

Moultonborough Capital Improvements Program for 2015 - 2020
FINAL – September 2, 2014



Town of Moultonborough, NH
CAPITAL IMPROVEMENTS PROGRAM
2015 - 2020

PREPARED BY:
THE CAPITAL IMPROVEMENTS PROGRAM COMMITTEE
Final September 2, 2014

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CAPITAL IMPROVEMENTS PROGRAM COMMITTEE

TO: Board of Selectmen
FROM: Jordan Prouty, Chairman
RE: Capital Improvements Program
DATE: September 2, 2014
CC: Carter Terenzini, Town Administrator



On behalf of the Capital Improvements Program Committee, I am pleased to submit herewith our proposed Capital Improvements Program Report for Fiscal Years 2015-2020 for your consideration. The sum total of all projects recommended is **\$10,816,114.00** for the six year program (capital spending year plus five planning years) with **\$1,589,636.00** of this programmed for 2015. These figures are presented in comparison to last year's report totals of **\$9,257,676.00** along with **\$1,373,535.00** that was recommended to be programmed for 2014.

In our fifth year, our process of how we gather information and the process we utilize, including our method for rating and ranking the project requests was very efficient and assisted us with our recommendations to you contained in the accompanying report and CIP spreadsheet.

We thank all of the Department Heads for the presentations on their needs. Some of them returned to us, taking time from their daily workload, to answer questions and provide us with requested facts and figures. Without their full co-operation we could not have completed this document.

We look forward to your thoughts and stand ready to answer any questions that you might have.

Capital Improvements Program Committee:

Jordan Prouty, Community At-Large, Chairman
Robert Goffredo, Community At-Large
Alan Ballard, Advisory Budget Committee
Josh Bartlett, Planning Board
Heidi Davis, Finance Director (Ex-Officio Member)
Paul Punturieri, Selectmen Representative
Bruce Woodruff, Planner (Ex-Officio Member)

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Town of Moultonborough, New Hampshire

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SECTION I. Executive Summary

Annually, the Capital Improvements Program Committee (CIPC) is to review capital requests and recommend a program of capital improvement projects to address the needs of the Town over at least a six year period, with the first year being the capital year or year in which actual funds are expended and the remaining five years as the planning period. As a preface to the proposed Capital Improvements Program, it is important to note that:

1. Approximately **\$13,009,614.00** of capital improvement projects have been **planned** by the various town departments over the **next 6 years**. These various Town departments have **requested \$1,745,636.00** of funding for 13 capital projects in the capital year, 2015.
2. The CIPC has recommended **\$1,589,636.00** for 9 capital projects in the capital year, 2015, because four projects are not recommended to be funded (refer to Section X, Committee Recommendations and the 2015-2020 Capital Improvement Program Spreadsheet in Appendix K.) This recommendation, if implemented, reduces the total amount of the six year program to **\$10,816,114.00**. Further there is an additional \$5-6 million in planned or proposed capital projects which have not yet been fully vetted by leaders within the community to address the long term vision for Moultonborough.
3. The CIPC also recommends continuing to follow a Capital Reserve Fund program linked to future Capital Project Requests as per the Capital Financing Plan Memorandum, dated October 20, 2011 (refer to Appendix J.)

The CIP Committee has attempted to balance recommended capital improvements with the fiscal impact on the tax and rate payers by “smoothing” out the expenditures. This avoids an increase in the tax rate in one year (“spiking” the rate for a peak) only to see subsequent low or “valley” in the tax rate the following year. This is a challenge as can be seen when comparing the disparity between requests and historic budgets. Financing the capital needs of any community is a challenge. Setting aside any new development of facilities, the ongoing maintenance of rolling stock, facilities and our infrastructure takes a significant annual investment. The amount of monies to be sought from the Annual Town Meeting remains the responsibility of the Select Board. The significant demands on our limited financial resources requires prioritization of projects, phasing some projects, prefunding of purchases and improvements through the use of capital reserve accounts, bonding of projects when necessary, and in some instances, deferral of projects to subsequent years.

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SECTION II. Our Charge

Our Charge was to recommend a Capital Improvement Program (CIP) covering a period of no less than the coming six (6) fiscal years, including a Capital Improvement Budget for the next fiscal year, and the financing thereof, to aid the Select Board in their financial planning and deliberations on annual budget requests.

The CIP is to obtain 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 may encompass both projects being currently undertaken and future projects to be undertaken with federal, state, county and other public funds. The CIP shall classify projects according to their urgency and need for realization, shall recommend a time sequence for their implementation, and shall specifically comment on the relationship of the Program and budget to its consistency with the Town's Master Plan.

The program shall include only those capital projects and improvements involving tangible assets and projects which (1) have a useful life of not less than five years and (2) cost over \$10,000 [or such other sum which conforms to Statement #34 of the Governmental Accounting Standards Board (GASB34) or such future equivalent capitalization schedules.

SECTION III. OUR PROCESS

The Capital Improvements Program Committee was formed in January 2010 by the Select Board under the authority of Article 10 of the Annual Town Meeting of 2009 (See Exhibit F). This body assumed authority for Capital Planning from the Planning Board with their full assent and support.

The Capital Improvements Program Committee is comprised of nine persons, with two of them being alternate members to act in the stead of a permanent member when they cannot be present and two ex-officio members.

These persons represent various constituencies and disciplines of:

One (1) from the SelectBoard,

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One (1) from the Advisory Budget Committee,

One (1) from the Planning Board,

Two (2) from the at-large residents of the Town, and

Two (2) alternate members from the at-large residents of the Town. (Currently the alternate positions are vacant.)

The Committee recognizes the very important contributions of Past Chair, Richard Brown, whose able hand guided our path until the end of June, and those of long-time member, Peter Jensen, without whose dedicated volunteer efforts this program would not be what it is today.

We held our first meeting this year on April 3, 2014 to discuss an overall format, process and schedule for the task at hand. Over the course of developing this Capital Improvements Plan, we heard presentations from Department Heads and the School on their current facilities and perceived needs. Some Departments and the Library indicated they do not currently have any capital project needs for the program period. We reviewed a number of town and financial reports. We reviewed project requests and, at times, requested additional information.

Finally, we presented our Draft Capital Improvements Program Report at a public hearing held on August 28, 2014 and adjusted our proposal to reflect relevant comments accordingly. Finally, the Committee met on September 4, 2014 to revise Appendix K. as per the comments received at the public hearing and as per recently updated information from Department Heads on two project requests.

How To Use This Manual

Sections II. through V. are largely devoted to introduction, process, benefits and generally accepted definitions. These sections are particularly valuable to readers who are not familiar with capital improvement programming generally, and the concepts as they are applied in Moultonborough. Sections VI. and VII. are more substantive and are specific to the current amendment cycle.

SECTION IV. BENEFITS OF A CIP

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There are many benefits to the organization in the process of establishing a Capital Improvements Program:

1. Having a CIP recognizes the need to make and maintain an ongoing investment in the facilities, infrastructure, vehicles and equipment necessary to provide the services each community has chosen as important to ensuring the quality of life it wishes to enjoy;
2. The CIP can be a plan to maintain a stable property tax rate by “smoothing” out expenditures. Major capital projects are planned within a framework designed to distribute the tax burden attributable to capital expenditures evenly over time. Untimely expenditures can generate unstable property tax impacts;
3. Successful community planning requires a series of incremental steps moving logically through the steps of project proposal to an end result. The CIP provides the linkage between each proposal and our spending;
4. The CIP can bring a central point of community focus, not driven by cost-cutting budget concerns, to the individual demands on funding and drives a call for cooperative project planning. This co-operation can result in the avoidance of duplication of effort and prioritization of expenditures and thus generate cost savings. Communication and coordination between Departments, Town and School officials is considered essential;
5. The CIP process is an open forum to make voters aware of proposed improvements that may be of particular interest and major proposals that will likely come before future Town or School District meetings. The discussion it generates is essential to community well-being through the creation of an informed, participatory decision making process; and
6. Communities demonstrating sound planning fiscal health and high quality facilities and services are attractive to investors of all kinds; homeowners, businesses and lending institutions. Decisions to invest in Moultonborough may be influenced by improvements that enhance the quality of life for our citizenry, work force and business owners. Capital improvement programming supports and compliments our broader community economic development objectives and well-being.

Finally one must have a CIP in place in order to adopt a local ordinance requiring the payment of impact fees to offset the public costs incurred from development projects, (RSA 674:21 V).

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What A CIP Is Not

It is equally important to understand the limitations of a Capital Improvement Program:

1. The CIP process is not meant to micro-manage the budget development process. Preparation of the Town and School District annual budgets is the responsibility of elected officials and professional administrators;
2. The CIP process is not an allocation of funding for “wish list” projects that are neither needed nor likely to receive public funding and support;
3. Although the program provides a framework to guide activity, the CIP should not be rigid and inflexible. The CIP process cannot anticipate unusual changes in growth, economic conditions, political behavior, emergencies, non-tax revenue sources and opportunities not predictable enough to schedule;
4. Although the recommended CIP fits within reasonable fiscal constraints, it does not guarantee a level tax rate. There are many variables that determine the total tax rate (i.e., tax base, operating costs, revenues, etc.). Capital expenditures constitute a relatively small portion of total, local spending; and
5. Although it may assign projects to a broad ranking category, it does not provide a means of rationing capital between projects beyond that initial categorization.

SECTION V. CIP PROJECT DEFINITION

Capital Improvements for the purpose of the CIP are defined as having the following characteristics:

1. Projects or improvements that are typically non-recurring in nature;
2. Projects or improvements that have a useful life of at least five years;
3. Projects or improvements that cost \$10,000 or more (or such higher sum as GASB34 requires)

Capital Improvements meeting the above criteria can be generally categorized as follows:

- Construction and reconstruction of public infrastructure such as roadways, sidewalks, and storm water systems;

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- The purchase, construction, rehabilitation, and/or replacement of public buildings, land, parking lots, boat ramps, paths and the like;
- The purchase or lease of new or replacement of equipment such as police cruisers, fire trucks, dump trucks, loaders, etc.;
- Major software systems and computer installations; and
- The acquisition or lease of land.

Finally, in order to be included in the CIP all items must meet the following standards:

1. All projects for improvement, repair, replacement, or upgrade should be included in the current municipal asset inventory.
2. All elements of a project should be included as part of a single project, (i.e. water, road and storm water).
3. If the project is one element of a larger plan, such as a section of roadway but not the full length, there must be an indication of how the full project unfolds to show this element is consistent with the other phases and does not negate them or require an unreasonable “re-work” to accommodate future phases.
4. The expenditure, operating cost impact, potential revenue and an analysis of options the proposed project (i.e. refurbish vs. replace a piece of equipment).
5. Historical records are to be included for the last 2 years or for the duration of the projects that remain open.
6. Projects carried forward from one year to another shall retain the original project # for tracking.
7. Town debt service information shall be submitted so that the high and low capital years can be synchronized with the high and low debt service years.
8. All cost estimates must have some basis either from an actual cost estimate, vendor estimate, or historical data.

SECTION VI. CIP PROJECT SELECTION CRITERIA

New Hampshire RSA 674:6 requires that the Capital Improvements Program (CIP) classify projects according to urgency and need and to contain a time sequence for their implementation.

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The Moultonborough CIP Committee adopted a classification system that uses seven (7) possible classifications as outlined below. In deliberations leading up to the CIP Committee’s proposed capital allocations, each submitted project for the capital year 2014 and the next year 2015 was rated by each committee member using a score sheet form, then each submittal was ranked by the median score derived from totally and averaging scores. Using these rankings as a guide, members then assigned a class to each project submittal. After each project was classified, projects falling into the same class were reviewed against town needs as identified by the town master plan and further prioritization was established.

Class 1= Urgent Need-immediately for health & safety needs
Class 2= Justified Need-to maintain basic level & quality services
Class 3= Desirable-to improve quality & level of service
Class 4= Unprogrammed-not enough info provided to evaluate need
Class 5= Prior Approved Expense
Class 6= Not Considered
Class 7= Not Recommended

SECTION VII. DEVELOPMENT OF THE CIP

In many New Hampshire communities the Planning Board has the responsibility for the preparation of the capital improvement program. In Moultonborough, after consultations with the Planning Board, the SelectBoard sought and obtained the approval of the legislative body to create a separate entity to carry out this responsibility not withstanding this difference in structure the CIPC still must follow the statute RSA 674:5 through 674:8.

The Capital Improvements Program must also be responsive to the uncertainties that are inherent in all aspects of community development. It is important that the program be reviewed on an annual basis to remain both proactive and practical.

Review of Town Meeting. The annual review and update process begins in the spring of each year with a review of the decisions made at the Moultonborough Town meeting. This review

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examines the capital improvement related decisions that were acted upon by the voters.

Meetings with Project Sponsors. Throughout the spring, the Committee meets with Boards, Commissions, Committees and Department Heads to discuss any updates to existing information, and to review and discuss any newly identified projects.

Formulation of CIP Recommendations. In the summer, the Committee conducts final meetings with project sponsors if necessary. By consensus the Committee develops its recommendations for the ensuing six year program period. The Master Plan provided background information and provides guidance to the Committee processes.

CIP Adoption. The CIP Committee presents its Draft recommended program to the community at a public hearing. This is an opportunity for the public to comment on the CIP prior to its adoption. The Draft is then formalized based upon the comments received. The notification and hearing requirement processes the CIPC follows are the same process that used for the adoption of a Master Plan provided for in RSA 675:6. Once adopted, the CIP is filed with the Town Clerk and the NH Office of Energy and Planning.

CIP and the Budget Process. The adopted CIP is forwarded to the Board of Selectmen, with copies to the Advisory Budget Committee, School Board and Library Trustees for their consideration as part of the budget development processes. As the respective entities hold their budget workshops and hearings, the public has additional opportunities to comment on capital improvements. We expect to place a copy on the Town Website for easy access to members of our community.

One of the goals of the CIP is to recommend a stable program of improvements in terms of the associated tax rate impact. Although capital improvements represent a relatively small portion of Town appropriations, they can be easily targeted for budget reduction purposes. It is important that public officials consider needed capital expenditures within the context of the bigger spending picture. To the extent this is accomplished reasonably, tax rate stability can be achieved while decreasing the likelihood that action on needed capital improvements will be deferred.

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Town Meeting. The budget processes culminate with the consideration of budgets presented by the Board of Selectmen with comments by the Advisory Budget Committee to the Town Meeting. It is at the Town Meeting vote where actual appropriations are made to fund capital improvements.

Public Participation. The people of Moultonborough have the opportunity to participate in the development of the program and to review and comment on the setting of community needs and priorities. The value of public participation lies not only in allowing the project beneficiaries and taxpayers to express their desires, but also in obtaining continued public support for future investments in our community.

SECTION VIII. PROGRAM FINANCE

As mentioned previously, the CIP forecasts major capital projects within a flexible framework designed to distribute the tax burden attributable to capital expenditures over time. Towards this end, the Committee recommends a six-year program that fits within reasonable, fiscal constraints. Although a fiscally constrained CIP is not a statutory requirement, the Committee feels that it is a very important element of a balanced program.

Project Financing. Financing mechanisms will vary by project and circumstance including general fund revenues, special assessments, grant funding, Capital Reserve funding, lease/purchases, and short and long-term borrowing.

Non-Property Tax Revenue Offsets. Non-property tax revenues such as federal and state grants are identified in relation to specific projects. These projected revenue offsets are applied to project costs.

Expendable Trust Funds. The making of an annual contribution to an expendable trust fund for future withdrawal can be a useful tool to “smooth” out the property tax levy. The community is currently undergoing a complete review of its trust funds as to when it should establish one, how

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to establish, how much to annually contribute, and what the “floor” (i.e. minimum level) and “ceiling” (i.e. maximum level) should be. The CIPC recommends adhering to the annual recommended contributions to the reserve accounts and the percentage ceiling for capping the total capital year expenditures on an on-going basis as outlined in the Capital & Reserve Financing Plan Memorandum dated, October 20, 2011 (also endorsed by the Board of Selectmen).

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SECTION IX. CAPITAL EXPENSE HISTORY AND REQUESTS: Reserve Fund Recommendations

YEAR ON YEAR COMPARISON OF TOTAL VS. TAX LEVY - FOR ILLUSTRATION PURPOSES ONLY

Final FY 2014					Tentative FY 2015				
Item	Reserves	Grants	Taxes	Total	Use:		From:		Item
					Total	Taxes	Grants	Reserves	
Roads	-	\$130,000	\$670,000	\$800,000	\$825,000	\$685,000	\$140,000	-	Roads
Police Cruiser	-	-	\$50,500	\$50,500	\$51,935	\$51,935	-	-	Police Cruiser & Fit-Out
Police Cruiser	-	-	\$50,500	\$50,500	\$50,000	\$50,000	-	-	Police Cruiser & Fit-Out
DPW 6 wheel Dump Truck	\$95,000	-	-	\$95,000	\$225,000	\$105,000	-	\$120,000	DPW Pay-Loader
DPW Skid Steer	\$30,000	-	\$5,000	\$30,000	\$200,000	\$145,000	-	\$55,000	F&ES Rescue 2
Turnout Gear	-	-	\$15,000	\$15,000	\$15,000	\$15,000	-	-	Turnout Gear
Neck Fire Station	\$30,000	-	\$5,000	\$35,000	\$50,000	\$50,000	-	-	States Landing
Pathway Retrofit	-	-	\$63,500	\$63,500	\$63,500	\$63,500	-	-	Pathway Retrofit
DPW Bucket-lift	\$40,000	-	-	\$40,000	\$10,000	\$10,000	-	-	PSB Parking Lot
Facilities Flooring Replacement	\$25,000	-	-	\$25,000	\$10,000	\$10,000	-	-	PSB Parking Slab
Adele Taylor Property	\$275,000	-	-	\$275,000					
BRC Gym Facility	-	-	\$17,500	\$17,500					
Community Substance CRF	-	-	\$1,590	\$1,590	\$9,500	\$9,500	-	-	Community Substance CRF (1)
Communication Technology CRF	-	-	\$25,000	\$25,000	\$22,500	\$22,500	-	-	Communication Technology CRF
Appraisal CRF	-	-	\$24,000	\$24,000	\$30,000	\$30,000	-	-	Appraisal CRF
Firefighting Equipment CRF	-	-	\$110,000	\$110,000	\$125,000	\$125,000	-	-	Firefighting Equipment CRF
Police Communications CRF	-	-	\$1,000	\$1,000	\$1,000	\$1,000	-	-	Police Communications CRF
DPW Equipment CRF	-	-	\$162,500	\$162,500	\$175,000	\$175,000	-	-	DPW Equipment CRF
Historic Building CRF	-	-	\$2,500	\$2,500	\$23,700	\$23,700	-	-	Historic Building CRF
Municipal Building CRF	-	-	\$80,000	\$80,000	\$100,000	\$100,000	-	-	Municipal Building CRF
Milfoil	-	-	\$200,000	\$200,000	\$180,000	\$180,000	-	-	Milfoil
Lee's Mills	-	-	\$3,000	\$3,000	\$2,900	\$2,900	-	-	Lee's Mills
Dry Hydrant	-	-	\$2,500	\$2,500	\$2,500	\$2,500	-	-	Dry Hydrant
Engine 2 lease (2/5)	-	-	\$89,906	\$89,906	\$89,906	\$89,906	-	-	F&ES Rescue 1 Lease (3/5)
Grader Lease (Final year)	-	-	\$49,395	\$49,395	-	-	-	-	F&ES Rescue 2 Lease (0/3) [\$24k Out]
Backhoe Lease	-	-	\$18,358	\$18,358	\$18,358	\$18,358	-	-	DPW Backhoe Lease (Final year)
	\$495,000	\$130,000	\$1,646,748	\$2,266,748	\$2,280,799	\$1,965,799	\$140,000	\$175,000	
					0.62%	19.37%			

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SECTION X. COMMITTEE RECOMMENDATIONS

The CIPC recommends the accumulation of capital reserves to provide a smoothing out of capital funding required to meet the town's needs on a long-term basis as per the October 20, 2011 Memo Report prepared by the Town Fellow. (See Reserve Fund Recommendation chart - above). The CIPC recommends this level funding process that includes the Capital Reserve philosophy adopted by the BOS in 2011. This will level out over the next 6 years at approx. \$2Mil per year.

The CIPC is recommending nine of the thirteen projects in the Capital year. ...ranked as priorities one (1) through eight (8), inclusive and priority eleven (11), as indicated in the attached 2015-2020 CIP spreadsheet document. Priority projects ranked ten (10), twelve (12), and thirteen (13) were not recommended by the CIPC for funding. Priority ranked project nine (9) was considered to have insufficient information for the committee to make a funding recommendation. Therefore, these designated projects are not included in the total amount on the 2015-2020 CIP spreadsheet. Please also refer to Appendix B. Committee Ranking-Median Based spreadsheet.

A policy of utilizing Lease-purchase programs is advocated for large ticket equipment purchases which will spread rather than spike the cost. This policy is preferable to simply moving out a large purchase, which just defers the problem and increases the eventual cost to the Town.

All project requests were analyzed for their Master plan tie-in, which is indicated in Appendix A.

ASSET MANAGEMENT PLAN

The DPW, Fire Dept., and Police Dept. have begun tracking all rolling stock maintenance records in 2013 so that reports by specific piece of equipment were available this year. The process uses existing software to track repair work plus regular maintenance. This provides added objectivity to the performance of per-vehicle cost analysis to help determine whether a continued repair option or replacement option is the more cost effective for an upcoming budget cycle.

The CIPC also recommends an equipment replacement planning approach that uses manufacturer recommended replacement schedules as the long-term planning guide and depends on actual serviceability of equipment at appropriate cost levels for year to year determination when the target year is reached (if it isn't broken, we shouldn't replace it).

CAPITAL SPENDING FORECAST CHARTS

Finally, we have included three capital spending forecast charts in Appendix I regarding proposed capital requests that outline three options for capital expenditures at different spending levels. These are only three of many possibilities to illustrate a number of potential spending levels that the BOS could recommend to the Town for its annual budget consideration and long-range planning. The options shown would allow for accumulation of trust fund dollars to meet long-term capital needs and also attempt to level/equalize spending trends for the long term as required by the CIPC charter.

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RECOMMENDATIONS

Overall the CIPC feels that the Department Managers and the School have put together responsible Capital requests that address the long-term needs of the town. It is however, our opinion that the BOS should take a critical look at some of the needs requested in light of the areas overall economic realities. The CIPC has outlined several levels of spending that could be adjusted based on overall spending levels that may be desirable. These levels have been shown in the charts included in this report. The attempt has been made to level spending at several different dollar amounts to give the BOS guidance in determining which capital projects be included in any given calendar year. In other words, we indicate which projects should be included when a capital dollar threshold is met. These options outlined show how desired projects could be distributed over the 6 year time line.

CIPC Commentary on Capital Projects Plan 2015 Projects

The Capital Planning process continues to mature and improve. Submittals by the Department Heads are markedly improved in terms of depth of request, rationale and supporting data. We commend and thank each individual who worked through the process and the myriad of requests, questions and discussions. We also thank those in the Moultonborough Community who have shown interest and taken the time to ask questions which has helped to make a better Plan.

The CIPC recommends continuing the program to build the Capital Reserve Funds to levels that can provide multi-year smoothing of annual appropriations needed for Capital expenses. Of concern is the potential increase of 15.73% in Capital Requests for 2015 over the approved 2014 Capital Expense. Of even deeper concern are the requests for the out years. For example, the planned Capital Requests for 2016 (one year out) are a 71.62% increase over the approved 2014 year Capital Expense. It is recognized that these planning years are subject to a year on year review in order to reassess needs and smooth the annual cost over the life of the program, and that this will most likely occur for 2016.

Funding for these Capital projects may be via lease purchase, liquidation of reserve accounts, or low-interest bonds, or any combination of these.

The CIPC recommendations are grouped into Priority Classifications as identified previously in this report and on various charts. Projects identified as priority 1 (Urgent Need – immediately for health and safety needs) and Priority 2 (Justified Need – to maintain basic level and quality of services) are not included in this commentary as they are fully supported and recommended by this Committee. We may provide comments on lesser ranked priority items only, such as Priority 3 (Desirable-to improve quality & level of service), Priority 4, and Priority 7 (Not Recommended). In some cases, Priority 4 (Unprogrammed – not enough info provided to evaluate need) has been used. Our desire is to obtain the missing information so as to properly classify each project and give it full consideration vs. all other projects before us.

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PRIORITY CODE 3: DESIRABLE – TO IMPROVE QUALITY AND LEVEL OF SERVICE

#62:/Recreation: Retrofit Pathway for Usability (\$60,375): This is a safety concern; the Town owns it and must maintain it, which is not under discussion. This expense in 2015 was clarified to the committee as the final funding required to complete the needed repairs to phase II of the pathway.

PRIORITY CODE 4: - UNPROGRAMMED – NOT ENOUGH INFO PROVIDED TO EVALUATE NEED

#5 – Highway Garage water system: (Unprogrammed – not enough information to evaluate need) \$25,000

It is thought by the Members that the need has not been clearly identified, as the stated need seems to be primarily for “wash down” of equipment with low chloride water during the winter months and to provide potable water. There was sentiment that with the large cistern now installed for irrigation purposes at the nearby soccer field, perhaps investigation of that water source would be prudent.

PRIORITY CODE 7: - NOT RECOMMENDED

#8 - Facilities Energy Upgrade (windows for Rec. Center): (Not Recommended) \$66,000

With the consideration of the new facility for the Recreation Department pending approval by the voters, it seemed that this building may be vacant in the next few years. Additionally, it seemed as if this was a very high price to replace the windows in an effort to cut energy costs. We were not given a current heating cost with which to judge the sensibility of this expense. This would not rule out future consideration with more information.

#57 – Rehab Baseball Field at Playground Drive including Lights: #7 (Not recommended) \$15,000 (Engineering 2015); \$385,000 (estimated project cost including lights) Total \$400,000

It was the opinion of the Members that there was not a need established in light of the shrinking use (166 to 85 users in two years); there are alternatives including those fields at the academy or at Meredith (currently lighted and used by Moultonborough for \$800 per year). Further, it seemed that the cost of engineering was higher than it should be, and would later be used as an imperative to complete the project. Also, there was no estimate as to how much additional expense for providing the lighted field. (Last year it was estimated at \$3,500 per year, compared with the \$800 we pay Meredith). Many of the stated deficiencies can be fixed for \$10,000 or less. This proposed project appeared to be far beyond the remediation that could or should be applied to serve the needs.

#61 Construct Building w/gym, program space, offices, storage: #7 (Not Recommended) \$50,000 (engineering and design 2015); (\$3,800,000 to \$5,000,000 for construction). Total to be determined.

The board rated this project as not recommended for a variety of reasons including the vote some years ago by the Town Meeting to not build a similar building during a time when the changing

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demographics of the Town were not so apparent. The primary impetus for this project seems to be based upon a part of the 2011 Blue Ribbon Commission report that suggested that the Town “pursue development of a facility that includes an indoor gymnasium, Recreation Department Office program and storage space that would be on existing school land or property adjacent to school facilities”. That report was thought by the CIPC to be outdated, without consideration of current demographic trends and the plans also included the re-use of the current Rec. building as the office for the Visiting Nurse. That repurpose is no longer needed. The request for this very expensive facility discounts and ignores the Blue Ribbon Commission’s other recommendation that “the potential use of school facilities to support part of the recreation department’s summer programs should be explored. The (BRC) Commission believes the coordinated planning between the Recreation Department and the school Athletic Department of when annual maintenance to both MCS and MA gymnasiums will take place could allow for the use of these facilities for part of the summer months”. There was no evidence of any discussions of this sort presented at our Recreation Department sessions.

The second BRC statement cited has an even greater importance in light of the changing demographics of the town – aging, the reduction of overall population, and especially the drop in school population – in the over three years since the report was published. There seems to be a real disconnect between some of the statements made in justification: “it’s for the children”, “this would attract young families to our town”, “there are no places for adults to play basketball.” The Committee has not received any current usage data to justify the need for this facility. The town of Meredith, which has a population about 50% larger than Moultonborough seems to be having trouble utilizing the similar building they built a few years ago. Further, there has been no consideration of maintenance, utility or staffing costs developed for our proposed building. A recent look at Meredith’s costs reveal that this is a very expensive endeavor that the voters and taxpayers should be made aware of before any decisions are made.

We do not think that even the engineering and design project should be undertaken before a true need is established.

There is an ongoing study being undertaken to determine the need. This being done as the possible site is being researched, so the proposal related to this project is premature. Further, a project of this magnitude would be expected to be financed with a bond issue, so the CIPC did not think this is anything we could recommend until there is a clear need established and true affordability is considered including accurate staffing, utility and maintenance costs that will go on long after the building is built.

In conclusion, the increasing costs of annual capital expenses such as fire equipment, police equipment, Highway Department equipment, building maintenance for the Lions Club and the repairs at Public Safety Building and the significant upcoming projects that are being considered such as States Landing Park and rehab (\$1,700,000) and the Moultonborough Neck Pathway completion (\$600,000), CIPC has carefully considered all the requests and believes the opinions regarding these projects to be reasonable and prudent.

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Appendix A. Master Plan Tie-In Table

Final

CIP MASTER PLAN TIE-IN

Dept.	Project	Master Plan Tie-in?	Chapter	Page, Section	Strength
BLDG	Facilities Flooring Replacement & Repainting	Yes	vii	55, 66 G. 2.	Normal
BLDG	Public Safety Building Slab Replacement/Repair	Yes	vii	55	Normal
BLDG	Replace Roof & correct Roof Transitions Lions Club Bldg	Yes	vii	55, 77 D.	Normal
BLDG	M'boro Neck Fire Station Building Roofing Replacement	Yes	vii	55, 60 D. 4 & 5	Strong
BLDG	Public Safety Parking Lot Replacement	Yes	vii	55	Normal
BLDG	Facilities Energy Upgrades	Yes	vii	55	Weak
BLDG	Highway Garage Building Maintenance Bay Addition	Yes	vii	62 E. 4; 66	Normal
DPW	Road Projects	Yes	viii	86 D.	Strong
DPW	2014 S50 Style 6 Wheel Dump Truck w/Plow, Wing and Sander	Yes	vii	62 E. 2	Normal
DPW	7-Passenger Fleet Van Replacement	Yes	vii	62 E. 2; 63 F. 2	Normal
DPW	Tele-Arm Bucket Lift	Yes	vii	62 E. 2	Normal
DPW	Pay-Loader Replacement w/Plow and Broom	Yes	vii	62 E. 2	Normal
DPW	2016 6 Wheel Dump Truck	Yes	vii	62 E. 2	Normal
DPW	(2)-2016 1-Ton Pickups w/Plow and Sander	Yes	vii	62 E. 2	Normal
DPW	2017 1-Ton Pickup w/Plow and Sander	Yes	vii	62 E. 2	Normal
DPW	Skid Steer Replacement w/quick attach snow blower, bucket, toris & sweeper	Yes	vii	69 I. 3	Normal
DPW	2018 19.5k GVW- 6 Wheel Dump Truck w/Plow, Wing and Sander	Yes	vii	69 I. 3	Normal
FIRE	Replacement of Self-Contained Breathing Apparatus	Yes	vii	60 D. 6	Strong
FIRE	Replacement of First Responder Medical Vehicle (1) (Rescue 2)	Yes	vii	59 D. 3 & 6	Strong
FIRE	Replacement of First Responder Medical Vehicle (2) (Rescue 3)	Yes	vii	59 D. 3 & 6	Strong
FIRE	Replacement of Pumper (Engine 2) Lease Purchase	Yes	vii	59 D. 3 & 6	Strong
FIRE	Replacement of Chief's Command Vehicle	Yes	vii	59 D. 3 & 6	Normal
FIRE	Replacement of Forestry Vehicle (combine replacement of F1&R3)	Yes	vii	59 D. 3 & 6	Normal
Town Hall	Purchase Parcel at Map 116 Lot 5-Greene's Basin Road-cost tentative	Yes	ix, v	5, 3rd bullet from bottom; 40 B. last para.	Weak
Town Hall	Purchase Parcel at 1091 Whittier Highway adjacent to Berry Pond	Yes	ix, v	5, 3rd bullet from bottom; 40 B. last para.	Weak
Town Hall	Purchase Parcel at 34 Berry Pond Way adjacent to Berry Pond	Yes	ix, v	5, 3rd bullet from bottom; 40 B. last para.	Weak
Town Hall	Purchase Parcel at 10 Orchard Drive adjacent to Moultonborough Academy	Yes	ix, v	5, 3rd bullet from bottom; 40 B. last para.	Weak
Town Hall	Purchase Parcel at 970 Whittier Highway (Taylor Property)	Yes	ix, vi	11, 3.; 52 Goal #2, 1.b. e.	Normal
Town Hall	Basement Shelving System for Town Records	Yes	vii	62 E. 4; 66	Normal
POLICE	Replace 2009 Crown Victoria Cruiser w/2015 Ford Police Interceptor Sedan	Yes	vii	56 C. 1	Normal
POLICE	Replace 2007 Crown Victoria K-9 Cruiser w/2014 Ford Police Interceptor Sedan	Yes	vii	56 C. 1	Normal
POLICE	Replace 2010 Crown Victoria Cruiser w/2015 Ford Police Interceptor Sedan	Yes	vii	56 C. 1	Normal
POLICE	Replace Chief's Vehicle w/2016 Ford Police Interceptor Sedan	Yes	vii	56 C. 1	Normal
POLICE	Replace 2009 Chevy Impala Cruiser w/2017 Ford Police Interceptor Utility	Yes	vii	56 C. 1	Normal
POLICE	Replace 2005 Ford Police Interceptor w/2018 Ford Police Interceptor Sedan	Yes	vii	56 C. 1	Normal
POLICE	Replace 2013 Ford Police Interceptor w/2019 Ford Police Interceptor Sedan	Yes	vii	56 C. 1	Normal
REC	Rehab Baseball Field at Playground Drive	Yes	vii	76 N. 5, append F	Normal
REC	Install Lights at Baseball Field at Playground Drive	Yes	vii	76 N. 5, append F	Normal
REC	20 Passenger Coach Bus	Yes	vii	76 N. 5, append F p 17	Normal
REC	Stakes Landing 3 Phase: dredging, boat launch, park improvements	Yes	vii	75 N. 1 & 5	Normal
REC	Construct Bldg w/gym, program space, offices, storage	Yes	vii	76 N. 4, 5 & 6, append. f	Normal
REC	Retrofit Moultonborough Pathway for Usability	Yes	vii	55, 75 N. 1	Normal
REC	Feasibility Study for Construction of Bldg. w/gym, program space, offices, storage	Yes	vii	76 N. 5, append F	Normal
REC	Replace one set of Play Equipment at Playground Drive	Yes	vii	55, 74 N. 1; append. F p 21 & 21	Normal
SCHOOL	Reconstruct MA Entrance Drive Drainage	Yes	vii	71 K. 1	Normal
SCHOOL	Replace School Truck and Plow	Yes	vii	71 K. 1	Normal
SCHOOL	Replace Lobby Storefront at MA	Yes	vii	71 K. 1	Normal

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Appendix B. Committee Ranking-Median Based

Dept.	Project	Year	PAUL	JOSH	JORDAN	BOB	ALAN	RICHARD -CHAIR	TOTAL SCORE (RATING)	RANK	MEDIAN	AVG
BLDG	Public Safety Building Slab Replacement/Repair	15	48	38	42	50	45	48	271.0	1	46.5	45.2
BLDG	Highway Garage water system-well/filtration system (NEW REQUEST)	15	42	50	40	50	43	46	271.0	2	44.5	45.2
BLDG	Public Safety Parking Lot Replacement	15	50	40	48	40	40	48	266.0	3	44.0	44.3
BLDG	Facilities Energy Upgrades (2015-windows Rec Center)	15	50	40	44	40	43	48	265.0	4	43.5	44.2
DPW	Road Projects	15	44	38	40	44	34	40	240.0	5	40.0	40.0
DPW	Pay-Loader Replacement w/Plow and Broom	15	38	38	36	35	33	36	216.0	6	36.0	36.0
FIRE	Replacement of First Responder Medical Vehicle (1)(Rescue 2)	15	34	30	36	41	34	28	203.0	7	34.0	33.8
POLICE	Replace 2009 Crown Victoria Cruiser w/2015 Ford Police Interceptor Utility	15	36	36	30	30	32	20	184.0	8	31.0	30.7
POLICE	Replace 2006 Ford Taurus (unmarked) w/2015 Ford Police Interceptor Utility	15	40	28	38	32	26	18	182.0	9	30.0	30.3
REC	Rehab Baseball Field at Playground Drive, includes installing lighting	15	28	30	26	42	29	16	171.0	10	28.5	28.5
REC	States Landing 3 phase: dredging, boat launch, park improvements	15	32	30	28	15	12	34	151.0	11	29.0	25.2
REC	Retrofit Moultonborough Pathway for Usability	15	26	10	10	20	19	26	111.0	12	19.5	18.5
REC	Construction of Bldg. w/gym, program space, offices, storage	15	20	10	16	10	11	16	83.0	13	13.5	13.8

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674:7

PLANNING AND ZONING

prospective development shown in the master plan of the municipality or as permitted by other municipal land use controls.

HISTORY

Source. 1983, 447:1, eff. Jan. 1, 1984.

ANNOTATIONS

<p>1. Construction and application Other than its management tool capabilities, a capital improvements program has no part to play in review of subdivision applica-</p>	<p>tions presented to governmental authorities. <i>Zukis v. Town of Fitzwilliam</i> (1992) 135 NH 384, 604 A2d 956.</p>
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LIBRARY REFERENCES

New Hampshire Practice
15 N.H.P. Land Use Planning and Zoning
§§ 4.02, 29.02.

674:7 Preparation.

I. In preparing the capital improvements program, the planning board shall confer, in a manner deemed appropriate by the board, 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 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, transmit to the board a statement of all capital projects it proposes to undertake during the term of the program. The planning board 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.

HISTORY

Source. 1983, 447:1. 1995, 43:1, eff. July 2, 1995. “shall, upon request” in the first sentence and deleted “or” following “authority” and inserted “or school district board, department or agency” preceding “concerning” in the second sentence.

Amendments—1995. Paragraph II: Inserted “and every affected school district board, department or agency” preceding

CROSS REFERENCES

Authorization of program, see RSA 674:5.
Contents of program, see RSA 674:6.

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LOCAL LAND USE PLANNING

674:9

LIBRARY REFERENCES

New Hampshire Practice

15 N.H.P. Land Use Planning and Zoning
§ 4.03.

674:8 Consideration by Mayor and Budget Committee. Whenever the planning board has prepared a capital improvements program under RSA 674:7, it shall submit its recommendations for the current year to the mayor and the budget committee, if one exists, for consideration as part of the annual budget.

HISTORY

Source. 1983, 447:1, eff. Jan. 1, 1984.

CROSS REFERENCES

Authorization of program, see RSA 674:5.
Purpose of program, see RSA 674:6.

LIBRARY REFERENCES

New Hampshire Practice

15 N.H.P. Land Use Planning and Zoning
§ 4.03.

Appendix D.

TOWN OF MOULTONBOROUGH

An Order Creating a Capital Improvements Program Committee

Charge & Composition

1.) Purpose and Intent

A need has been identified to plan for the orderly implementation and financing of a capital improvements program in a manner which meets the needs of the Town and minimizes fluctuations of the tax rate and the impact thereof upon its taxpayers. In order to address that need, there is hereby established a Capital Improvements Program Committee (hereafter the "Committee").

2.) Authority

This Order is adopted pursuant to Warrant Article 10 of the March 14, 2009 Town Meeting authorizing the Board of Selectmen (hereafter the "SelectBoard") to appoint such a committee and the authority of the SelectBoard to make policy and issue directives to make and order its prudential affairs. The Committee shall operate under the framework of RSA 674:5, 6, and 7 and that set forth herein.

3.) Definitions

Words used in this Order shall be defined by the common usage under New Hampshire Statute unless otherwise defined herein. Wherever the masculine gender is used it shall include the feminine and vice-versa. Shall is mandatory; may is permissive or discretionary.

4.) Composition & Term

a. Members, Appointment and Removal

The Capital Improvement Planning Committee shall be composed of five (5) permanent members and two (2) alternate members as follows:

- One (1) from the SelectBoard,
- One (1) from the Advisory Budget Committee,
- One (1) from the Planning Board,
- Two (2) from the at-large residents of the Town, and
- Two (2) alternate members from the at-large residents of the Town.

Except as otherwise provided herein, the members shall be appointed by a majority vote of the SelectBoard. The SelectBoard, Advisory Budget Committee and Planning Board members shall each be appointed by their respective bodies. Those three (3) bodies may also each appoint an

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Capital Improvements Program Committee
Charge & Composition

alternate from their body to sit in the stead of such appointed member. The Advisory Budget Committee and Planning Board may not appoint any person serving upon their respective body in an ex-officio capacity to the Committee. Members may be removed for cause, after notice and a hearing, by the appointing authority.

In addition thereto, the Town Planner and the Finance Director shall serve as ex-officio non-voting members who shall otherwise enjoy full privileges to participate in the proceedings of the Committee provided that they may not be elected to any officer position nor be counted toward the quorum requirement.

None of the at large members or alternate members may be employed by the Town in a full-time elected or appointed position due to what some might perceive as a desire on their part to further the interests of their operational units without giving due consideration to the needs of the organization as a whole.

b. Term of Office

The term of office shall not commence until the member is sworn to the faithful performance of their office by the Town Clerk. The term of Ex-Officio members from the Select Board, Planning Board, and Advisory Budget Committee shall end annually upon the date of the Town Election At-large members and alternates shall serve a term of three years to end on June 30th of a given year. The initial appointments shall be made in such a fashion that none of the terms of the permanent members shall expire in the same year and the terms of the alternate members shall not expire in the same year. Appointments to fill a vacancy shall be for the period remaining in the unexpired term.

c. Seating and Capacity of Alternate Members

Alternate at-large members shall be seated to participate in any matter where a permanent member has excused himself over a matter in which he has a conflict or to provide a full complement of five members to conduct business. The minutes shall reflect any alternate member seated to act in the stead of a permanent member and the reason therefore. A seated alternate member shall have all the rights and voting privileges of a permanent member.

d. Officers

The Committee shall elect a Chair from amongst its members. It may and create and fill such other offices as it may deem necessary for its work. Ex officio members are not eligible to serve as officers of the Committee, The term of the Chair, and any other such officers shall be one year, and he shall be eligible for reelection.

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Capital Improvements Program Committee
Charge & Composition

5.) Powers and Duties

a. Annual Program

The Committee shall, in the year beginning on January 1, 2011 and then annually thereafter, prepare and submit to the SelectBoard, for their review and consideration, a report recommending a Capital Improvement Program (hereafter the “Program”) for a period of no less than the coming six (6) fiscal years, including a Capital Improvement Budget for the next fiscal year, and the financing thereof. The purpose and effect of the Program shall be to aid the SelectBoard and the advisory budget committee in their financial planning and deliberations on annual budget requests.

The Program shall 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 may encompass both projects being currently undertaken and future projects to be undertaken with federal, state, county and other public funds. The Program shall classify projects according to their urgency and need for realization, shall recommend a time sequence for their implementation, and shall specifically comment on the relationship of the Program and budget to its consistency with the Town’s Master Plan.

The Program shall include only those capital projects and improvements (hereafter the “Project”) involving tangible assets and projects which (1) have a useful life of not less than five years and (2) cost over \$10,000 [or such other sum which conforms with Statement #34 of the Governmental Accounting Standards Board (GASB 34) or such future equivalent capitalization schedules. It shall be an evasion of this Order to propose to finance an item meeting the foregoing definitions through normal operations or otherwise without first or, it shall submit the same to the Committee who shall study and report on the same to the SelectBoard forthwith.

The Program shall be submitted no less than 120 days prior to the date of the Annual Town Meeting. In preparing and submitting its annual report the Committee shall hold at least one public hearing at least fifteen (15) days prior to submitting its report and give warning of the public hearing with no less than fifteen (15) days notice. A copy of the proposed Program shall be available to the public at the time of the notice being published

In the time period prior to January 1, 2011, the Committee shall act diligently to: (a) obtain familiarity with the Town’s current physical plant, infrastructure, and capital equipment, (b) review the Town’s capital expenditures for the past 10 Fiscal Years, (c) review available documents detailing future capital needs including, but not limited to, the Town Master Plan, the Vehicle Replacement Plan and the like, (d) become familiar with state law with respect to how communities may finance Capital Improvements and establish reserves for the same, (e) review how various communities plan and finance their capital improvements, and (f) prepare and distribute an informative procedures manual to all describing the purpose of the committee and the expectations of it by the SelectBoard, what qualifies as a “Capital” expenditure, and how requests will be solicited received, reviewed and ranked, and then dealt with through the budgeting process.

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Charge & Composition

b. Conferring with Town Department and Agencies

In preparing the Program, the Committee shall annually confer with the School Board and every municipal department, board, committee, or agency to solicit proposals for projects for the coming time period the subject of the Program. In soliciting such proposals, with at least thirty (30) days prior notice, the Committee shall solicit proposals for projects, upon forms designated by it, which describe the proposal, costs, operational benefits, cost increases or efficiency to be realized, relationship to the Master Plan or other objectives, proposed sources of grant or other supplementary financing and such other information as the Committee may deem useful to its deliberations.

The committee shall study each proposed capital project, and shall advise the proposing entity concerning the relation of the recommendations of the master plan in relation to the proposed project and the relation of the project to the Capital Improvement Program being prepared. In other matters, the Committee shall confer, in a manner it deems appropriate, with the requesting agencies and such other parties as it deems advisable allowing a reasonable time for response. All Town Departments shall cooperate in making a timely response to any such inquiries.

c. Action by the SelectBoard

Within ninety (90) days of receiving the Committee's report the SelectBoard shall advise the Committee whether it has accepted the report in whole or in part and what it shall submit for funding requests as part of the coming fiscal year budget.

d. Expenditures Authorized or Controlled

The SelectBoard shall not request an appropriation at a Town Meeting for a capital improvement purchase or project unless the proposed capital improvement is considered in the Committee's Report or the Committee has submitted a report to the Town Administrator explaining the omission. It is the intent of this paragraph that no project expenditure shall be made or undertaken unless the same has been previously considered by the Committee. This provision is not applicable to any capital improvements placed on the Town Meeting warrant by citizen petition, or otherwise governed by statute.

Such Capital Improvement Program, after its approval by the SelectBoard, shall permit the expenditure on projects included therein from departmental budgets for preliminary or ancillary matters relating to the project or purchase, such as for surveys, architectural or engineering advice, options or appraisals; but no such expenditure shall be incurred which has not been so approved by the Town through the appropriation of sums in the current fiscal year or in prior years, or for preliminary planning for projects to be undertaken more than five years in the future.

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Capital Improvements Program Committee
Charge & Composition

e. Annual Report Publication and Filing

The Committee shall file a copy of its Report and the SelectBoard's recommended Capital Budget shall be published and made available in a manner consistent with the distribution of the Advisory Budget Committee Report. The Committee shall deposit its original Report with the Town Clerk. The Committee shall file an executive summary of its annual activities for inclusion in the Annual Town report.

6.) Predecessors and Successors

Upon the effective date of this Order, the Municipal Needs Committee and the Recreation Strategic Planning Team are hereby dissolved. All records, property, equipment, and facilities owned by the town and under the control of the offices, boards, or commissions which are abolished or superseded by this Order shall be transferred to and be under the control of the Committee.

7.) Severability

The provisions of this Order shall be severable. If any portion of this Order is determined by any court of competent jurisdiction to be unenforceable or illegal, then all other portions of this Ordinance not expressly found to be unenforceable or illegal shall remain fully in effect.

8.) Effective Date

This Order is effective on January 21, 2010 and supersedes all previous orders or policies relative to or in conflict with this matter and the procedures described herein.

Approved and adopted this 21st day of January 2010 by a vote of 4 in favor and 0 opposed.

Certified as To a True and Accurate Vote


Karel A. Crawford, Chairman
Town of Moultonborough SelectBoard Chair

Appendix E.

RSA 674:21 Innovative Land Use Controls

V. As used in this section "impact fee" means a fee or assessment imposed upon development, including subdivision, building construction or other land use change, in order to help meet the needs occasioned by that development for the construction or improvement of capital facilities owned or operated by the municipality, including and limited to water treatment and distribution facilities; wastewater treatment and disposal facilities; sanitary sewers; storm water, drainage and flood control facilities; public road systems and rights-of-way; municipal office facilities; public school facilities; the municipality's proportional share of capital facilities of a cooperative or regional school district of which the municipality is a member; public safety facilities; solid waste collection, transfer, recycling, processing and disposal facilities; public library facilities; and public recreational facilities not including public open space. No later than July 1, 1993, all impact fee ordinances shall be subject to the following:

(a) The amount of any such fee shall be a proportional share of municipal capital improvement costs which is reasonably related to the capital needs created by the development, and to the benefits accruing to the development from the capital improvements financed by the fee. Upgrading of existing facilities and infrastructures, the need for which is not created by new development, shall not be paid for by impact fees.

(b) 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.

(c) Any impact fee shall be accounted for separately, shall be segregated from the municipality's general fund, may be spent upon order of the municipal governing body, shall be exempt from all provisions of RSA 32 relative to limitation and expenditure of town moneys, and shall be used solely for the capital improvements for which it was collected, or to recoup the cost of capital improvements made in anticipation of the needs which the fee was collected to meet.

(d) All impact fees imposed pursuant to this section shall be assessed at the time of planning board approval of a subdivision plat or site plan. When no planning board approval is required, or has been made prior to the adoption or amendment of the impact fee ordinance, impact fees shall be assessed prior to, or as a condition for, the issuance of a building permit or other appropriate permission to proceed with development. Impact fees shall be intended to reflect the effect of development upon municipal facilities at the time of the issuance of the building permit. Impact fees shall be collected at the time a certificate of occupancy is issued. If no certificate of occupancy is required, impact fees shall be collected when the development is ready for its intended use. Nothing in this subparagraph shall prevent the municipality and the assessed party from establishing an alternate, mutually acceptable schedule of payment of impact fees in effect at the time of subdivision plat or site plan approval by the planning board. If an alternate schedule of payment is established, municipalities may require developers to post bonds, issue letters of credit, accept liens, or otherwise provide suitable measures of security so as to guarantee future payment of the assessed impact fees.

(e) The ordinance shall establish reasonable times after which any portion of an impact fee which has not become encumbered or otherwise legally bound to be spent for the purpose for which it was collected shall be refunded, with any accrued interest. Whenever the calculation of an impact fee has

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been predicated upon some portion of capital improvement costs being borne by the municipality, a refund shall be made upon the failure of the legislative body to appropriate the municipality's share of the capital improvement costs within a reasonable time. The maximum time which shall be considered reasonable hereunder shall be 6 years.

(f) Unless otherwise specified in the ordinance, any decision under an impact fee ordinance may be appealed in the same manner provided by statute for appeals from the officer or board making that decision, as set forth in RSA 676:5, RSA 677:2-14, or RSA 677:15, respectively.

(g) The ordinance may also provide for a waiver process, including the criteria for the granting of such a waiver.

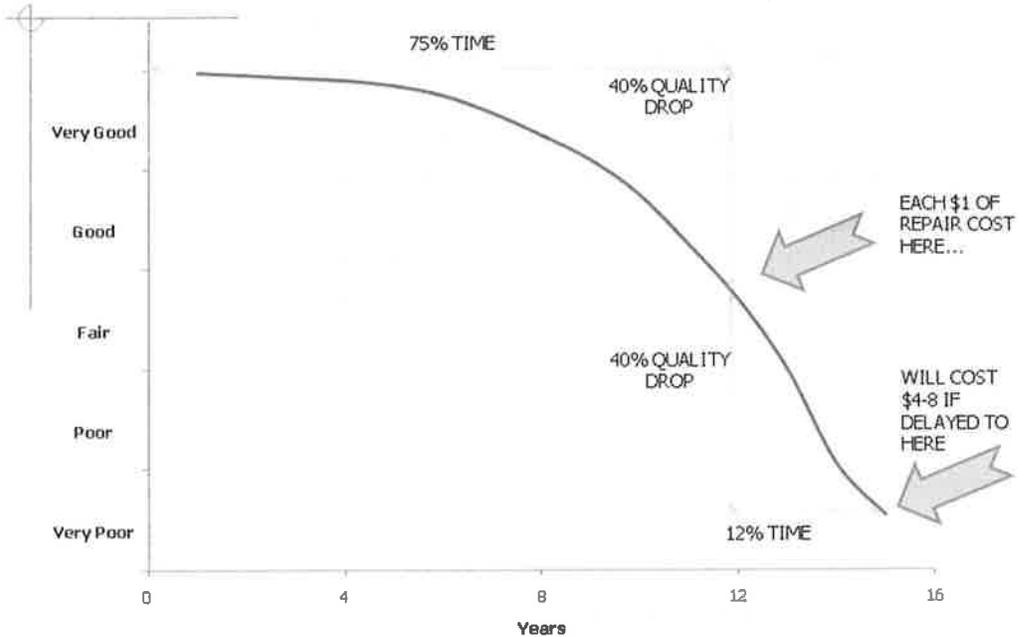
(h) The adoption of a growth management limitation or moratorium by a municipality shall not affect any development with respect to which an impact fee has been paid or assessed as part of the approval for that development.

(i) Neither the adoption of an impact fee ordinance, nor the failure to adopt such an ordinance, shall be deemed to affect existing authority of a planning board over subdivision or site plan review, except to the extent expressly stated in such an ordinance.

(j) The failure to adopt an impact fee ordinance shall not preclude a municipality from requiring developers to pay an exaction for the cost of off-site improvement needs determined by the planning board to be necessary for the occupancy of any portion of a development. For the purposes of this subparagraph, "off-site improvements" means those improvements that are necessitated by a development but which are located outside the boundaries of the property that is subject to a subdivision plat or site plan approval by the planning board. Such off-site improvements shall be limited to any necessary highway, drainage, and sewer and water upgrades pertinent to that development. The amount of any such exaction shall be a proportional share of municipal improvement costs not previously assessed against other developments, which is necessitated by the development, and which is reasonably related to the benefits accruing to the development from the improvements financed by the exaction. As an alternative to paying an exaction, the developer may elect to construct the necessary improvements, subject to bonding and timing conditions as may be reasonably required by the planning board. Any exaction imposed pursuant to this section shall be assessed at the time of planning board approval of the development necessitating an off-site improvement. Whenever the calculation of an exaction for an off-site improvement has been predicated upon some portion of the cost of that improvement being borne by the municipality, a refund of any collected exaction shall be made to the payor or payor's successor in interest upon the failure of the local legislative body to appropriate the municipality's share of that cost within 6 years from the date of collection. For the purposes of this subparagraph, failure of local legislative body to appropriate such funding or to construct any necessary off-site improvement shall not operate to prohibit an otherwise approved development.

Appendix F. Road Improvements Program Detail

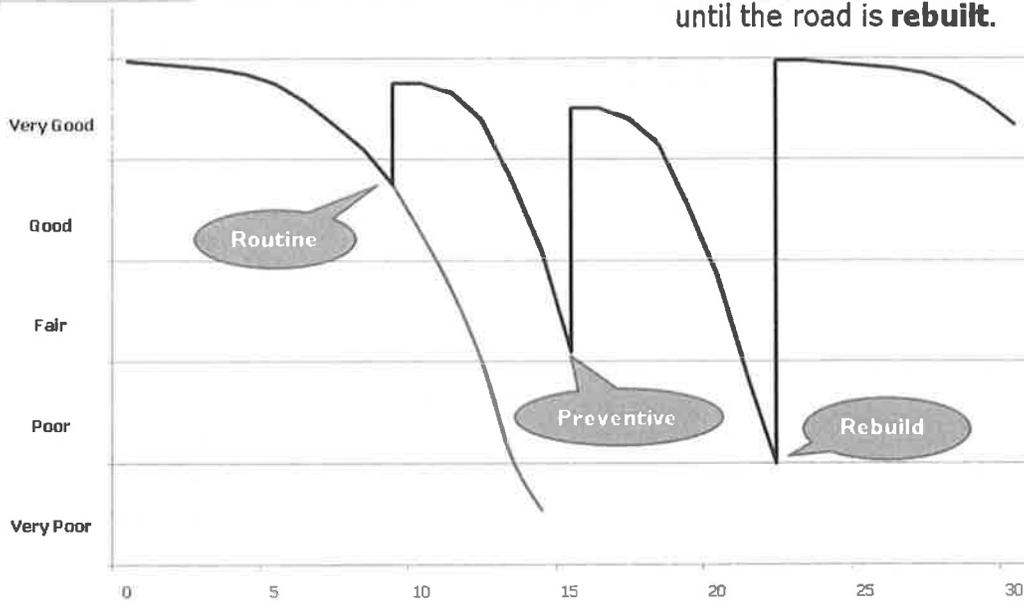
Asset Deterioration: asphalt road



UNH Technology Transfer Center

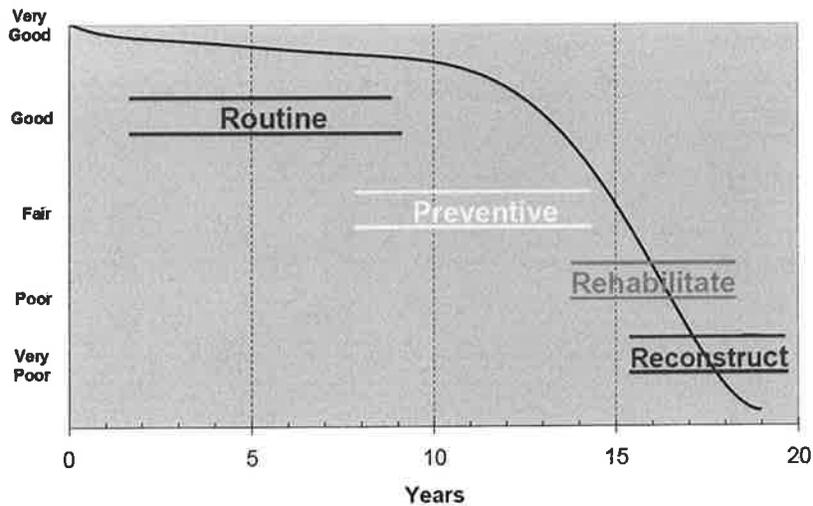
Lifecycle of a Road

Repairs do not return the road condition to 100% until the road is **rebuilt**.



UNH Technology Transfer Center

Road Condition Decline Curve



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Appendix G.

CIPC Created at 2009 Town Meeting with Warrant Article 10

ARTICLE 10

To see if the Town will vote, as a block, to:

A. Authorize the Board of Selectmen, under the authority of RSA Ch. 674-5, to appoint a Capital Improvements Program Committee (the "Committee"), the members of which shall be sworn to the faithful performance of their office by the Town Clerk, to prepare and recommend a program of municipal capital improvement projects projected over a period of at least six (6) years. Said Committee is to prepare its program in accordance with RSA Ch. 674:6, exercise its authority under RSA Ch. 674:7 and such other criteria as shall be established by the Governing Body, and file an annual report of their activities with the Town.

B. Repeal Article 17 of the Town Meeting of March 10, 1987, and any actions inconsistent with this article.

(Recommended by Selectmen 5 - 0)

(Recommended by Advisory Budget Committee 5 - 0)

ARTICLE 11

To see if the Town will vote, under authority of RSA Ch. 231:63 and in addition to those duties previously required of the Highway Agent under Article 23 of the Town Meeting of March 5, 1974, to require the Highway Agent, in addition to the usual duties as Highway Agent, to have charge, under the direction of the Selectmen, of the care of public parks and cemeteries; public forests; public playgrounds; shade and ornamental trees.

(Recommended by Selectmen 5 - 0)

(Recommended by Advisory Budget Committee 5 - 0)

ARTICLE 12

To see if the Town will vote to enact an ordinance to be entitled "Acceptance of Credit Cards" and to read as follows:

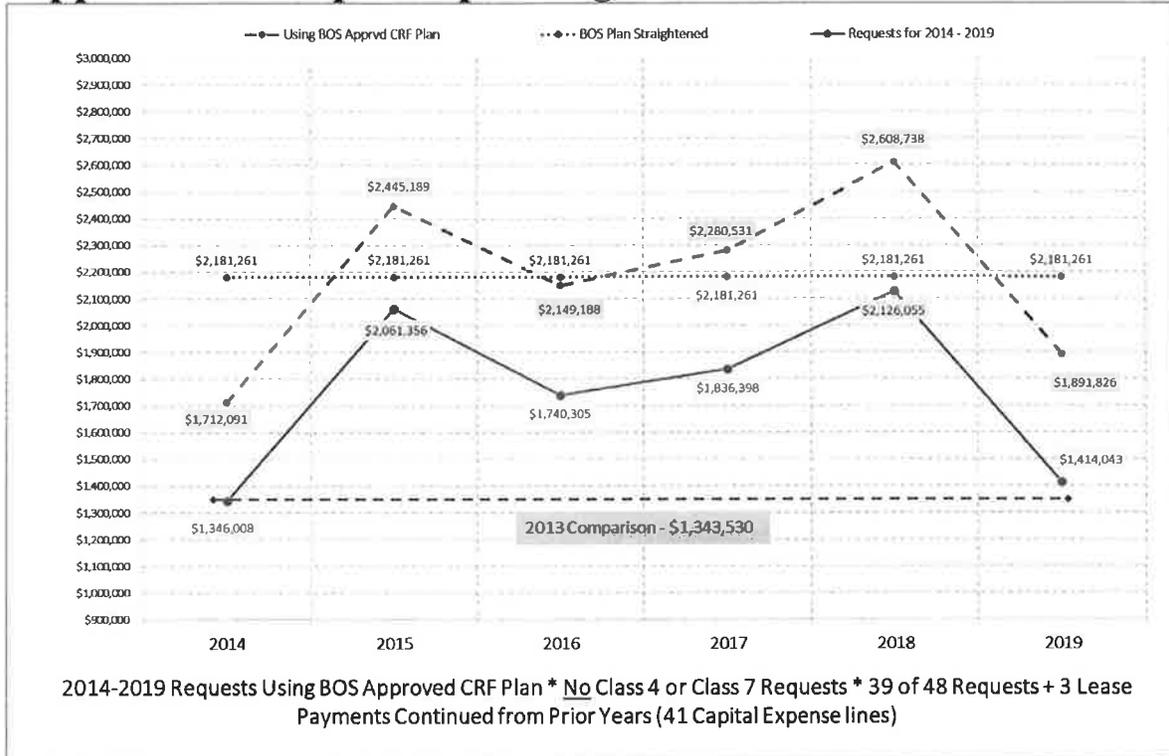
SECTION I: PURPOSE:

The purpose of this Ordinance is to authorize the Town of Moultonborough's Treasurer or other appropriate municipal official to accept payment by credit cards for taxes, utility charges, and fees.

SECTION II: AUTHORITY:

Moultonborough Capital Improvements Program for 2015 - 2020
FINAL – September 2, 2014

Appendix H. Capital Spending Forecast Charts

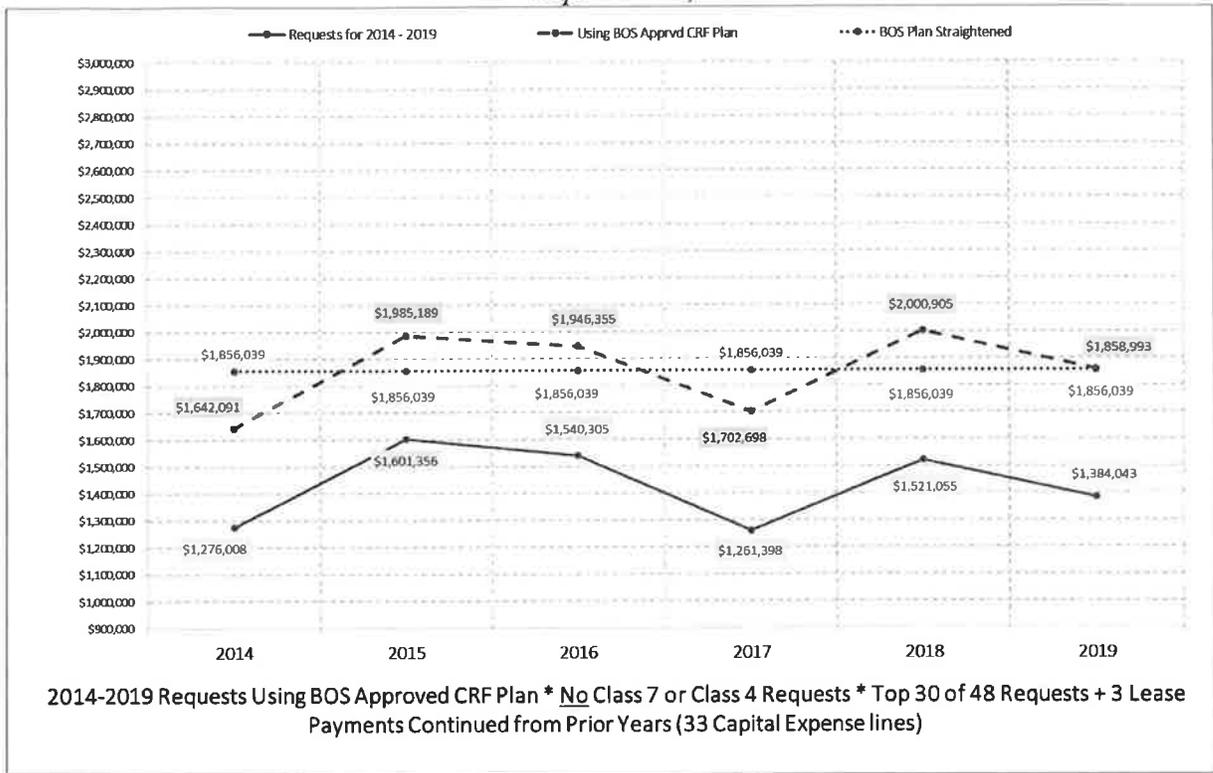


For Years 2014 to 2019 without Class 4 and 7
 Requests 2013 to 2014 Change to Total Capital Expense= (\$ 92,495)
 6 Year CRF Total Plan Adjustments = \$2,563,400
 6 Year CIPC Annual Average of Plan with CRF Adjustment = \$2,181,261
 6 Year CIPC Annual Average of Plan without CRF Adjustment = \$1,754,028
 6 Year CRF Annual Average of Plan CRF Adjustments = \$427,233
 2013 Capital Requests = \$1,343,530 (2013 Annual Report Warrants #12, 13, all-but-e #14, 3-lease-continuations #17)
 2013 CRF ARC Adjustments = \$292,500 (2013 Annual Report Warrants parts-of #15 & #16)

Capital Reserve Fund ARC Adjustment

Year	Leveled	Un-leveled	Annual Plan CRF Adjustments
2014	\$835,253	\$366,083	
2015	\$119,905	\$383,833	
2016	\$440,956	\$408,883	
2017	\$344,863	\$444,133	
2018	\$55,206	\$482,683	
2019	\$767,218	\$477,783	
	=====	=====	
	\$2,563,400	\$2,563,400	Total Plan CRF Adjustments

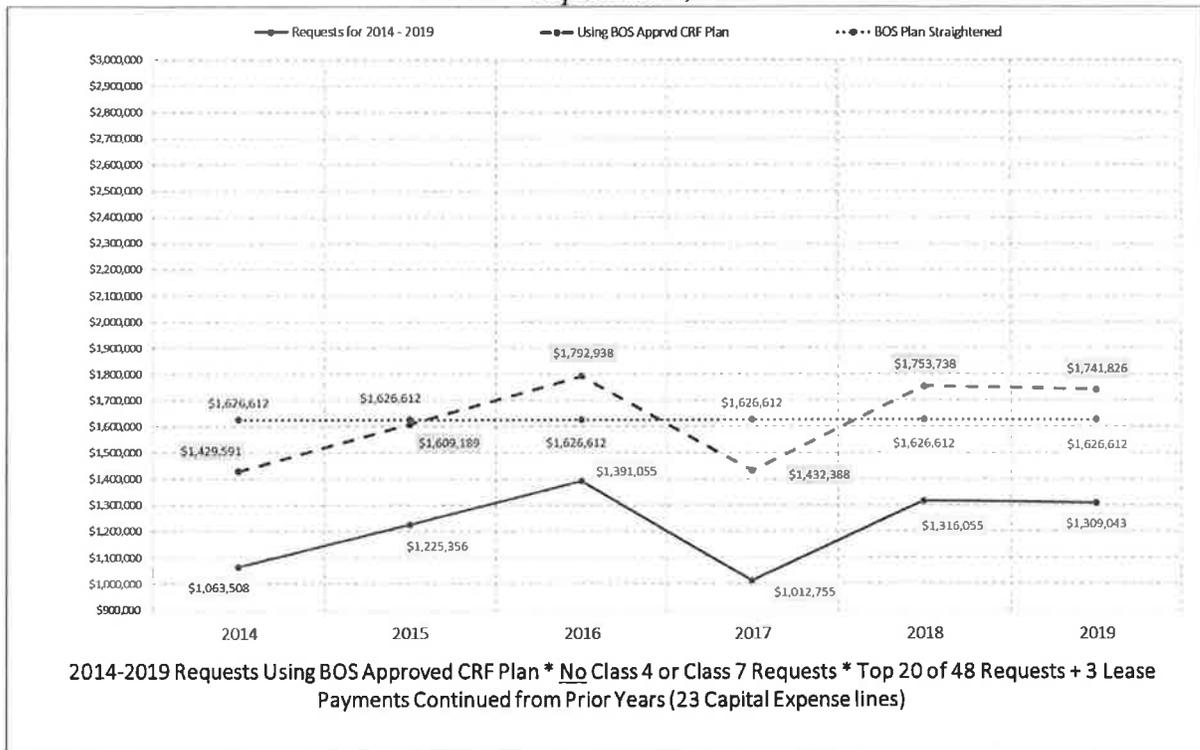
Moultonborough Capital Improvements Program for 2015 - 2020
FINAL – September 2, 2014



For Years 2014 to 2019 without Class 4 and 7 Requests
 2013 to 2014 Change to Total Capital Expense = (\$ 92,495)
 6 Year CRF Total Plan Adjustments = \$2,552,067
 6 Year CIPC Annual Average of Plan with CRF Adjustment = \$1,856,039
 6 Year CIPC Annual Average of Plan without CRF Adjustment = \$1,349,094
 6 Year CRF Annual Average of Plan CRF Adjustments = \$506,944
 2013 Capital Requests = \$1,343,530 (2013 Annual Report Warrants #12, #13, all-but-e #14, 3-lease-continuations #17)
 2013 CRF ARC Adjustments = \$292,500 (2013 Annual Report Warrants parts-of #15 & #16)

Capital Reserve Fund ARC Adjustment		
Year Levelled Un-levelled Annual Plan CRF Adjustments		
2014	\$580,031	\$366,083
2015	\$254,683	\$383,833
2016	\$315,734	\$406,050
2017	\$594,641	\$441,300
2018	\$334,984	\$479,850
2019	\$471,996	\$474,950
	=====	=====
	\$2,552,067	\$2,552,067
		Total Plan CRF Adjustments

Moultonborough Capital Improvements Program for 2015 - 2020
FINAL – September 2, 2014



For Years 2014 to 2019 without Class 4 and 7 Requests
 2013 to 2014 Change to Total Capital Expense = (\$ 92,495)
 6 Year CRF Total Plan Adjustments = \$2,441,900
 6 Year CIPC Annual Average of Plan with CRF Adjustment = \$1,626,612
 6 Year CIPC Annual Average of Plan without CRF Adjustment = \$1,145,056
 6 Year CRF Annual Average of Plan CRF Adjustments = \$481,556
 2013 Capital Requests = \$1,343,530 (2013 Annual Report Warrants #12, #13, all-but-e #14, 3-lease-continuations #17)
 2013 CRF ARC Adjustments = \$292,500 (2013 Annual Report Warrants parts-of #15 & #16)

Capital Reserve Fund ARC Adjustment		
Year Leveled Un-leveled Annual Plan CRF Adjustments		
2014	\$563,104	\$366,083
2015	\$401,256	\$383,833
2016	\$235,557	\$401,883
2017	\$613,857	\$419,633
2018	\$310,557	\$437,683
2019	\$317,569	\$432,783
	=====	=====
	\$2,441,900	\$2,441,900
		Total Plan CRF Adjustments

Appendix I. 2015 Project Request Submittals & Ancillary Documents (multi-page)

On following pages.

Appendix J. Capital Financing Plan Memorandum (multi-page)

Following Project Request pages.

Appendix K. 2015-2020 Capital Improvement Program Spreadsheet

Last Sheet (11 x 17).

MEMORANDUM - OFFICE OF THE TOWN ADMINISTRATOR

TO: C. Terenzini
FROM: Mike Branley, Town Fellow: *Mike*
RE: Capital Financing Plan
DATE: October 20, 2011
CC: H. Davis

The Task

After completing my Reserve Fund Analysis and receiving feedback from the Board of Selectmen, you tasked me with making an effort to put my report into practice. Specifically, I was instructed to:

- Fund the capital projects ranked by the Capital Improvements Committee with but few exceptions;
- Fund other non-discretionary liabilities (such as current leases);
- Build the reserve funds (if not annually, at least in the aggregate) in accordance with the ARCs, Floors, and Targets laid out in my report Establishing Fiscal Wellness; and
- Keep the annual increased tax levy spent on capital below 5% each year (ideally below 4.50%).

I was instructed to fund all Tier 1, 2, and 3 capital projects with the following exceptions based on what you are willing to recommend:

- More than one police cruiser will not be recommended in any given year. To rectify this variation with the CIPC spreadsheet (specifically in 2013) I have spread out police cruiser schedule based on use and mileage to have one replaced annually;
- No energy savings projects will be recommended piecemeal; all energy savings projects should be bundled, put to bid for an Energy Savings Company (ESCO), and then repaid from the operating savings; and
- No School District projects were funded in this effort as they should be included in the District's budget, even though are included on the CIPC spreadsheet.

When having a discussion during this process with Chief Bengston and Road Agent Kinmond it became apparent that if kept on their replacement schedules, DPW pick-up trucks could be refurbished and transferred to the Fire Department to replace Utility 1 and Forestry 2 (Forestry 1 was a surplus vehicle and will not be replaced when it goes out of commission). This coordination would be more cost effective than continuing to maintain these vehicles (which date back to 1986 and 1985 respectively) or buying brand new replacements. The projected cost of a heavy refurbishment and retrofitting the vehicles to fit their new role at the Fire Department is \$25,000 each (as opposed to a \$55,000 new replacement). I do not believe either of these pieces of equipment were submitted to the CIPC initially for the 2012-2017 cycle because the Chief was trying to minimize his capital requests, however I believe he has submitted these updated requests to the CIPC.

Based on these discussions in addition to updated replacement costs and schedules presented to the CIPC, I have attached updated fleet and reserve fund spreadsheets for the Firefighting Equipment Fund and the Public Works Equipment Fund.

When funding the trust funds, the following alterations to my report were made based on our discussions and feedback from the Board of Selectmen:

- The Dry Hydrant Fund's balance will not be reduced and will have a small amount appropriated annually;
- The purpose and name of the Police Department Communications Equipment Fund will not be changed and this fund will not be used for cruisers. This fund will have a small amount appropriated annually;
- Contributions to the Playground Improvement Fund will not be recommended; and
- The ARC for the Appraisal Fund was altered based on you clarifying how the Vision contract is funded.

Other aspects of the trust funds in this financing plan worth noting are:

- The Communication Technology Fund, Personnel Liability Fund, and Community Substance Fund will be level-funded every year of this cycle; and
- The Milfoil trust fund's appropriation (\$200,000 in 2011) will be decreased by \$5,000 annually.

One of the assumptions that I followed when funding the capital program was that the reserve funds, specifically the DPW and Fire Equipment Funds, would be used as "wash accounts." In essence, this means that the ARC is appropriated each year as laid out in the Trust Fund Report and then however much is needed to be expended to keep the tax rate from growing too high is expended. For example, if the ARC for the Fire Equipment Fund was \$100,000 and \$100,000 needed to be expended, those actions would be taken separately rather than one action to fund the \$100,000 project straight from tax levy. This gets the Selectmen and the community used to

appropriating the ARC to the funds each year, even though in some cases the fund nets a loss after the expenditure.

Another assumption is that for some funds, such as Lee's Mills Fund, the Historic Buildings Fund, the Dry Hydrant Fund, and to some extent the Municipal Building Fund, it is nearly impossible to accurately predict when they will be expended. As such, I have budgeted for the ARCs to the extent that I was able even though in many cases this led to the funds rising higher than their recommended ceilings down the road (I reasoned that trying to guess how much would be expended was just setting myself up to fail). As time goes on, adjustments should be made to reduce these contributions if the funds grow to the ceilings and to distribute that money to other funds in greater need.

The Finished Product

Attached you will find the spreadsheets that lay out my recommendation for how to fund the Town's capital needs and also the trust funds. I have tried to make these documents easy to follow by aligning similar items and funds whenever possible.

As you can see from the "End of Year Fund Balances..." page, by 2017 I was able to reach the recommended Floors for all but two funds (Firefighting Equipment and Municipal Building) and was able to appropriate the ARC for every fund but one (the Municipal Building Fund). I was able to achieve this while keeping the average annual increase in tax levy spent on capital at 4.36%, well under the 5% limit and the 4.5% goal. I have also linked these spreadsheets electronically so that when changes are made in one year's appropriation to a reserve fund it changes the year end balances on that page and the left side of the next year's page. This amenity will facilitate alterations as they will inevitable be made during the course of this plan.

