TOWN OF SUTTON
NEW HAMPSHIRE

CAPITAL IMPROVEMENT PROGRAM
2005-2010

ADOPTED
XXXXXXXXXX
SUTTON PLANNING BOARD

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Certificate of Adoption

In accordance with New Hampshire RSA 674:5-8, Capital Improvement Program, and RSA 675:6, Method of Adoption, the Sutton Planning Board, having held a duly noticed public hearing on XXXXX hereby adopts and certifies this Capital Improvement Program for 2005-2011.

_____	_____
Daniel Sundquist, Chair	Robert White, Member
_____	_____
Stephen Enroth, Applications Secretary	John Sullivan, Member
_____	_____
Robert Wright, Jr. Board of Selectmen Ex-Officio	Marnee Saltalamacchia, Alternate
_____	_____
John Csutor, Member	Joseph Burns, Alternate
_____	_____
Naia Conrad, Member	Carol Rowe, Alternate

This document was received and recorded by the Town Clerk on _____.

_____
Sutton Town Clerk

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Emilio Cancco-Bello, School Board Member, Kearsarge Regional School District

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Paul Parker, Road Agent

Elly Phillips, Board of Selectmen Administrative Assistant

Walter Simonds, Solid Waste Supervisor

Patrick Tighe, Chief of Police

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CAPITAL IMPROVEMENT PROGRAM (CIP) REPORT OVERVIEW

Introduction

In a municipality where the Planning Board has adopted a Master Plan, RSA 674:5 enables the local legislative body to 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."

Some guidance regarding the purpose and description of a Capital Improvement Program (CIP) is given in RSA 674:6. The CIP should prioritize projects according to the urgency and need for realization, estimate the costs and probable funding sources of each project, and recommend a time sequence for implementation. "The program shall be based on information submitted by the departments and agencies of the municipality and shall take into account public facility needs indicated by the prospective development shown in the Master Plan of the municipality or as permitted by other municipal land use controls."

In addition, RSA 674:22 requires adoption of a CIP prior to the adoption of a Growth Management Ordinance. In this context, the CIP is a document that provides the schedule of improvements needed in a municipality to accommodate growth. The CIP states the intention of the municipality to provide a particular service or improvement when it has the financial capacity to pay for it.

Similarly, the CIP can help to determine whether a subdivision is scattered and premature (RSA 674:36II(a)) due to the lack of available services.

The CIP is intended to analyze each of the public facility needs of the town and school departments, and to schedule improvements over time to effectively manage capital expenditures. It is a policy document that makes recommendations to municipal officials regarding capital expenditures. When implemented, the CIP can help to eliminate major fluctuations in municipal expenditures while meeting the demands placed on municipal services by anticipated growth.

Although the CIP does not have the force of law, RSA 674:8 requires the Planning Board to submit its recommendations for the current year to the Board of Selectmen and the Budget Committee for consideration as part of the annual budget.

The introductory section of the CIP will also define a capital improvement. This definition will vary depending on the size and budget of the municipality. A definition used by many New Hampshire towns is that a capital improvement must cost more than $10,000 and have a useful life of two years or more.

The scope of the CIP is usually six years, as recommended by state statute. In determining priorities for the six-year period, some projects will not be included in the

CIP. Additionally, priorities may fluctuate over time due to changing conditions. For these reasons, the CIP should be updated annually. Completed projects should be removed, the status of pending projects examined, and new projects should be added.

Financial Analysis

This section of the CIP is intended to analyze recent trends in Sutton's growth and corresponding relationships to public expenditures. Population, capital and operating expenditures, and tax rates are analyzed for the previous 5-10 years.

Operating expenses are paid each year as they are incurred, and little control can be placed over them. However, a comparison of the increases in population and operating expenses can provide an estimate of how operating costs will increase with projected future population.

Operating expenses are also compared to capital expenditures over the previous five-year period to monitor fluctuations in the proportion of the annual budget committed to capital expenditures. Operating costs and capital spending can be calculated on a per capita basis. This can provide some guidance in estimating the municipality's capability and willingness to fund capital projects.

School district and county tax assessments are beyond the control of the local municipal government. However, these expenditures should also be analyzed over the same 5-10 year period to reveal trends and make projections.

Sources of information for this section include annual municipal budget reports, school district reports, county reports, and town reports, as well as population and housing projections from the New Hampshire Office of Energy and Planning and US Census. Building permit data was obtained from the Town.

To determine anticipated financial capacity, sources of revenue must also be analyzed. In many cases, the proportion of federal and state dollars received by a municipality is decreasing. These costs are usually shifted to property owners either through property taxes or user fees.

The tax assessor can provide projections of equalized valuation for the municipality during the timeframe of the CIP. State statutes allow municipalities to bond up to 1.75% of their equalized valuation, and school districts up to 7% of their equalized valuation. Total bonding capacity minus outstanding debt will determine the available bonding capacity to finance capital expenditures during the CIP period.

Property tax revenues can be estimated by applying a maximum acceptable tax rate to the projected equalized valuation. By combining available bonding capacity with anticipated property tax revenues, an estimate of the available capital budget is achieved.

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Capital improvements are generally funded in five ways: (1) current revenue, (2) general obligation bonds, (3) revenue bonds, (4) capital reserve funds, and (5) special revenue sources.

1. Current Revenue: The most commonly used method of financing capital projects is through the use of current revenues. Current revenue is the money raised by local property taxes for a given year. When a project is funded with current revenues, its entire cost is paid off within one year. Projects funded with current revenues are customarily lower in cost than those funded by general obligation bonds. If the town has the financial capacity to pay for a project in a given year, the cost to the taxpayer will be less than if bonded because there are no interest payments to be made. However, making capital acquisitions with current revenues result in higher taxes for the year of purchase.

2. General Obligation Bonds: These bonds are used to finance major capital projects. They are issued for a period of time ranging from five years to twenty years, during which time principal and interest payments are made. They are secured by the government's power to tax and paid for by property taxes. Time payments have the advantage of allowing the capital expenditures to be amortized over the life of the project and of avoiding the property tax peaks that result from capital purchases made from current revenues. On the other hand, they do commit resources over a long period of time, decreasing the flexibility of how yearly revenues can be utilized.

3. Revenue Bonds: These bonds are issued to finance a revenue producing facility, such as water and sewer systems. Revenue bonds differ from general obligation bonds in that, while the town secures them, they are paid for out of revenues generated by the improvement being financed. Thus, a water distribution system improvement funded through revenue bonds would be paid for by revenue received from water users. The floating of these bonds is therefore paid for by user fees, with no local tax money involved.

4. Capital Reserve Funds: Since many capital projects involve considerable expenditures, it is often advantageous to set aside general revenue over a period of years in order to make a purchase. The resulting capital reserve fund can be “general purpose”, with its use determined at a later date, or “specific”, with its purpose set out initially. 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.

5. Special Revenue Sources: This category includes projects financed by user fees, intergovernmental transfers, and gift/donations.

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Summary of Proposed Projects

To identify needed capital projects, department heads and officials are surveyed. Information requested in such a survey should include: project description, estimated cost, proposed financing (bond, user fees, general fund, capital reserve, etc.), estimated annual operating cost, schedule (start and finish of construction), and priority of the project within the department requesting it.

Requested projects should be reviewed to assure consistency with the Community Facilities, Transportation, and Future Land Use sections of the Master Plan. Any deficiencies in community facilities and roads, as shown in these sections, should be addressed in the CIP to know when existing deficiencies will be corrected by capital improvements, and when the community has the financial capacity to pay for them.

Schedule of Capital Expenditures

With all of the data gathered, the Planning Board can proceed to develop a schedule of capital expenditures over time based on priorities and available capital. Each year's capital spending should be affordable and proportionate to capital spending during previous years. The schedule should avoid large yearly fluctuations in capital spending. The cumulative effect of expenditures on the tax rate should be analyzed.

Prior to public hearings, the draft CIP schedule should be submitted to department heads and officials for comment. The methods of project selection should be clearly described.

Public comment should then be solicited on the draft CIP. A well-informed public will be more receptive to capital spending if it is well planned and documented. Provisions for updating the CIP, as described above, should also be included in the document.

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Process for the CIP

Approval of 2005 Master Plan

- Sutton Planning Board is scheduled to complete the Master Plan in early 2005, with preliminary adoption of Chapters beginning in August 2004. The 2005 Master Plan is much more comprehensive in scope than 1988 Master Plan.

Authorization from Annual Meeting

- The Planning Board received approval at the March 1988 Annual Town Meeting to create a Capital Improvements Program in accordance with NH RSA 674:5-8.

Development and Adoption of Evaluation Criteria

- Ranking and evaluation criteria is preliminarily developed.

Solicitation of Projects from All Municipal/School Departments and Committees

- Planning Board sends information and application materials to all Town Department heads, Board/Commission Chairs, and the School Boards. Department heads, Boards, and Committees submit requests with department priority ranking, estimated costs, and identification of how each project/purchase is to be funded.

- The Town collects requests and the Central NH Regional Planning Commission (CNHRPC) conducts preliminary analysis of the annual financial impact of the requests. Data is then submitted to the Planning Board for ranking.

Ranking of Project Requests

- Planning Board holds an informal hearing with each department head/committee chair to discuss requests, as needed. After presentations are completed, each member of the Planning Board ranks each request based on their understanding of ranking criteria and upon their understanding of municipal priorities.

- Adjustments in scheduling over the six-year time period (2005-2010) are negotiated in order to minimize increases in the tax rate.

- The Planning Board develops a final recommended list of projects, as well as scheduling, and holds a public hearing on the document for adoption.

- Once adopted, the CIP is filed with the Town Clerk, and copied to all Town Committees and Departments, the Budget Committee, and the School Boards.

Annual Update

- Following the annual Town Meeting, the CIP Process is repeated. Projects are re-evaluated and re-ranked according to criteria approved by the Planning Board.

FINANCIAL ANALYSIS

Population and Housing

Since 1994, the Town of Sutton has seen an increase in both population and the number of new housing units being built within the community. Such increases should raise the valuation of the town, as well as the capital and operating budgets. The table below shows the increase of population and building permits from 1994-2003.

	Population Estimates	Building Permits for New Residential Construction
1994	1,472	6
1995	1,478	2
1996	1,472	4
1997	1,489	0
1998	1,479	4
1999	1,500	17
2000	1,544	25
2001	1,600	17
2002	1,629	33
2003	1,686	33

Source: NH Office of Energy and Panning, Annual Town Reports, Board of Selectmen's Office

Equalized Valuation and Tax Rates

Equalized valuation, or equalization, is an adjustment of the town's local assessed values, in order to approximate the full value of the town's property. Each year, the NH Department of Revenue Administration (NH DRA) equalizes the property values for every city and town. This process is due to an imbalance caused by varying local assessment levels. Adjusting these values among towns is the only way for statewide consistency. The total value of all property in town is adjusted based upon the comparison of recent property sales with local property assessments. Once property values have been equalized, public taxes and state revenues shared by towns and cities may be fairly apportioned among them. This includes State education property taxes and county taxes.

As generated statistics, equalization ratios are used when revaluation companies are planning their work and are used by assessing officials to periodically check the validity of assessments. Ratios are computed using properties that have sold during the period, the prices the properties actually sold for are compared to the values listed on the assessment cards. The median ratio in a listing of properties is selected to represent the equalization ratio in a town because it gives equal weight to all properties regardless of selling price. The ratio can help towns judge when revaluation should occur and how the town compares with other municipalities.

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Equalization and Tax Information, 2000-2004

	Modified Local Assessed Valuation	Total Equalized Valuation *	Total Tax Rate	Equalization Ratio	Full Value Tax Rate
2000	$112,487,838	$118,886,457	$20.98	0.95	$19.73
2001	$116,359,819	$137,886,531	$21.98	0.84	$18.41
2002	$118,792,487	$160,082,483	$25.02	0.74	$18.49
2003	$191,979,351	$191,789,351	$17.51	1.00	$17.51
2004	$197,835,067				

Source: NH Department of Revenue Administration, Board of Selectmen's Office
*Including Utilities

The full value tax rate is the equalized tax rate for a town. Contrary to popular belief, the town's equalization ratio cannot be applied directly to the local assessed rate to equal the full value tax rate since other variables are involved. This full value tax rate permits comparisons to other towns in the state for apportionment purposes.

The full value tax rates are derived by the NH DRA. The NH DRA develops the Full Value Tax Rate as a way to compare tax rates among New Hampshire communities. To determine the full value tax rate, the NH DRA compares each municipality's tax rate with its net valuation.

The following tables break down the components within the Full Value Tax Rate and the Full Value Tax Rates of abutting communities for 2004.

	County Tax	Town Tax	Local School Tax	State School Tax	Total Tax Rate	Full Value Tax Rate
2000	$1.94	$6.60	$6.51	$5.93	$20.98	$19.73
2001	$2.45	$7.18	$6.69	$5.66	$21.98	$18.41
2002	$2.63	$7.71	$8.88	$5.80	$25.02	$18.49
2003	$1.70	$5.47	$6.81	$3.53	$17.51	$17.51
2004						

Source: New Hampshire Department of Revenue Administration, Board of Selectmen's Office

2004 Full Value Tax Rate Comparison

Towns	Full Value Tax Rate
Sutton	
Bradford	
New London	
Newbury	
Warner	
Wilmot	

Source: New Hampshire Department of Revenue Administration, 2004

Municipal Expenditures and Tax Impact

Looking at past capital expenditures, which include major building, equipment, or special project expenses, as well as bond payments and capital reserve fund allocations for town and school purposes, we can gather a more accurate picture of the tax implications from 2000-2004. As can be seen below, the capital expenditure portion of the tax rate has averaged XX from 2000-2004.

2000-2004 Capital Expenditures

	Total Town Appropriations for Capital Expenditures	Net Assessed Valuation*	Tax Rate for Capital Expenditures
2000	$226,027	$112,332,838	$2.01
2001	$739,400	$115,945,219	$6.38
2002	$422,077	$118,602,487	$3.56
2003	$743,400	$191,789,350	$3.88
2004	$364,500		

Source: Town Reports, Board of Selectmen's Office
* Modified local assessed valuation minus exemptions

When looking at the capital expenditure budget as a portion of the overall municipal budget, it can been seen that over the past 5 years it has varied from a high of 39.5% to a low of 16.9% of the total budget.

Town Budget Comparison, 2000-2004

	2000	2001	2002	2003	2004
Total Town Appropriations for Capital Expenditures	$226,027	$739,400	$422,077	$743,400	$364,500
Total Municipal Budget*	$1,341,400	$1,873,342	$1,690,156	$2,026,944	$1,785,069
Capital Budget as % of Total Budget	16.9%	39.5%	25.0%	36.7%	20.4%

Source: Board of Selectmen's Office
* This does not look at the county or state education costs

PROJECT OVERVIEWS

In preparing this document, the Planning Board surveyed all Town Departments and Committees, as well as the Kearsarge Regional School District School Board for information on the current adequacy and needs of their facilities and equipment, and identification of future needs for expansion, improvements, and additions. Submissions were received back from eight Departments for inclusion into the CIP.

Using the data that was submitted by Department Heads for this document, the Planning Board identified 26 items to be included in the Capital Improvements Program for the 2005-2010 period. The proposed projects address the need to correct deficiencies in the Town's infrastructure and services, as well as meet the service needs generated by increased population growth and development. The following is a summary of all projects reviewed by the Planning Board to be included in the CIP 2005-2010.

Department Project Title and Description	Proposed Year	Estimated Cost[1]
Board of Selectmen		
Facilities Study Study to look at existing space for Town Departments, future needs, and appropriate siting of new or the expansion of existing facilities	2005	$20,000
Town History Capital Reserve Fund To help update the Sutton Town History, which is being done by the Sutton Historical Society	2005-2010	$3,000 per year
Town History Pay for the first phase of the Town History	2005	$10,000
Property Revaluation A complete revaluation will be necessary in 2007	2005-2007	$20,000 per year
Digital GIS Tax Mapping To have the town tax maps digitally mapped, renumbering the parcels, linked to the assessors database, and annually updated	2010	$50,000
Expendable Trust Computer Equipment	2005-2010	$1,500 per year
Expendable Trust For the purchase of property for Town office/departments	2005-2010	$5,000 per year
Expendable Legal Fund Fund for unanticipated legal expenses	2005-2010	$2,500 per year

[1] The estimated cost is that of the entire project, not necessarily what the cost to the taxpayers will be. This figure does not take into consideration funding from grants, capital reserve funds, or user fees which would be used in addition to property taxes to pay for the capital expenditure.

Department Project Title and Description	Proposed Year	Estimated Cost
Police Department		
New Police Station Add a Police Station onto the existing Fire Station	2005	$200,000
Police Cruiser Replace 2003 Crown Victoria Police Cruiser	2007	$28,279
Police Cruiser Replace 2004 Crown Victoria Police Cruiser	2009	$28,279
Highway Department		
Road Projects Funding for the ongoing maintenance of Town-roads	2005-2006	$155,600 per year
Road Projects Funding for the ongoing maintenance of Town roads	2007	$160,000
Road Projects Funding for the ongoing maintenance of Town roads	2008-2009	$165,000 per year
Road Projects Funding for the ongoing maintenance of Town roads	2010	$175,000
Expendable Trust Property, building, and equipment maintenance and repairs	2005-2010	$2,000 per year
Pick-Up Truck Replace 1999 Pick-up truck	2005	$25,000
Dump Truck New dump truck with dump body, snow plow and frame, wing (high post) and frame	2008	$150,000
Dump Truck Replace F-550 Ford dump truck. Complete with body, snow plow, sander, and lights	2010	$75,000
Highway Facility Capital Reserve Fund Funding for new Highway Department Facility – land acquisition, design, and construction	2005-2010	$50,000 per year
Town Bridge Capital Reserve Fund Repair Town bridges to meet safety standards	2005-2010	$25,000 per year
Grader Capital Reserve Fund Funding for the purchase of a new grader	2005-2010	$120,000
Loader Capital Reserve Fund Funding for purchase of a new loader	2005-2010	$120,000
Pick-Up Truck Capital Reserve Funding for purchase of new pick-up truck	2006-2010	$6,000 per year

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Department Project Title and Description	Proposed Year	Estimated Cost
Solid Waste Department		
Backhoe Capital Reserve Fund Capital reserve fund for the purchase of a backhoe	2005-2010	$5,000 per year
Fire Department		
Expendable Trust Building and Property Maintenance	2005-2010	$2,000 per year
Capital Reserve Fund Capital Reserve Fund for Equipment Purchases	2005-2010	$15,000 per year
Forest Fire Equipment Capital Reserve Fund Capital Reserve Fund for Equipment Purchases	2005-2010	$250 per year
Cemeteries		
Expendable Trust Property maintenance	2005-2011	$1,000 per year
Library		
Expendable Trust Property and building maintenance	2005-2010	$1,000 per year
Planning Board		
Land Conservation Capital Reserve Fund Capital Reserve Fund for Land Conservation Purchases and Associated Costs	2005-2010	$30,000 per year

The original applications are on file in the Town Hall. The applications give additional detail on the impacts to the operating budget and the methods anticipated to fund each of the applications.

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Bond Payment Schedule

Other capital expenses in the CIP include annual municipal and school bond payments. The schedule for the current municipal bond payments is listed below. At this time, there are no school bonds that the Town of Sutton is obligated to pay for. However, with the Kearsarge Regional School District proposing a new middle school to be built, the Town of Sutton can anticipate having to make bond payment if this construction is approved.

The Municipal Finance Act (RSA 33:4a and 4b) establishes the limit of bonded indebtedness a municipality can incur for municipal expenses (1.75% of the equalized valuation) and for school improvements (7.0% of the equalized valuation). Water projects, the portion of sewer projects financed by users, and tax anticipation notes are excluded from the calculation of indebtedness. Towns participating in a cooperative school district can incur bonded indebtedness up to 10% of its equalized valuation.

Years	Total Amount of Bond
	Landfill Closure
2005	$19,189
2006	$19,368
2007	$19,551
2008	$19,738
2009	$19,930
2010	$0.00

The annual payments for each bond vary based on the principal and interest due each fiscal year. The method of paying these bonds includes property tax, user fees, grants, and other towns that benefit from the bonds (i.e. Kearsarge Regional School).

Capital Reserve Fund and Expendable Trust Schedule

In addition to the capital expenditures and bond payments, the capital improvement program lists capital reserve funds that are to be established and/or added to over the course of the CIP. The existing capital reserve funds, as well as the capital reserve funds to be added to or established for 2005-2010, are listed below.

Existing Capital Reserve Funds

Capital Reserve Fund	Amount
Forest Fire Equipment	$3,050.31
Rescue Vehicle	$93.91
Solid Waste/Transfer Station	$2,002.83
Recycling Facility	$28,762.46
Highway Equipment	$3,588.38
Town Bridges	$80,448.80
Highway Garage	$168,578.05
Highway Pick-up Truck	$26,297.16
Highway Grader	$31,167.28
Highway Loader	$31,167.28
Revaluation	$13,037.45
Town History	$11,195.79
Cemeteries	$213.52
Police Cruiser	$6,500.91

Source: Board of Selectmen's Office

2005-2010 Capital Reserve Funds

	2005	2006	2007	2008	2009	2010
Fire Department Equipment	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000
Forest Fire Equipment	$250	$250	$250	$250	$250	$250
Property Revaluation	$20,000	$20,000		-	-	-
Town Bridge	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Highway Facility	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Highway Department Equipment	-	$50,000	$50,000	-	$37,500	-
Town History	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Highway Grader	$15,000	-	$15,000	$30,000	$30,000	$30,000
Highway Loader	$15,000	-	$15,000	$30,000	$30,000	$30,000
Highway Pick-up Truck	-	$6,000	$6,000	$6,000	$6,000	$6,000
Digital GIS Mapping	-	$10,000	$10,000	$10,000	$10,000	
Solid Waste Department Backhoe	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
Conservation Land	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000

The purpose of establishing capital reserve funds is to lessen the fiscal impact of a purchase/project in any one given year. By spreading the cost over a few years, the tax impact to the community will be lessened but still allow such a purchase/project to happen.

In addition to establishing capital reserves for equipment purchases, expendable trusts have been established for building and equipment maintenance for several departments, as can be seen below.

Building and Equipment Maintenance Expendable Trusts/Capital Reserve Funds

	2005	2006	2007	2008	2009	2010
Fire Department Building/Property Maintenance	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
Highway Department Building, Equipment, and Property Maintenance	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
Town Hall Computer Equipment	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
Cemetery Property Maintenance	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Library Property and Building Maintenance	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000

There have also been expendable trust established for expenses that occur but the timing of which can not be guaranteed, such as legal expenses and opportunistic property acquisition.

Expendable Trusts

	2005	2006	2007	2008	2009	2010
Town or Department Property Purchase	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
Legal Fund	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500

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CIP Project Rankings and Department Priorities

One of the most difficult aspects of preparing a CIP is the scheduling and evaluation of the proposed projects. The following ranking system was developed to assist the Planning Board in evaluating the proposals submitted. Each project/purchase was assigned a priority using a set of eight, equally-weighted ranking criteria by the applicant. These criteria are as follows:

1) Removes imminent threat to public health or safety
2) Alleviates substandard conditions or deficiencies
3) Responds to federal or state requirement/mandate
4) Improves quality/efficiency of existing services
5) Provides additional capacity to meet needs of growth
6) Reduces long-term operating costs
7) Provides incentive for economic development
8) Project is eligible for matching funds

All criteria have equal value. If a project satisfied a criteria, it received a score of "1." Alternatively, if a project did not meet a particular criteria, it received a "0." The maximum total score any project could receive was eight.

After reviewing all of the applications submitted by Town and School Departments, the Planning Board used the priority ranking system and the Department priority listed on the application. The Board ranked each application against those within the same fiscal year, and then made modifications, where necessary, by placing each project into the appropriate fiscal year based upon budgetary considerations, department priorities, and project rankings.

For a majority of project/purchase applications, projects were generally scheduled within the requested fiscal years for funding based upon the final priority ranking, their impact to the local tax rate during the recommended fiscal year, and previously planned expenditures by Departments.

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Schedule of Capital Expenditures

It is important to realize that the CIP and its projected financial impacts are first and foremost advisory and hold no legal commitment for the Town to undertake such expenditures. Secondarily, it serves as a planning process in order to stabilize the tax rate while improving safety and providing essential services by identifying when (and at what cost) the tax impacts may come into effect without further planning.

On the charts that follow, a schedule has been laid out for 2005-2010 for all known capital expenditures, bond payments, and capital reserve funds at the time of writing this document. Much deliberation was undertaken by the various municipal and school departments and Planning Board to ensure that the needs of the town, in terms of services and fiscal impact, were taken into consideration.

The dollar amounts listed in the schedule assume that every one of the projects or purchases within a particular year will be fully funded through a vote at that particular Town Meeting. The numbers below are a prediction of what may be in store within the next six years if the status quo of the Town is retained through 2010. By planning for these projects now, the Town will be working to ultimately keep the municipal tax rate stable over the coming years.

Averaging the growth of net valuations between 2000 through 2004, a percentage change of X% was generated. Using the net valuation in 2004 ($XXXXX) as a baseline, annual net valuations were estimated at X% growth over each of the years the CIP covers (2005-2010). Using this methodology, the Estimated Tax Rate for capital expenditures was developed.

2005-2010 Capital Expenditure Impact

	Total Tax Impact for Capital Expenditures	Net Assessed Valuation Est.	Estimated Tax Rate for Capital Expenditures
2005	$584,212		
2006	$400,355		
2007	$443,680		
2008	$450,050		
2009	$465,983		
2010	$391,750		

The tables that follow list all proposed capital expenditures per fiscal year, their cost, and sources of funding.

SEE SPREADSHEET

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Appendix A

SUTTON 2005-2010 CAPITAL IMPROVEMENTS PROGRAM (CIP)

PROJECT/PURCHASE REQUEST APPLICATION

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Sutton Master Plan and 2005-2010 Capital Improvements Program (CIP)
Project / Purchase Request Application

Please complete a copy of this form for **EACH CAPITAL EXPENDITURE** you anticipate your department/committee would want to make during the next six years (2005-2010). A capital expenditure is defined as any project or item with a minimum gross cost of $10,000, has a useful life of 2 or more years, and is not normally included in the operating budget. Please refer to the cover letter for typical examples of capital items/projects.

You may make additional copies of this form and supplemental information for each project/purchase is welcome.

Please submit all requests to the **TOWN HALL BY AUGUST 9TH**.
If you have questions, contact Laura Scott, CNHRPC, at 226-6020.

Department/Committee: _____ **Department/Committee Priority** _____ **of** _____**, FY 200**____

1. Project/Purchase Title: _____

2. Scope of Project/Purchase (please check one)

	Primary effect of project/purcha
☐	Replace or repair existing facilities or equ
☐	Improve quality of existing facilities or equ
☐	Expand capacity of existing service level /
☐	Provide new facility or service (

3. Expected life of project/purchase (years): _____

4. Project/Purchase Description: _____

_____

_____

_____

_____

_____

_____

_____

Form Prepared by: _____ **Title:** _____

Department/Committee: _____ **Date:** _____

5. Rationale for Project/Purchase: Please rank project using the eight (8) equally weighted criteria below. For each that applies, please indicate with a "1" in the box next to the criteria. For criteria that are not applicable, please indicate "0". Maximum total score is 8.

	Removes imminent threat to public health or safety
	Alleviates substandard conditions or deficiencies
	Responds to a federal or state requirement/mandate
	Improves quality / efficiency of existing services
	Provides additional capacity to meet needs of growth
	Reduces long-term operating costs
	Provides incentive for economic development
	Project/purchase is eligible for matching funds
	TOTAL SCORE (Add lines 1 - 8)

6. Project/Purchase History: _____

_____

_____

_____

_____

_____

_____

7. Estimated Cost: Please provide an itemized estimated cost for project/purchase using the following table. Please attach any formal cost estimates which you may have received from architects, engineers, real estate appraisers, or sales persons to this sheet. Please round all estimates to nearest $100.00.

	Planning & Feasibility Analysis Costs
	Architectural & Engineering Costs
	Real Estate Acquisition (Land & Buildings)
	Site Preparation Costs
	Construction Costs
	Furnishings
	Vehicles and Equipment Costs
	Other Costs (list):
	Total Dollar Amount of Project/Purchase

8. Impacts on Operating and Maintenance Expenses: Please indicate if proposed project/purchase will impact any of the following.

Does project/purchase require addition of additional full-time / part-time staff? If so, please explain:

_____

_____

_____

Does project/purchase necessitate increase in maintenance budget of department? If so, please explain:

_____

_____

_____

Does project/purchase reduce the number of full-time / part-time staff? Yes No

Does project/purchase decrease maintenance or other costs over time? Yes No

Estimated Total Dollars **Additional** Impact to Operating Budget $_____

Estimated Total Dollars **Reduction** in Operating Budget $_____

9. Sources of Funding: Using the table below, please indicate sources of funding for proposed project/purchase. Please round to nearest $100. If applicable, attach any additional information to this sheet.

	Grant from:
	Loan from:
	Donation / Bequest / Gift / Trust Fund
	User Fees
	Capital Reserve Fund Withdrawal
	Property Tax
	Bonds
	Total (should equal Total Dollar Amount of Project/Purchase)

Please attach any additional information to this Application.
Return to Town Hall by August 9th.

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Appendix B

STATE OF NEW HAMPSHIRE REVISED STATUTES ANNOTATED
LOCAL LAND USE PLANNING AND REGULATORY POWERS

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674:5 Authorization

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. As an alternative, the legislative body may authorize the governing body of a municipality to appoint a capital improvement program committee, which shall include at least one member of the planning board and may include but not be limited to other members of the planning board, the budget committee, or the town or city governing body, to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years. The capital improvements program may encompass major projects being currently undertaken or future projects to be undertaken with federal, state, county and other public funds. The sole purpose and effect of the capital improvements program shall be to aid the mayor or selectmen and the budget committee in their consideration of the annual budget.
Source. 1983, 447:1, eff. Jan. 1, 1984. 2002, 90:1, eff. July 2, 2002.

674:6 Purpose and Description

The capital improvements program shall classify projects according to the urgency and need for realization and shall recommend a time sequence for their implementation. The program may also contain the estimated cost of each project and indicate probable operating and maintenance costs and probable revenues, if any, as well as existing sources of funds or the need for additional sources of funds for the implementation and operation of each project. The program shall be based on information submitted by the departments and agencies of the municipality and shall take into account public facility needs indicated by the prospective development shown in the master plan of the municipality or as permitted by other municipal land use controls.
Source. 1983, 447:1, eff. Jan. 1, 1984.

674:7 Preparation
I. In preparing the capital improvements program, the planning board or the capital improvement program committee shall confer, in a manner deemed appropriate by the board or the committee, with the mayor or the board of selectmen, or the chief fiscal officer, the budget committee, other municipal officials and agencies, the school board or boards, and shall review the recommendations of the master plan in relation to the proposed capital improvements program.

II. Whenever the planning board or the capital improvement program committee is authorized and directed to prepare a capital improvements program, every municipal department, authority or agency, and every affected school district board, department or agency, shall, upon request of the planning board or the capital improvement program committee, transmit to the board or committee a statement of all capital projects it proposes to undertake during the term of the program. The planning board or the capital improvement program committee shall study each proposed capital project, and shall advise and make recommendations to the department, authority, agency, or school district board, department or agency, concerning the relation of its project to the capital improvements program being prepared.
Source. 1983, 447:1. 1995, 43:1, eff. July 2, 1995. 2002, 90:2, eff. July 2, 2002.

674:8 Consideration by Mayor and Budget Committee
Whenever the planning board or the capital improvement program committee has prepared a capital improvements program under RSA 674:7, it shall submit its recommendations for the current year to the mayor or selectmen and the budget committee, if one exists, for consideration as part of the annual budget.
Source. 1983, 447:1, eff. Jan. 1, 1984. 2002, 90:3, eff. July 2, 2002.

674:21V(b) Innovative Land Use Controls
In order for a municipality to adopt an impact fee ordinance, it must have enacted a capital improvements program pursuant to RSA 674:5-7.
Source. 1983, 447:1. 1988, 149:1, 2. 1991, 283:1, 2. 1992, 42:1. 1994, 278:1, eff. Aug. 5, 1994. 2002, 236:1, 2, eff. July 16, 2002.

674:22 Growth Management; Timing of Development
The local legislative body may further exercise the powers granted under this subdivision to regulate and control the timing of development. Any ordinance imposing such a control may be adopted only after preparation and adoption by the planning board of a master plan and a capital improvement program and shall be based upon a growth management process intended to assess and balance community development needs and consider regional development needs.
Source. 1983, 447:1, eff. Jan. 1, 1984.

674:36II(a) Subdivision Regulations

(a) Provide against such scattered or premature subdivision of land as would involve danger or injury to health, safety, or prosperity by reason of the lack of water supply, drainage, transportation, schools, fire protection, or other public services, or necessitate the excessive expenditure of public funds for the supply of such services;

Source. 1983, 447:1. 1986, 200:2. 1988, 3:1, eff. April 19, 1988. 2002, 73:3, eff. June 30, 2002; 236:4, eff. July 16, 2002.

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