

TOWN OF TAMWORTH

NEW HAMPSHIRE

CAPITAL IMPROVEMENT PROGRAM REPORT

2013 to 2018

Public Hearing held on September 18, 2012 by the

Capital Improvement Program Committee

Presented on September 26, 2012 to the

Tamworth Planning Board

Submitted on October 4, 2012 to the

Tamworth Board of Selectmen

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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 2012

Steve Gray	Chair
Bob Abraham	Board of Selectmen
Willie Farnum	CIP Committee Member
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 2013-2018.

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 the methods and definitions used in this report.

Section 3.0 Financial Summary contains tables summarizing expenditures, sources of income, funds to be raised through taxes, and the tax rate impact of planned expenditures.

Section 4.0 Expense Detail by Department is a complete schedule of all 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 5.0 Project Descriptions is a listing of all of the town's capital improvement projects for the next six years, with brief descriptions.

Section 6.0 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.

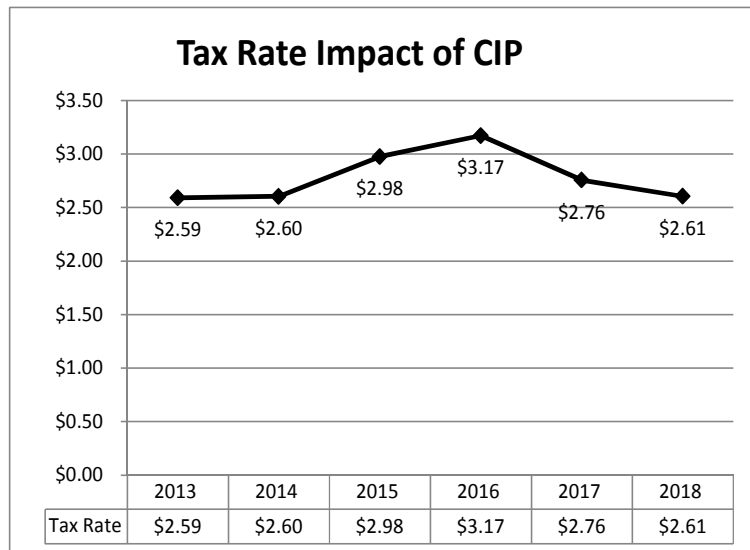


Chart 1.1 Tax Rate Impact of CIP by Year

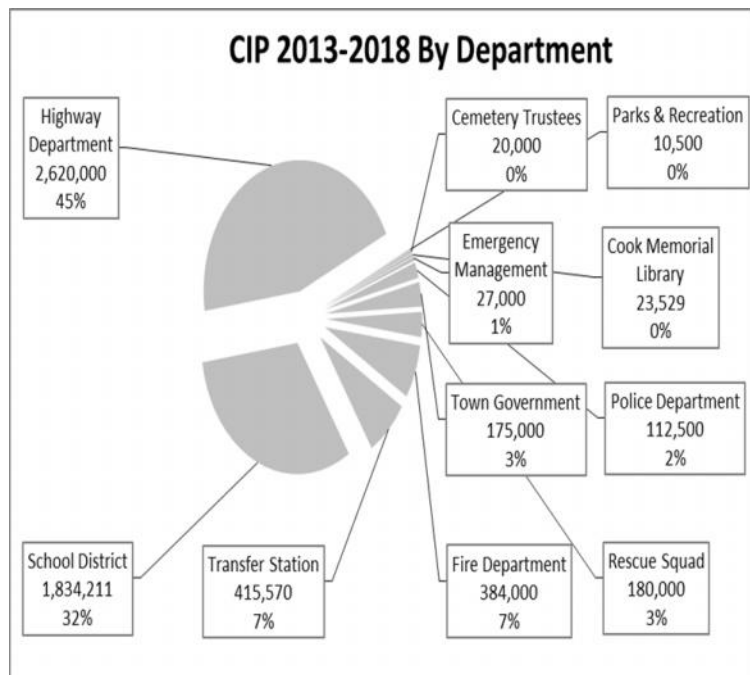


Chart 1.2 CIP Appropriations by Department

1.2 Process

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

2012 CIP Committee appointed by Planning Board	04/25/12
CIP Public Hearing	09/18/12
CIP Report presented to the Planning Board	09/26/12
CIP Report submitted to Board of Selectmen	10/04/12

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 (Section 4.0).
- Use of capital reserves and other sources of income (Section 3.2).
- Estimated tax rate impacts (Section 3.4).
- Recommended warrant articles for 2013 (Section 6.2).

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

- Review individual projects in detail with departments and committees.

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, boards, commissions, trustees, and committees were most helpful and cooperative. The Committee categorized projects according to need and urgency, then reviewed the plans, and recommended adjustments (see Section 6.1) to minimize the fluctuations in the projected tax rate impact.

1.3 Progress

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

1. Revised Schedule With the help and cooperation of town departments, the CIP committee completed and delivered this report to the Planning Board, Selectmen, and School Board at the beginning of the annual operating budget development process. This allows the information included to be used in evaluating the impact of capital spending on the town's budget.
2. Close Capital Reserve Funds At the 2012 Town Meeting, voters approved closing the Highway Transportation Maintenance Capital Reserve. This follows closing ten Capital Reserve Funds in 2011. It's a significant step in changing the way the town funds capital spending, a major goal of the CIP committee, which reduces financing costs and provides increased flexibility.
3. Provide Expense Details All Town departments have made significant strides toward developing detailed expense estimates for future projects.
 - o 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 will be included in future updates.

1.4 Next Steps

1. **Continue Annual Review & Update** The CIP Committee should continue to annually review the Capital Improvement Program, and update this report.
2. **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.
3. **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.
4. **Bridge Replacement Estimates** The last area in the report where specific project estimates are lacking is for bridge replacements. Current estimates for this area are more than 10% of total spending for the next six years. Identifying specific bridges to be worked on and developing cost estimates should be a priority.
5. **Sixth Year Details** It may just be a coincidence, but the only spending plans documented for 2018 are the existing bond payments. It's more likely that it's easier to roll forward existing projects by one year, and more difficult to develop plans six years in the future. To keep the CIP meaningful, we need to include the same level of detail for plans in the first year, and plans in the sixth year, of the reporting period.

1.5 Conclusions

The total of CIP expenditures for the six year period in this report (2013-2018) is \$5,802,310. The total for the six year period from last year's report (2012-2017) was \$6,145,573. That represents a decrease of \$343,263, or 5.6%

There are four areas that contributed to this reduction:

- Specific cost savings in: Town Government (significantly Property Revaluation), Highway Department, and School Board projects.
- The end of lease payments for highway equipment acquired in 2008.
- The reduction in bond payment amounts for year 2012, and for year 2018, based on the declining balance payment schedule.
- The lack of identified projects for year 2018, compared to projects funded in 2012.

The total tax rate impact for the six year period is \$16.70, a decrease of \$1.29 from last year's report. The standard deviation is \$0.22, which is the lowest that value has been over the last four reports. Meaning there is less year-to-year fluctuation in the tax rate impact of capital improvement projects than we've seen to date. The tax rate impacts vary from a low of \$2.59, to a high of \$3.17, a range of only \$0.58.

The year with the highest tax rate impact is 2016, which includes a fire truck, ambulance, and a single axle 6-wheeler highway vehicle. In order to smooth out the spike that this concentration of expenses would have caused, adjustments were made in other lines within the highway budget. Specifically, Paving and Road Reconstruction for 2016 was decreased by \$150,000, and funding the Bridge Replacement Capital Reserve was deferred from 2014-2017 until 2018.

The following charts show Projected CIP Appropriations by Year and Projected CIP Tax Rate Impact by Year, comparing data from the last four CIP Reports (2009, 2010, 2011, and 2012).

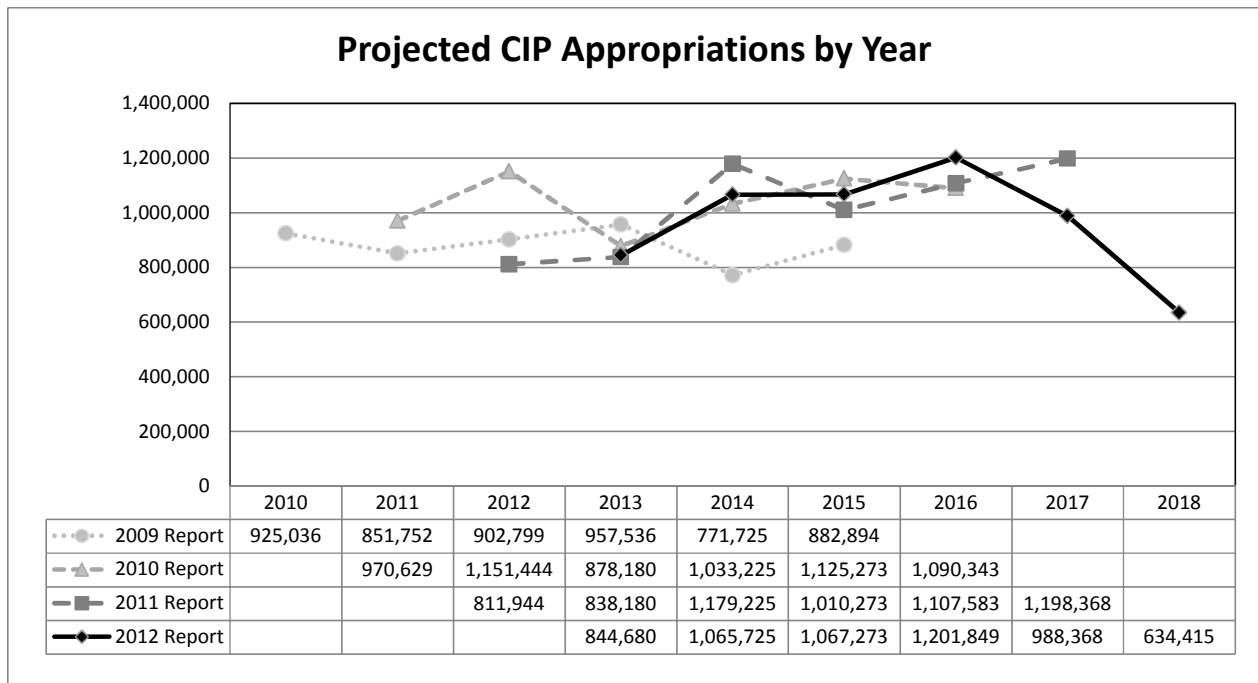


Chart 1.3 Comparison of Projected CIP Appropriations by Year

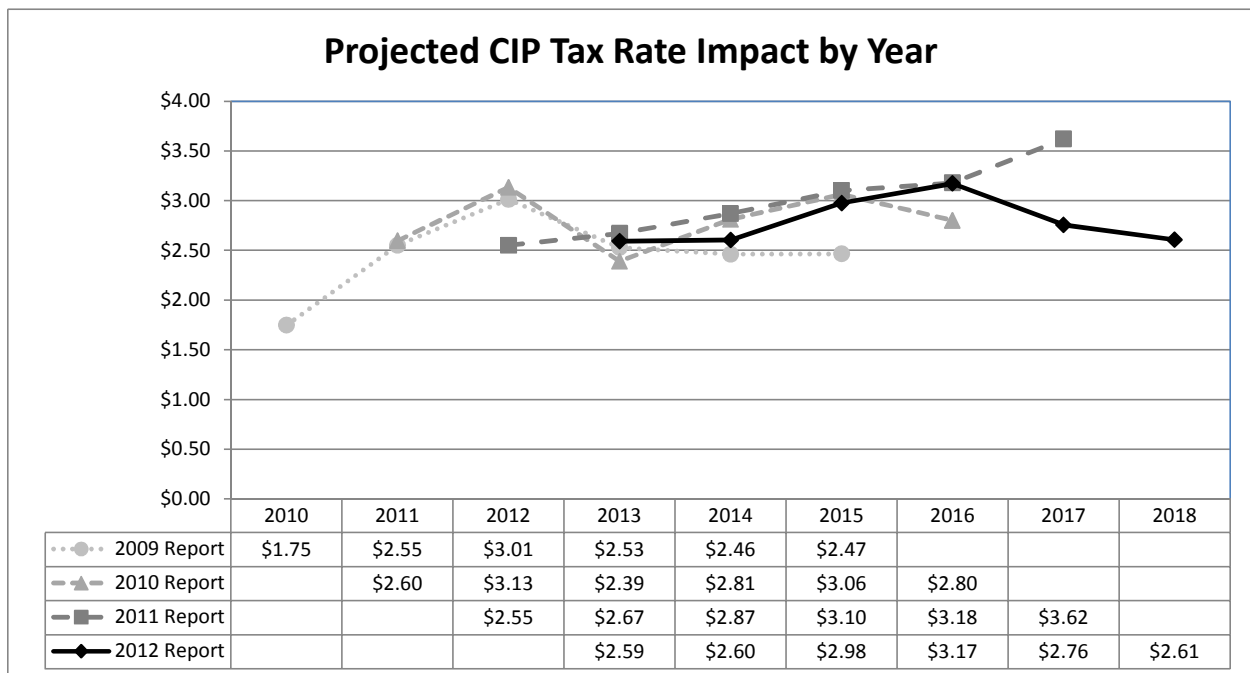


Chart 1.4 Comparison of Projected CIP Tax Rate Impact by Year

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 2013 through 2018. Expenditures between 2019 and 2022 are included, where known.

Figures for Capital Reserves are as of 8/31/12, and do not include transactions from the last four months of the year.

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 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 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/Boards/Commissions

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

TG	Town Government
FD	Fire Department
PD	Police Department
HW	Highway Department
RS	Rescue Squad
EM	Emergency Management
PR	Parks & Recreation
TS	Transfer Station
CM	Cemetery Trustees
CL	Cook Memorial Library
SD	School District
CC	Conservation Commission
EC	Energy Commission
ED	Economic Development Commission
PB	Planning Board
ZB	Zoning Board of Adjustment

2.6 Items Not Included

Some funds spent on capital improvements are not included in this report because they are not directly 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 2013.

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. The current tuition agreement with Conway, including bond payments for the new high school, was approved by voters at the Annual School District Meeting in 2003. Tamworth's annual payments are imbedded in the High School Tuition line of the School budget. This year's figure is (\$112,884).

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 \$5,000 collected from the Land Use Change Tax, be added to the Conservation Fund. The current value is \$59,581.

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 \$7,361.

2.7 Financial Tables

The core of the CIP report is presented in five related tables in Sections 3.0 and 4.0. They contain the financial details for planned capital improvement projects, and show the way they will be financed.

While Table 4.0 Expense Detail by Department is the last table 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, trustees, and commissions. It represents the spending required for each project, but not the source of funds.

Any modifications made by the CIP committee to the material submitted by departments are listed in Section 6.1. 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 4.0 by department, by year. This table is automatically generated from the detail in Table 4.0 Expense Detail by Department. 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 grant, donation, or capital reserve 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, without a vote at Town Meeting.

Capital Reserve fund balances are listed as of the last day of August. Yearend 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). "Balance Remaining" is the sum of the beginning balance and all transactions for that fund.

Table 3.3 Funds Raised by Taxes calculates the amount that needs to be raised by taxes each year, to pay for all capital projects, after accounting for capital reserves or other sources of funds. It combines the data from Table 3.1 Capital Appropriations with data from Table 3.2 Capital Reserves & Other Sources of Funds. Everything else will be funded through property taxes.

In this table, appropriations and funds added to capital reserves are debits, since those funds must be raised through taxes. Grants, donations, and funds expended from capital reserves are credits, because that money does not need to be raised through taxes.

Table 3.4 Tax Rate Impact is a calculation of the relative impact of capital improvement projects on real estate taxes. 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 here 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 2012, the total assessed valuation with utilities was \$358,674,899; and the total assessed valuation without utilities was \$342,970,099. The current year's assessed value with utilities was used for these calculations.

The slope of the graph of CIP Appropriations by Year is different than the graph of Tax Rate Impact, because the latter includes sources of income not reflected in 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. Specifying spending-plans allow a fine-tuned scheduling of the fund-raising requirements, one of the goals of the CIP.

The spreadsheets list revenue as credits (positive) and planned spending as debits (negative).

2.9 Line Number References

The CIP Committee assigns a line number, within department, to each project in Table 4.0 - Expense Detail by Department. The line numbers are primarily used to tie a particular project to the descriptions in Section 5.0 Project Descriptions. Line numbers are not reset every year, so they do not always start with "1", and are not necessarily sequential.

2.10 Rating & Priority

The CIP Committee assigns each project a rating and priority. The values appear in the rows of the table in Section 4.0. 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 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

Priority:

- 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 and cheapest 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 in 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 Reserves:** For capital projects that involve larger amounts, current revenue can be set aside over a period of years in order to make a purchase. One obvious advantage of a capital reserve is that a 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 raised, not in the year in which the purchase is actually made. A warrant article to create, or add to a capital reserve, requires a majority vote. When the project is due, a warrant article to remove the monies from the capital reserve, supplemented, if necessary, by monies from current taxes, requires a majority vote.
- **Lease/Purchase:** For vehicles and major equipment purchases, a lease/purchase agreement can be used, if the seller 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. Entering a lease purchase requires a separate majority vote the first year. Subsequent payments can be included in an operating budget. Leases typically include a clause canceling them, if funds are not appropriated in future years.
- **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 a 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, foundations, and private donations raised by town departments. Sometimes grant funds do not arrive until after the expenditures have been made. Grants of more than \$5,000 require a public hearing by the selectmen, and may then be spent without town meeting action, unless other unappropriated municipal funds are required for the project.

2.12 Cost of Money

Different forms of financing have different cost premiums.

There is no additional cost when funds from the current year 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 Brett 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 involves a different sort of premium. Funds in a capital reserves earn interest, but at a rate substantially lower than the rate of 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.

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, with 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 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 two bonds the town voted for in 2003 are a good illustration of this issue. The Brett School addition is being paid for by voters who will benefit from the expanded school size. On the other hand, the bond for the land fill closure is not being paid for by the set of taxpayers who used the dump, but by those who came after it was closed.

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	2013	2014	2015	2016	2017	2018	2019-22	Totals
Town Government	(17,000)	(8,000)	(75,000)	0	(75,000)	0	0	(175,000)
Fire Department	0	0	0	(384,000)	0	0	0	(384,000)
Police Department	(42,500)	(30,000)	(5,000)	0	(35,000)	0	0	(112,500)
Highway Department	(370,000)	(650,000)	(600,000)	(300,000)	(340,000)	(360,000)	(710,000)	(3,330,000)
Rescue Squad	0	0	0	(180,000)	0	0	0	(180,000)
Emergency Management	(13,000)	0	0	0	(14,000)	0	0	(27,000)
Parks & Recreation	(5,000)	(5,500)	0	0	0	0	0	(10,500)
Transfer Station	(74,164)	(72,203)	(70,242)	(68,281)	(66,321)	(64,360)	(237,832)	(653,401)
Cemetery Trustees	0	0	0	(20,000)	0	0	0	(20,000)
Cook Memorial Library	0	0	0	(23,529)	0	0	(52,000)	(75,529)
School District	(323,016)	(300,023)	(317,031)	(226,039)	(458,047)	(210,055)	(1,570,304)	(3,404,515)
Conservation Commission	0	0	0	0	0	0	0	0
Energy Commission	0	0	0	0	0	0	0	0
Economic Development Commission	0	0	0	0	0	0	0	0
Planning Board	0	0	0	0	0	0	0	0
Zoning Board Of Adjustment	0	0	0	0	0	0	0	0
Totals	(844,680)	(1,065,725)	(1,067,273)	(1,201,849)	(988,368)	(634,415)	(2,570,135)	(8,372,445)

Table 3.1 Capital Appropriations

Table 3.1 Capital Appropriations summarizes the spending listed in Table 4.0 Expense Detail by Department, and gives totals by department, by year. It is automatically generated from the detail in Table 4.0. This is the anticipated amount of spending required by the town to implement all of the listed projects. It does not include sources of income or funds added to capital reserves.

Chart 3.1 shows a graph of the appropriation totals for the six year period 2013-2018.

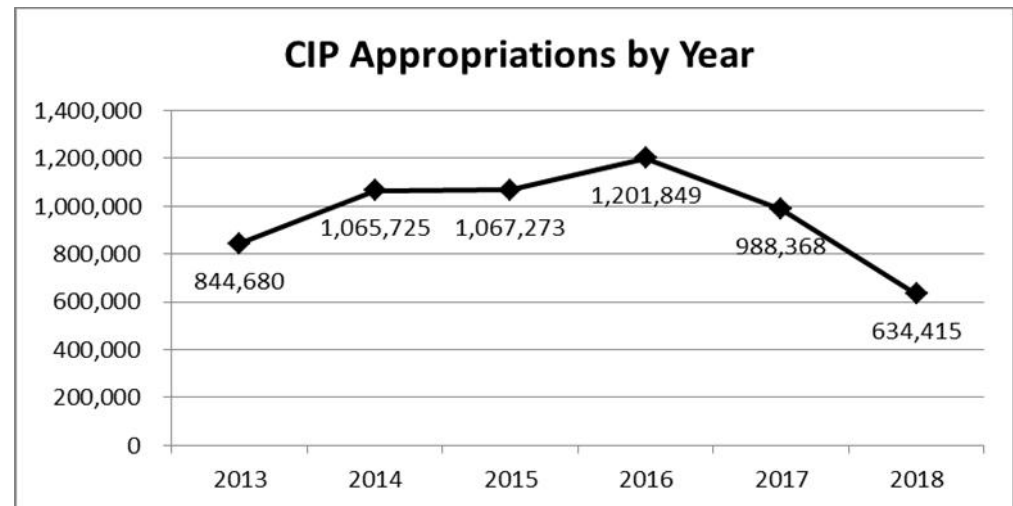


Chart 3.1 CIP Appropriations by Year 2013-2018

3.2 Capital Reserves & Other Sources of Funds

Table 3.2 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.

Capital Reserves & Other Funds	Balance as of 8/31/12	2013	2014	2015	2016	2017	2018	2019- 2022	Balance Remaining
Cook Memorial Library - Building CR	14,341								
Expended from CR					(14,341)				
Balance Remaining									0
Rescue Squad - Rescue Truck CR	49,856								
Expended from CR					(49,856)				
Balance Remaining									0
Highway - Bridge CR ¹	32,336								
Funds added to CR		100,000					300,000		
Expended from CR			(130,000)					(400,000)	
Balance Remaining									2,336
Highway - Trans. Maint. CR ²	26,300								
Balance Remaining									0
School -Reno. & Emerg. CR	65,384								
Balance Remaining									65,384
Emergency Management Performance Grants		15,250							
Town Office Generator (50%)		(5,000)							
Police Station Generator (50%)		(3,750)							
Emergency Mgmt. - Supply Trailer (50%)		(6,500)							
Balance Remaining									0
Totals	188,217	100,000	(130,000)	0	(64,197)	0	300,000	(400,000)	67,720

Table 3.2 Capital Reserves & Other Sources of Funds

Footnotes

1. 2012 Warrant Article #9 added \$100,000 to the Highway Bridge Capital Reserve. It's not in the 8/31/12 figure, but is reflected in Balance Remaining.
2. 2012 Warrant Article #5 closed the Highway Transportation Maintenance Capital Reserve. This change is reflected in Balance Remaining.

3.3 Funds Raised by Taxes

Department	2013	2014	2015	2016	2017	2018	2019-22*	Totals
Town Government	(12,000)	(8,000)	(75,000)	0	(75,000)	0	0	(175,000)
Fire Department	0	0	0	(384,000)	0	0	0	(384,000)
Police Department	(38,750)	(30,000)	(5,000)	0	(35,000)	0	0	(112,500)
Highway Department	(470,000)	(518,000)	(600,000)	(300,000)	(340,000)	(660,000)	(310,000)	(3,198,000)
Rescue Squad	0	0	0	(130,144)	0	0	0	(130,144)
Emergency Management	(6,500)	0	0	0	(14,000)	0	0	(27,000)
Parks & Recreation	(5,000)	(5,500)	0	0	0	0	0	(10,500)
Transfer Station	(74,164)	(72,203)	(70,242)	(68,281)	(66,321)	(64,360)	(237,832)	(653,401)
Cemetery Trustees	0	0	0	(20,000)	0	0	0	(20,000)
Cook Memorial Library	0	0	0	(9,188)	0	0	(52,000)	(61,188)
School District	(323,016)	(300,023)	(317,031)	(226,039)	(458,047)	(210,055)	(1,570,304)	(3,404,515)
Planning Board	0	0	0	0	0	0	0	0
Conservation Commission	0	0	0	0	0	0	0	0
Energy Commission	0	0	0	0	0	0	0	0
Economic Development Commission	0	0	0	0	0	0	0	0
Zoning Board Of Adjustment	0	0	0	0	0	0	0	0
Total Raised by Taxes	(929,430)	(933,725)	(1,067,273)	(1,137,652)	(988,368)	(934,415)	(2,170,135)	(8,176,248)

Table 3.3 Funds Raised by Taxes

Table 3.3 Funds Raised by Taxes combines appropriations and funds added to Capital Reserves as debits; and grants, donations, and funds expended from Capital Reserves as credits. The net amount is the total to be raised by taxes.

3.4 Estimated Tax Rate Impact

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

2012 Total assessed valuation with utilities: \$358,674,899

2012 Total assessed valuation without utilities: \$342,970,099

Assessed valuation with utilities used for this calculation. The estimated tax rate impact presented here is not an actual tax rate, and is for comparison purposes only. Please see Section 2.7 for a full explanation.

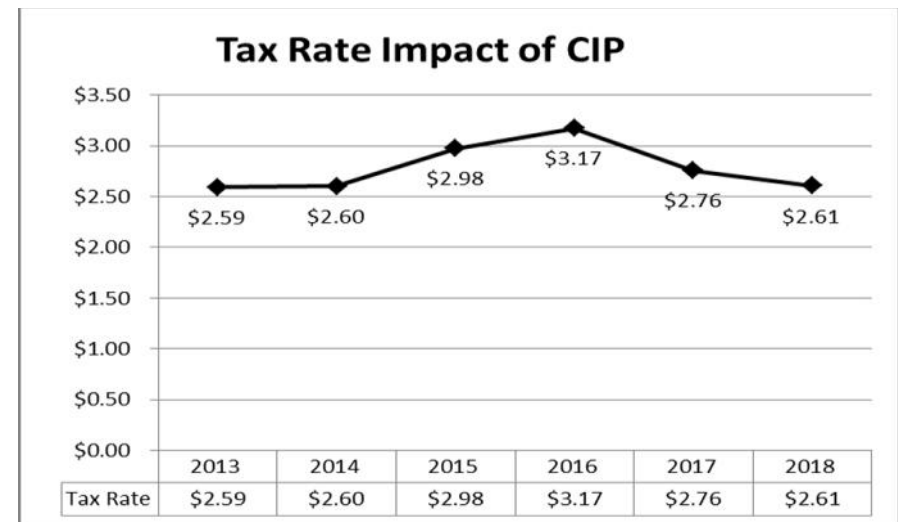


Chart 3.4 Tax Rate Impact of CIP

4.0 EXPENSE DETAIL BY DEPARTMENT

		Project or Equipment Description	RT	PR	2013	2014	2015	2016	2017	2018	2019-22	Totals
		TOWN GOVERNMENT										
TG	1	Increased Office Space in Town Office Building	C	2			(75,000)					(75,000)
TG	2	Property Revaluation	A	1	(7,000)	(8,000)						(15,000)
TG	3	Tax Map Revisions	C	3					(75,000)			(75,000)
TG	4	Town Office Generator	B	2	(10,000)							(10,000)
		FIRE DEPARTMENT										
FD	1	No 1 Hose Truck	B	1				(384,000)				(384,000)
		POLICE DEPARTMENT										
PD	2	2WD Cruiser - Unit 2 (2014)	B	1		(30,000)						(30,000)
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)
PD	5	Police Station painting & repairs	B	2			(5,000)					(5,000)
PD	6	Police Station Generator	B	2	(7,500)							(7,500)
		HIGHWAY DEPARTMENT										
HW	2	1 Single Axle 6 Wheeler Plow/Sand ---- Replace 2016 (Unit 1)	B	1				(130,000)				(130,000)
HW	4	1 Single Axle 6 Wheeler Plow/Sand ----Replace 2019-21 (Unit 2)	B	1							(135,000)	(135,000)
HW	5	1 Ton Truck	B	1		(70,000)						(70,000)
HW	7	1 Articulating Loader w/ Attachments ----Replace 2019-2021	B	1							(175,000)	(175,000)
HW	8	1 Grader	B	1			(300,000)					(300,000)
HW	9	Accessory Building	C	3		(100,000)						(100,000)
HW	10	Bridge Replacement (place holder)	D	4							(400,000)	(400,000)
HW	11	Road Reconstruction & Paving	B	1	(260,000)	(280,000)	(300,000)	(170,000)	(340,000)	(360,000)		(1,710,000)
HW	12	Cleveland Hill Road Reconstruction & Paving	B	2	(45,000)							(45,000)
HW	13	3/4 Ton Pickup	C	1	(35,000)							(35,000)
HW	14	Highway/Transfer Station Backhoe Replacement	B	1		(70,000)						(70,000)
HW	15	Power Screen	C	1	(30,000)							(30,000)
HW	16	Narrows Bridge	B	2		(65,000)						(65,000)
HW	17	Whittier Road /Stony Brook Bridge	B	3		(65,000)						(65,000)
		RESCUE SQUAD										
RS	1	Rescue Truck/Ambulance	B	1				(180,000)				(180,000)
		EMERGENCY MANAGEMENT										
EM	1	Supply Trailer	C	4	(13,000)							(13,000)
EM	2	Rescue/Transport watercraft, equipped	A	3					(14,000)			(14,000)
		PARKS & RECREATION										
PR	2	Skate Board Park (under consideration)										
PR	3	Rec Field playground expansion	C	3		(5,500)						(5,500)
PR	4	Tennis Court restoration	B	3	(5,000)							(5,000)

Capital Improvement Program 2013-2018

		Project or Equipment Description	RT	PR	2013	2014	2015	2016	2017	2018	2019-22	Totals
		TRANSFER STATION										
TS	1	Landfill: Closure Bond	A	1	(74,164)	(72,203)	(70,242)	(68,281)	(66,321)	(64,360)	(237,832)	(653,401)
TS	2	Redesign/Renovation/Paving (consideration)										
		CEMETERY TRUSTEES										
CM	1	Pave Chocorua Cemetery Roads	B	3				(20,000)				(20,000)
		COOK MEMORIAL LIBRARY										
CL	1	Carpeting Replacement	B	3				(11,289)				(11,289)
CL	2	Vinyl Siding	B	3				(12,240)				(12,240)
CL	3	Furnace	B	3							(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)
		SCHOOL DISTRICT										
SD	1	School Bond	A	1	(250,016)	(242,023)	(234,031)	(226,039)	(218,047)	(210,055)	(760,304)	(2,140,515)
SD	2	Building security for front door (p. 37)	D	3		(6,000)						(6,000)
SD	4	Roof Repairs (p. 33)	A	1	(50,000)				(60,000)			(110,000)
SD	6	HVAC (p. 39)	C	2	(8,000)		(40,000)					(48,000)
SD	7	Seal hose connection (p. 34)	A	1		(5,000)						(5,000)
SD	8	Cricket or other roof design, cafeteria (p.34)	C	1		(25,000)						(25,000)
SD	9	Exterior window frame sealant (p.34)	B	2		(5,000)						(5,000)
SD	10	Water heater options (p. 46)	D	2			(22,000)					(22,000)
SD	11	Inside locks for classrooms (p. 36)	D	4	(10,000)							(10,000)
SD	12	Replace student lockers (p. 37)	B	2	(5,000)	(10,000)						(15,000)
SD	13	Upgrade digital control system (p. 44)	D	4					(160,000)			(160,000)
SD	14	Replacing grease traps (p. 47)	B	2			(21,000)					(21,000)
SD	15	NFPA 13 Sprinkler system (p. 46)	D	3							(200,000)	(200,000)
SD	16	Ventilation, Noise, Energy Efficiency (p. 45)	D	4							(600,000)	(600,000)
SD	17	Glass Blocks in Gym wall (p. 35)	B	3							(10,000)	(10,000)
SD	18	Bathroom Vinyl floor Tiles (p. 35)	B	3					(20,000)			(20,000)
SD	19	Counter Tops (bathrooms and Sci Lab)	B	3		(7,000)						(7,000)
		CONSERVATION COMMISSION										
CC	1	None Planned										
		ENERGY COMMISSION										
EC	1	None Planned										
		PLANNING BOARD										
PB	1	None Planned										
		ECONOMIC DEVELOPMENT COMMISSION										
ED	1	None Planned										
		ZONING BOARD OF ADJUSTMENT										
ZB	1	None Planned										

5.0 PROJECT DESCRIPTIONS

The following descriptions refer to projects in Table 4.0 Expense Detail by Department:

TG Town Government

1. Increased Office Space in Town Office Project will create additional office and records storage space.
2. Property Revaluation corrects assessments to reflect true market value, or to equalize property values at the same variation from market value. Scheduled 2013-14 revaluation by statistical analysis.
3. Tax Map Revisions are periodically performed by NH municipalities.
4. Town Office Generator for Town Offices emergency use.

FD Fire Department

1. Hose Truck Purchase 2017 model 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. (Note: 2017 order to specifications requires funds appropriation in 2016)

PD Police Department

2. 2WD Cruiser - Unit 2 (2014) Vehicle is a 2010 Ford Crown Victoria, purchased in '09 to replace a totaled vehicle, used approximately 20,000-25,000 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 (probably with a Chevy Tahoe for improved gas mileage).
4. 4WD Cruiser - Unit 1 (2017) Vehicle is a 2012 Chevy Tahoe (2012 purchase). When replaced, the vehicle is scheduled to become the property of the Fire Department for use as a command vehicle and where needed.
5. Police Station Painting and Repairs Station House was put in service in 1995.
6. Police Station Generator will provide power for command center in emergencies and natural disasters.

HW Highway Department

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. Plate # G20985 VIN# 1HTWDDAAR19J101205
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. Plate # G20993 VIN# 1HTWDDAARX9J101204

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
7. Articulating Loader replacement estimated year/cost of replacement equipment (11-12 years of service) Plate# G20659 VIN#002165.
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 a place holder for future bridge replacement or repair. No specific bridges have been identified at this time.
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 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
15. Power Screen Materials screen to replace rental equipment.
16. Narrows Bridge replace/restore supporting beams
17. Whittier Road /Stony Brook Bridge Culvert/rebuild this redlisted bridge.

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.

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.
2. Rescue/Transport watercraft, equipped – for transport of victims and materials in emergencies resulting from natural disasters, and for Rescue Squad use in aquatic emergencies. Suitable for rising/moving water use.

PR Parks and Recreation Department

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.
3. Rec Field Playground Expansion One or two apparatus additions, and add elements for wider age range of users.
4. Tennis Court restoration Restore and reseal, replace equipment where necessary.

TS 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, and traffic flow and to reduce costs is being studied.

CM Cemetery Trustees

1. Pave Chocorua Cemetery Roads Repair and repave sections as needed.

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 "twinned" 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.

SD School District

Page numbers listed here and in Section 4.0 and Section 6.2 refer to the Turner Report, the School District's comprehensive capital improvement assessment and report.

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 (p. 37) installation of electrically locked doors will allow building-secured visitor access to the lobby/office.
4. Roof Repairs (p. 33) (2013) Replace both south classroom wing and cafeteria membrane roof with insulation and elastomeric roofing and poly-iso insulation. Roof Repairs (p. 33) (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.
6. HVAC (p.39) 2013 – 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.
2015 – Includes unit ventilators replacement with central HVAC units equipped with demand control ventilation, heat recovery, and low noise level operation design.
7. Seal Hose for Fire Department Connection (p.34) will repair unsealed exterior wall penetration and re-caulk expansion joints for water and sprinkler system connections.
8. "Cricket" or Other Cafeteria Roof Redesign (p.34) will design and install a cricket or alternative slope and flashing to stop leaking.
9. Exterior Window Frame Sealant (p.34) will remove and replace cracked, loose, and missing sealant.

10. Hot Water Heater Replacement (. 46) 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 (p.36) will provide new hardware to manually lock classroom doors in an emergency.
12. Replace Student Lockers (p.37) which are dented, unsuitable for current student backpacks, locks are failing.
13. Upgrade Digital Control System (p.44) to automate the system with advanced energy conservation building management control features.
14. Replace Grease Trap (p.47) to comply with NH ENV codes, including installing outdoor settling tank.
15. NFPA 13 Sprinkler System (p.46) 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 (p.45) 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 (p.35) Replace with alternative day lighting with a higher R-value.
18. Bathroom Vinyl Floor Tiles (p.35) Install seamless, slip-resistant rubber flooring to eliminate joints.
19. Replace counter tops Bathrooms and Science Lab rooms, where worn/pitted/cracked.

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.

EC Tamworth Volunteer Energy Commission

No capital projects planned at this time.

PB Planning Board

No capital projects planned at this time.

ED Economic Development Commission

No capital projects planned at this time.

ZB Zoning Board of Adjustment

No capital projects planned at this time.

6.0 RECOMMENDATIONS

6.1 Changes Recommended by CIP Committee

The CIP Committee recommends the following changes and additions to data submitted, in order to complete the report, and smooth out fluctuations in the expected tax rate impact. Department initials and line numbers refer to Table 4.0 Expense Detail by Department and Section 5.0 Project Descriptions.

HW.11	Change 2016 from \$320,000 to \$170,000 for Road Reconstruction & Paving.
HW.16/17	Change 2014 from \$250,000 to \$130,000 for Bridge Replacement.
HW.CR	Change 2014, 2015, 2016, and 2017 to \$0 and add \$300,000 to 2018 for funds added to Bridge Replacement Capital Reserve.
PR.4	Round 2013 from \$4,850 to \$5,000 for Tennis Court Restoration.
RS.1	Round 2016 from \$179,734 to \$180,000 for Rescue Truck/Ambulance.
SD.13	Move \$160,000 from 2015 to 2016 for Upgrade digital control system.

6.2 Recommended Warrant Articles for 2013

The CIP committee recommends the following items be included on the 2013 Town and School Meeting warrants, to implement this Capital Improvement Program. Department initials and line numbers refer to Table 4.0 Expense Detail by Department and Section 5.0 Project Descriptions.

The items listed below total:

Town Budget	\$521,664
School Budget	\$323,016

Town Government

TG.2	Include \$7,000 for Property Revaluation
TG.4	Include \$10,000 for Town Office Generator

Police Department

PD.3	Include \$35,000 for 4WD Cruiser - Unit 3
PD.6	Include \$7,500 for Police Station Generator

Highway Department

HW.11	Include \$260,000 for Road Reconstruction & Paving
HW.12	Include \$45,000 for Cleveland Hill Road Reconstruction & Paving

Capital Improvement Program 2013-2018

- HW.13 Include \$35,000 for 3/4 Ton Pickup
- HW.15 Include \$30,000 for Power Screen
- HW.CR Add \$100,000 to the Highway Bridge Capital Reserve

Emergency Management

- EM.1 Include \$13,000 for Supply Trailer

Parks & Recreation

- PR.4 Include \$5,000 for Tennis Court restoration

Transfer Station

- TS.1 Include \$74,164 for Landfill: Closure Bond

School District

- SD.1 Include \$250,016 for School Bond
- SD.4 Include \$50,000 for Roof Repairs (p. 33)
- SD.6 Include \$8,000 for HVAC (p. 39)
- SD.11 Include \$10,000 for Inside locks for classrooms (p. 36)
- SD.12 Include \$5,000 for Replace student lockers (p. 37)