renovation Capital Reserve is spent during FY 2011, and not available for projects in this report.
- Cook Memorial Library Capital Reserve spent on renovations in 2016.
- Rescue Squad Capital Reserve spent toward new vehicle in 2016.
- Highway Bridge Capital Reserve is increased by \$100,000 in 2012, 2014, 2015, 2016, and 2017, and \$120,000 in 2013.
- Highway Bridge Capital Reserve is expended by \$250,000 in 2014 and \$400,000 in 2018.

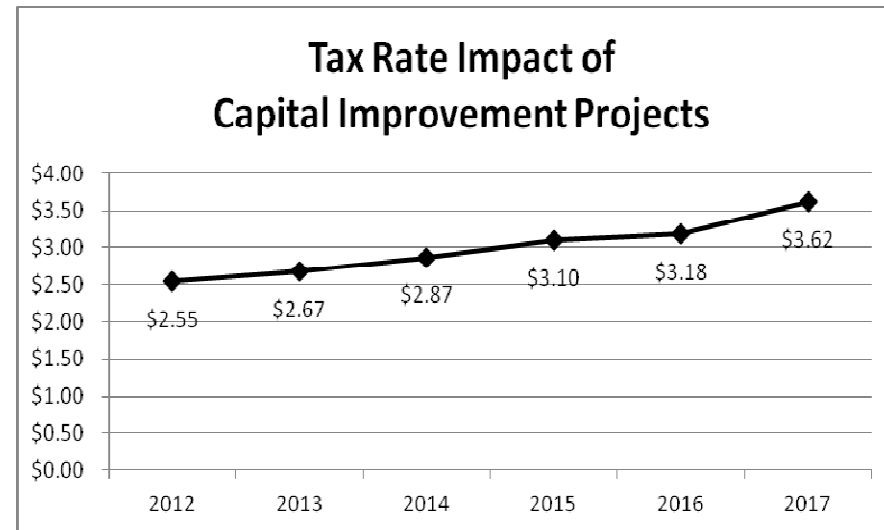
### ***3.3 Funds Raised by Taxes***

<b>Department</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018-21</b>	<b>Totals</b>
Town Government	0	75,000	0	0	0	75,000	300,000	450,000
Fire Department	0	0	0	0	0	384,000	0	384,000
Police Department	35,000	35,000	0	23,000	0	35,000	0	128,000
Highway Department	462,314	460,000	665,000	700,000	550,000	440,000	310,000	3,617,314
Rescue Squad	0	0	0	0	129,924	0	0	179,734
Parks & Recreation	15,000	0	0	0	0	0	0	15,000
Transfer Station	76,124	74,164	72,203	70,242	68,281	66,321	245,675	673,009
Cook Memorial Library	0	0	0	0	4,637	0	52,000	75,529
Emergency Management	0	9,000	0	0	0	0	0	9,000
Planning Board	12,500	0	0	0	0	0	0	0
School District	311,006	305,016	292,023	317,031	386,039	298,047	1,592,271	3,501,433
<b>Total Raised by Taxes</b>	<b>911,944</b>	<b>958,180</b>	<b>1,029,225</b>	<b>1,110,273</b>	<b>1,138,881</b>	<b>1,298,368</b>	<b>2,499,945</b>	<b>9,033,019</b>

### ***3.4 Estimated Tax Rate Impact***

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Tax Rate Impact	\$2.55	\$2.67	\$2.87	\$3.10	\$3.18	\$3.62

2011 Total Assessed Valuation with utilities: \$358,305,842



## 4.0 RECOMMENDATIONS

### 4.1 CIP Committee Changes

The CIP Committee made the following changes and additions to data submitted, in order to complete the report, and smooth the expected tax rate impact. Department initials and line numbers refer to items in the [Table 5.0 Expense Detail by Department](#).

- TG.2 Add \$300,000 in 2018 as a placeholder for Revaluation.
- HW.10 Add \$250,000 spending for bridge replacement project in 2014 and \$400,000 in 2018, as placeholders.
- HW.11 Add \$340,000 in 2017 for Road Reconstruction & Paving.
- PB.1 Add \$12,500 in 2012 for a Build Out Analysis.
- SD.15 Move \$200,000 for NFPA 13 Sprinkler system from 2017 to 2018-2021.
- SD.16 Move \$600,000 for Ventilation, Noise, Energy Efficiency from 2017 to 2018-2021.

### 4.2 Recommended for 2012

The CIP committee recommends the following items for the 2012 Town and School Meetings, to implement this Capital Improvement Program. While the form of warrant articles are up to the Board of Selectmen and School Board, the CIP committee respectfully recommends that capital spending amounts be itemized separately.

Department initials and line numbers refer to items in the [Table 5.0 Expense Detail by Department](#).

#### CAPITAL RESERVE FUNDS

Discontinue the Highway Transportation Maintenance Capital Reserve, and transfer funds with accumulated interest to the Town's general fund.

#### POLICE DEPARTMENT

- PD.1 Include \$35,000 for a 4WD cruiser.

#### HIGHWAY DEPARTMENT

- HW.1, HW.3, HW.6 Include \$77,314 for payments of the lease/purchases for 3 vehicles.
- HW.10 Add \$100,000 to the Bridge Replacement Capital Reserve.
- HW.11 Include \$240,000 for Road Reconstruction.
- HW.12 Include \$45,000 Cleveland Hill Road Reconstruction & Paving.



**Capital Improvement Program      2012-2017**

**PARKS & RECREATION**

PR.1      Include \$15,000 for Town house painting/mold abatement.

**TRANSFER STATION**

TS.1      Include \$76,124 for the Landfill Closure bond payment.

**PLANNING BOARD**

PB.1      Include \$12,500 for a Build Out Analysis.

**SCHOOL DISTRICT**

SD.1      Include \$258,006 for the School Building bond payments.

SD.2      Include \$6,000 for building security, front entry limited access area.

SD.3      Include \$7,000 for accessible bathroom features.

SD.7      Include \$5,000 for seal hose connection.

SD.8      Include \$25,000 for Cricket or other roof design.

SD.9      Include \$5,000 for exterior window frame sealant.

SD.12      Include \$5,000 to replace student lockers.

**5.0 EXPENSE DETAIL BY DEPARTMENT**

		Department										
		Project or Equipment Description	RT	PR	2012	2013	2014	2015	2016	2017	2018-21	Totals
		TOWN GOVERNMENT										
TG	1	Increased Office Space in Town Office Building	C	2		(75,000)						(75,000)
TG	2	Revaluation (place holder)	A	4							(300,000)	(300,000)
TG	3	Tax Map Revisions	C	3						(75,000)		(75,000)
		FIRE DEPARTMENT										
FD	1	No 1 Hose Truck (2017)	B	1						(384,000)		(384,000)
		POLICE DEPARTMENT										
PD	1	4WD Cruiser - Unit 1 (2012)	B	1	(35,000)							(35,000)
PD	2	2WD Cruiser - Unit 2 (2015)	B	1				(23,000)				(23,000)
PD	3	4WD Cruiser - Unit 3 (2013)	B	1		(35,000)						(35,000)
PD	4	4WD Cruiser - Unit 1 (2017)	B	1						(35,000)		(35,000)
		HIGHWAY DEPARTMENT										
HW	1	1 Single Axle 6 Wheeler Plow/Sand ----Lease/Purchase : 5 year (Unit 1)	B	1	(26,482)							(26,482)
HW	2	1 Single Axle 6 Wheeler Plow/Sand ---- Replace 2016 (Unit 1)	B	1					(130,000)			(130,000)
HW	3	1 Single Axle 6 Wheeler Plow/Sand ----Lease/Purchase : 5 year (Unit 2)	B	1	(26,482)							(26,482)
HW	4	1 Single Axle 6 Wheeler Plow/Sand ----Replace 2018-20 (Unit 2)	B	1							(135,000)	(135,000)
HW	5	1 Ton Truck	B	1			(70,000)					(70,000)
HW	6	1 Articulating Loader w/ Attachments ----Lease/Purchase : 5 year	B	1	(24,350)							(24,350)
HW	7	1 Articulating Loader w/ Attachments ----Replace 2018-2020	B	1							(175,000)	(175,000)
HW	8	1 Grader Lease/Purchase : 5 year	B	1				(300,000)				(300,000)
HW	9	Accessory Building	C	3			(100,000)					(100,000)
HW	10	Bridge Replacement Capital Reserve (place holders)	B	3			(250,000)				(400,000)	(650,000)
HW	11	Road Reconstruction & Paving	B	1	(240,000)	(260,000)	(280,000)	(300,000)	(320,000)	(340,000)		(1,740,000)
HW	12	Cleveland Hill Road Reconstruction & Paving	B	2	(45,000)	(45,000)	(45,000)					(135,000)
HW	13	3/4 Ton Pickup	C	1		(35,000)						(35,000)
HW	14	Highway/Transfer Station Backhoe Replacement	B	2			(70,000)					(70,000)
		RESCUE SQUAD										
RS	1	Rescue Truck/Ambulance	B	1					(179,734)			(179,734)
		PARKS & RECREATION										
PR	1	Town House Painting/Mold Abatement	B	2	(15,000)							(15,000)
PR	2	Skate Board Park (under consideration)										
		CONSERVATION COMMISSION										
CC	1	None Planned										

**Capital Improvement Program      2012-2017**

		<b>Project or Equipment Description</b>	<b>RT</b>	<b>PR</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018-21</b>	<b>Totals</b>
		<b>TRANSFER STATION</b>										
TS	1	Landfill: Closure Bond	A	1	(76,124)	(74,164)	(72,203)	(70,242)	(68,281)	(66,321)	(245,675)	(673,009)
TS	2	Paving Redesign/Renovation (under consideration)										
		<b>COOK MEMORIAL LIBRARY</b>										
CL	1	Carpeting Replacement	B	3					(11,289)			(11,289)
CL	2	Vinyl Siding	B	3					(12,240)			(12,240)
CL	3	Furnace	B	2							(7,000)	(7,000)
CL	4	Air Conditioning Unit	B	3							(10,000)	(10,000)
CL	5	Roof Re-Shingling	B	3							(35,000)	(35,000)
CL	6	Security System Upgrades (place holder)										
		<b>EMERGENCY MANAGEMENT</b>										
EM	1	Supply Trailer	C	4		(9,000)						(9,000)
		<b>ENERGY COMMISSION</b>										
EC	1	None Planned										
		<b>PLANNING BOARD</b>										
PB	1	Build Out Analysis	A	1	(12,500)							(12,500)
		<b>ECONOMIC DEVELOPMENT COMMISSION</b>										
ED	1	None Planned										
		<b>ZONING BOARD OF ADJUSTMENT</b>										
ZB	1	None Planned										
		<b>SCHOOL DISTRICT</b>										
SD	1	School Bond	A	1	(258,006)	(250,016)	(242,023)	(234,031)	(226,039)	(218,047)	(792,271)	(2,220,433)
SD	2	Building Security for Front Door	C	3	(6,000)							(6,000)
SD	3	Accessible Bathroom Features	A	1	(7,000)							(7,000)
SD	4	Roof Repairs	A	1		(50,000)				(60,000)		(110,000)
SD	5	Emergency Generator	D	1				(40,000)				(40,000)
SD	6	HVAC	C	2			(40,000)					(40,000)
SD	7	Seal Hose Connection	A	1	(5,000)							(5,000)
SD	8	Cricket Or Other Roof Design, Cafeteria	C	1	(25,000)							(25,000)
SD	9	Exterior Window Frame Sealant	B	2	(5,000)							(5,000)
SD	10	Water Heater Options	D	2				(22,000)				(22,000)
SD	11	Inside Locks for Classrooms	D	4			(10,000)					(10,000)
SD	12	Replace Student Lockers	B	2	(5,000)	(5,000)						(10,000)
SD	13	Upgrade Digital Control System	D	4					(160,000)			(160,000)
SD	14	Replacing Grease Traps	B	2				(21,000)				(21,000)
SD	15	NFPA 13 Sprinkler System	D	3							(200,000)	(200,000)
SD	16	Ventilation, Noise, Energy Efficiency	D	4							(600,000)	(600,000)
SD	17	Glass Blocks in Gym Wall	B	3						(10,000)		(10,000)
SD	18	Bathroom Vinyl Floor Tiles	B	3						(10,000)		(10,000)

## 6.0 PROJECT DESCRIPTIONS

The following descriptions refer to line items in Table 5.0 Expense Detail by Department:

### TG Town Government

1. Increased Office Space in Town Office Project will create additional office and records storage space.
2. Revaluation of properties corrects assessments to reflect true market value, or to equalize property values at the same variation from market value.
3. Tax Map Revisions are periodically performed by NH municipalities.

### FD Fire Department

1. Hose Truck Purchase in 2017 will replace the 1990 Kodiak and utility body (see "6 Hose 1" at <http://www.tamworthfd.org/apparatus.shtml#>), which will be 27 years old at the projected replacement date. This truck carries 3000' of 4" hose, 2 portable pumps, and important equipment needed at fire scenes, including a cascade air system for refilling air packs, a large generator for power supply, positive and negative ventilation fans, hydraulic and manual extrication tools, hazardous materials containment tools and more. The current vehicle's body has been maintained primarily in-house, and the FD expects that continued rust repairs by the volunteer and/or Chief will extend the vehicle's useable life to the projected replacement date. Costs are based on recent purchases by area departments. Although the Department always seeks refunds and resales for retired equipment, the age, functionality, and repairs of the Kodiak will preclude a large refund amount.

### PD Police Department

1. 4WD Cruiser - Unit 1 (2012) Vehicle is a 2006 Chevy Tahoe, leased in 2007. When replaced, the vehicle will become the property of the Fire Department for use as a command vehicle and where needed.
2. 2WD Cruiser - Unit 2 (2015) Vehicle is a 2010 Ford Crown Victoria, purchased in '09 to replace a totaled vehicle. Used approximately 20,000 miles per year. This is the department's only 2-wheel drive vehicle.
3. 4WD Cruiser - Unit 3 (2013) Vehicle is a 2007 Ford Explorer, leased in 2007, to be replaced on the NH State bid (to be determined).
4. 4WD Cruiser - Unit 1 (2017) this line shows planned Unit 1 replacement year and estimated cost on the department's schedule.

### HW Highway Department

1. Single Axle 6 Wheeler Plow/Sander lease/purchase 5-year Unit #1 remaining lease/purchase payments 2008-2012. Plate # G20985 VIN# 1HTWDDAAR19J101205
2. Single Axle 6 Wheeler Plow/Sander (replace Unit #1) to be purchased in 2016 at a cost estimated at \$130,000 to replace existing unit #1, based on the life expectancy of unit #1. There may be some offset from the sale of unit #1.
3. Single Axle 6 Wheeler Plow/Sander lease/purchase 5-year Unit #2 remaining lease/purchase payments 2008-2012. Plate # G20993 VIN# 1HTWDDAARX9J101204
4. Single Axle 6 Wheeler Plow/Sander (replace Unit #2) to be purchased in 2018 at a cost estimated at \$135,000 to replace existing unit #2, based on the life expectancy of unit #2. There may be some offset from the sale of unit #2.

5. One-Ton Truck (with dump body and plow), to be purchased in 2014 at a cost estimated at \$70,000 to replace existing '08 model vehicle. There may be some offset from the sale of that vehicle. Plate # G20793 VIN# 1FDAF57R38EE42446
6. Articulating Loader (with attachments) line item shows remaining lease/purchase payments 2008-2012.
7. Articulating Loader replacement estimated year/cost of replacement equipment (11-12 years of service).
8. Grader (with plane and wing 4WD) to be purchased in 2015 at a cost estimated at \$300,000 to replace unit purchased in 2000. Plate # G20630 VIN# 1AL01160
9. Accessory building (7200 sq ft estimated requirement) to be erected in 2014 at a cost estimated at \$100,000 to store salt and sand material and to house various equipment currently kept outside. The intent is to comply with environmental requirements and to protect investment in equipment.
10. Bridge Replacement is maintained to cover scheduled bridge replacement and emergency repair/replacement resulting from natural disaster.
11. Road Reconstruction and Paving Capital costs are budgeted and expended annually.
12. Cleveland Hill Road Reconstruction and Repaving west of Brown Hill Road junction to the top of the hill.
13. 3/4 Ton Pickup The vehicle will be used for lower-cost department transportation and for lighter duty plow/sand and patch/seal maintenance projects.
14. Highway/Transfer Station Backhoe replacement Plate # G20576 VIN# JJGO192016

**RS Rescue Squad**

1. Rescue Truck/Ambulance (2016) will be the primary rescue vehicle for the Squad, well-equipped electrically and electronically to provide for patient care and Tamworth's distance from advanced care/emergency care facilities.

**PR Parks and Recreation Department**

1. Town House Painting/Mold Abatement Recreation Department schedules and maintains the Town House. Painting contract will include mold removal from "wet" sides of building.
2. Skate Board Park (under consideration) The Recreation Department is studying the feasibility and funding possibilities of a Skate Park in Tamworth, including funding from non-tax sources.

**CC Tamworth Conservation Commission**

No capital projects are planned at this time. The TCC may identify opportunities to conserve land to appear in future CIP reports and at such time appropriate funding will be a consideration, noting that privately sourced funding has been customary. Funds from LUCT will continue to be added to the Conservation Fund.

*Note:* The Conservation Fund is established in accordance with RSA 36-A. Only the Conservation Commission has the authority to expend funds from the Fund. However, the Commission's policy is to hold a public hearing whenever any interest in land is to be acquired, be it an outright purchase or a conservation easement. The Conservation Fund includes, from time-to-time, specific restricted line items for targeted projects, in which private contributions are kept (as for Gilman Forest). It also includes a permanent restricted line item for stewardship of conservation easements held by the Town, which would be used only if there was a need for a quick remedy to an easement issue or a legal action regarding an easement.

**TS Tamworth Transfer Station**

1. Landfill Closure Bond The land fill closure cost \$1,051,905 and was funded by a 20-year bond with a 3.72% interest rate. Bond payments run through 2023.
2. Paving Redesign/Renovation (under consideration) A project to improve efficiency, recycling, traffic flow and to reduce costs is being studied.

**CL Cook Memorial Library**

1. Carpeting Replacement is scheduled for 2016, based on the warranty expiration date of the carpeting (2011). The estimate includes cost of carpeting, tile replacement where necessary, and installation.
2. Vinyl Siding (2016) Current siding warranty expires 2011. The estimate includes materials, labor, removal and disposal.
3. Furnaces (4) replacement, tentatively scheduled for 2021, 2022, 2023, 2024 (one unit per year) based on the normal life span of current units; Scheduled 2021 replacement is for model 58MCA, one of the "twinning" unit pairs in the attic.
4. Air Conditioning Unit replacement, tentatively scheduled for 2021, based on a 20-year life span of the current unit.
5. Roof Re-Shingling, tentatively scheduled for 2021, based on a 20-year life span of the current roofing materials.
6. Security System Upgrades, to be scheduled, to bring current system up to code.

**EM Emergency Management**

1. Supply trailer (2013) – closed and secure box trailer for storage and transport of emergency shelter equipment and supplies to designated Tamworth shelter location and/or to mutual aid/regional shelter locations when necessary. The planned trailer location is the Central Fire Station property.

**EC Tamworth Volunteer Energy Commission**

No capital projects planned at this time.

**PB Planning Board**

1. Build Out Analysis The analysis assesses buildable lots, projects future population growth by number and area, and provides a basis for municipal services planning (water, wastewater, emergency services, road construction/maintenance, schools, etc.)

**ED Economic Development Commission**

No capital projects planned at this time.

**ZB Zoning Board of Adjustment**

No capital projects planned at this time.

**SD School District**

*Note:* School Board capital projects are listed in the calendar year in which funds are appropriated at the annual School Board meeting. The school year in which the projects will be initiated begins approximately 3 ½ months later (July 1).

1. School Bond Payments The School addition cost \$3.2 million, and was financed by a 20-year bond with a 4.87% interest rate. Bond payments run through 2023.
2. Building Security, Front Entry Limited Access Area installation of electrically locked interior doors will allow building-secured visitor access to the lobby/office.

3. Accessible Bathroom Features installation of fixtures to bring the restrooms into ADA compliance.
4. Roof Repairs (2013) Replace both south classroom wing and cafeteria membrane roof with insulation and elastomeric roofing and poly-iso insulation.  
Roof Repairs (2017) Replace roof over central section (1955 wing) and 1988 north classroom wing with fully adhered membrane including a layer of 1 inch poly-iso insulation.
5. Emergency Power Distribution (2015) project will allow the entire school to be powered from the emergency generator. Actual cost of this project is dependent on a waiver from the State Electrical Inspector and School Board planning based on the waiver availability.
6. HVAC short-term project includes replacing hot water valves, improving flow and balance of heating, recalibrating or replacing and adding sensors, extending boiler stack height, and rebalancing air volumes and repairing dampers and controls.
7. Seal Hose for Fire Department Connection will repair unsealed exterior wall penetration and re-caulk expansion joints for water and sprinkler system connections.
8. "Cricket" or Other Cafeteria Roof Redesign will design and install a cricket or alternative slope and flashing to stop leaking.
9. Exterior Window Frame Sealant will remove and replace cracked, loose, and missing sealant.
10. Hot Water Heater Replacement will eliminate short-lived oil-fired tank units. The type of replacement system to be determined (propane or solar).
11. Inside Locks for Classroom Doors will provide new hardware to manually lock classroom doors in an emergency.
12. Replace Student Lockers which are dented, unsuitable for current student backpacks, locks are failing.
13. Upgrade Digital Control System to automate the system with advanced energy conservation building management control features.
14. Replace Grease Trap to comply with NH ENV codes, including installing outdoor settling tank.
15. NFPA 13 Sprinkler System Install a water supply tank, fire pump, and full NFPA 13 Sprinkler to the entire building (this is a desire not a need, current system meets code requirements)
16. Ventilation, Noise, and Energy Efficiency Long Term: Replace unit ventilators with central units equipped with demand control, ventilation, heat recovery, and designed for low noise in classrooms.
17. Glass Blocks in Gym Wall Replace with an alternative day lighting with a higher R-value.
18. Bathroom Vinyl Floor Tiles Install seamless, slip-resistant rubber flooring to eliminate joints.