
MEMORANDUM - FROM THE DESK OF THE TOWN ADMINISTRATOR

TO: Planning Board
FROM: Jamie A Pike, Town Administrator
RE: 2024-29 CIP (Approved 12.19.2023)
DATE: Tuesday, December 19, 2023
CC: Select Board and Budget & Advisory Committee

The purpose of the Town's Capital Improvement Program (CIP) is to provide a valuable planning tool to help the Town anticipate, prioritize, coordinate and manage its capital expenditures. Capital expenditures are purchases of vehicles and various equipment items with a cost of over \$5,000 and have a life span of more than 3 years. Examples include dump trucks, fire trucks, police cruisers, self-contained breathing apparatus, radio equipment, road & bridge reconstruction, and substantial facility repairs and updates. The CIP also considers non-capital items such as cyclical property revaluations.

The CIP is a 6-year plan but also looks far beyond that time frame as some items such as fire trucks and 10-wheel dump trucks take many years of planning. A major component of the CIP is the saving of funds in the Town's Capital Reserve Funds (CRF), making sure funding is available for these large expenditures when the time comes.

There are 4 major capital items for consideration for the 2024 calendar year;

1. A new one-ton truck to replace the 2014 Ford F550 that was purchased in 2014. This truck is on a 10-year rotation schedule. The budget for this replacement is \$110,000, and will be funded by a withdrawal from the appropriate CRF.
2. There are five town facility maintenance projects, the first being resurfacing of the Tennis Courts. Records indicate these were last resurfaced in 1995. The funding for this project is proposed to come from the Recreation Lands CRF in the amount of \$20,000 and a donation from FIHS in the amount of \$10,000.

The Recreation Commission and the Cemetery Trustees are each seeking to construct new equipment storage sheds, one at Cemetery #3, and one at Underhill Field. Each of these sheds are estimated to cost \$15,000, with \$15,000 to be withdrawn from the Town Facilities CRF, \$10,000 from the Recreation Trust, and \$5,000 from the Cemetery Maintenance Trust.

The Select Board is proposing to expend up to \$10,000 on general repairs at the Transfer Station. This will include projects such as floor replacement, roof repair and recyclables handling improvements. The funding for these improvements will be withdrawn from the Town Facilities CRF.

The final facilities project is to replace the carpeting at the Police Station. A bid for this project has been received for a project cost of \$4,000. These carpets were not replaced during the remodel that occurred in 2017 and were reportedly last replaced in 1983.

3. The third project is preliminary engineering work for the replacement of the large diameter culvert on School House Road with a budget of \$15,000. This projected is to be funded by a withdrawal from the Town Roads CRF.
4. The fourth capital project for 2024 is the replacement of the 2018 police cruiser. The current bid price for this purchase is \$60,000 and these funds will be withdrawn from the Police Vehicles CRF.
5. The final project for 2024 is a non-capital project to perform a statistical revaluation of the Town. The most recent equalization ratio was 59.9%.

The CIP also provides for a plan for funding the Capital Reserve Funds as there are some major obstacles to overcome in the next decade specific to Fire and Highway vehicles and equipment. If funding levels are maintained at historical levels, there is forecasted a \$3.2M deficit in these CRFs.

For over two decades the Town has employed a Pay-Go method of funding major vehicle/equipment purchases, meaning using cash on hand. With the two replacement schedules for the Fire and Highway Departments intersecting between 2031 and 2040, funding for these two CRFs would need to increase between 32 and 50% over the next 10 years.

In order to smooth the tax impact, an alternate model of leasing was employed. Initial thoughts were that once the Town began leasing, it would have to be for all future equipment purchases, but this was pared back in the modeling.

The parameters of the leasing model are:

1. Lease all vehicles and equipment with a lifespan of more than 15 years, and
2. Down payments for all leased equipment to be set at 50%, and
3. Lease terms for Fire Equipment – 10 years, and
4. Lease terms for Highway Equipment – 7 years.

Using this model, reduces the increase in funding to between 25 and 41% over the same time period. More time needs to be spent on researching municipal leasing and altering the model to find the most beneficial funding result.

Consequently, I am recommending to fund the 2025 Fire Vehicle at \$150,000 for 2024 and 2025 and use cash on hand for the purchase until this research and modeling can be completed.

The exhibits attached to this report include:

1. Exhibit 1 – a summary or short form of the 6-year CIP with 3 years of historical data.
2. Exhibit 2 – a more detailed overview of the proposed plan providing specific expenditures and revenue sources.
3. Exhibit 3 – a breakdown of the various Capital Reserve and Expendable Trust Funds with their balances, encumbrances, withdrawals and deposits.
4. Exhibit 4 – a detailed list of the individual projects and their respective budgets over the course of the 6-year plan.
5. Exhibit 5 – an inventory of the Town's vehicles and equipment with anticipated replacement schedules and inflated costs.

CIP 2024/29 12.19.2023

Exhibit 1 (Summary) Capital Projects - Appropriations

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	6 Yr TOTAL
DEPARTMENT										
General Government	\$ 32,000	\$ 20,000	\$ 44,500	\$ 112,000	\$ 85,000	\$ 42,000	\$ -	\$ -	\$ 80,000	\$ 319,000
Police	\$ 50,000	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 135,000
Fire & Rescue	\$ 145,000	\$ 95,000	\$ -	\$ -	\$ 1,026,500	\$ -	\$ -	\$ -	\$ -	\$ 1,026,500
Highways and Streets	\$ 340,000	\$ 300,000	\$ 650,000	\$ 125,000	\$ 275,000	\$ -	\$ 300,000	\$ 376,500	\$ 304,500	\$ 1,381,000
Appropriations to Capital Reserves	\$ 487,700	\$ 571,800	\$ 462,300	\$ 443,500	\$ 445,000	\$ 455,000	\$ 455,000	\$ 460,000	\$ 465,000	\$ 2,723,500
Appropriations to Other Trusts	\$ 12,200	\$ 3,800	\$ 2,300	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500
TOTAL CAPITAL EXPENDITURES	\$ 1,066,900	\$ 990,600	\$ 1,159,100	\$ 744,000	\$ 1,831,500	\$ 497,000	\$ 755,000	\$ 911,500	\$ 849,500	\$ 5,588,500
Revenues Applied to Project Costs (excluding current year property taxes)										
Capital Reserve Withdrawal	\$ 422,250	\$ 350,000	\$ 694,500	\$ 287,000	\$ 1,311,500	\$ 42,000	\$ 300,000	\$ 451,500	\$ 384,500	\$ 2,985,000
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Undesignated Fund Balance	\$ 69,900	\$ 175,600	\$ 54,600	\$ 32,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 287,200
Gifts/Other	\$ 2,000	\$ 15,000	\$ -	\$ 10,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
TOTAL AVAILABLE REVENUES	\$ 631,900	\$ 595,600	\$ 749,100	\$ 329,000	\$ 1,411,500	\$ 42,000	\$ 300,000	\$ 451,500	\$ 384,500	\$ 3,427,200
NET ANNUAL CAPITAL EXPENSE (Funded by Current Year Property Tax)	\$ 435,000	\$ 395,000	\$ 410,000	\$ 415,000	\$ 420,000	\$ 455,000	\$ 455,000	\$ 460,000	\$ 465,000	\$ 3,010,000
ASSESSED VALUATION On Which Taxes are Raised	\$ 219,858,760	\$ 221,573,658	\$ 223,461,636	\$ 225,204,637	\$ 226,961,233	\$ 228,731,531	\$ 230,515,636	\$ 232,313,658	\$ 234,125,705	
TAX RATE IMPACT FOR CAPITAL PROJECTS Compute: (Net Annual Capital Expense/(Assessed Valuation/\$1,000)) = Tax Rate Per Thousand Valuation	\$ 1.98	\$ 1.78	\$ 1.83	\$ 1.84	\$ 1.85	\$ 1.99	\$ 1.97	\$ 1.98	\$ 1.99	

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	6 Yr TOTAL
DEPARTMENT										
General Government	\$ 32,000.00	\$ 20,000.00	\$ 44,500.00	\$ 112,000.00	\$ 85,000.00	\$ 42,000.00	\$ -	\$ -	\$ 80,000.00	\$ 319,000.00
Town Hall			\$ 26,500.00							\$ -
General Government Buildings	\$ 40,000	\$ 20,000.00	\$ 18,000.00	\$ 4,000.00		\$ 42,000.00				\$ 46,000.00
Cemetery				\$ 15,000.00						\$ 15,000.00
Property Appraisal				\$ 38,000.00					\$ 80,000.00	\$ 118,000.00
Recreation Shed				\$ 15,000.00						\$ 15,000.00
Transfer Station Improvements				\$ 10,000.00	\$ 35,000.00					
Tennis Court Refurbishment				\$ 30,000.00						\$ 30,000.00
Library HVAC					\$ 50,000.00					\$ 50,000.00
Police	\$ 50,000.00	\$ -	\$ -	\$ 60,000.00	\$ -	\$ -	\$ -	\$ 75,000.00	\$ -	\$ 135,000.00
Cruiser	\$ 50,000			\$ 60,000.00				\$ 75,000.00	\$ -	\$ 135,000.00
Radar										\$ -
Fire and Rescue	\$ 145,000.00	\$ 95,000.00	\$ -	\$ -	\$ 1,026,500.00	\$ -	\$ -	\$ -	\$ -	\$ 1,026,500.00
Radio Equipment	\$ 175,000	\$ 95,000.00								\$ -
Turnout Gear Replacement					\$ 26,500.00					
Fire Truck Replacment					\$ 1,000,000.00					\$ 1,000,000.00
Highways and Streets	\$ 340,000.00	\$ 300,000.00	\$ 650,000.00	\$ 125,000.00	\$ 275,000.00	\$ -	\$ 300,000.00	\$ 376,500.00	\$ 304,500.00	\$ 1,381,000.00
Dump Truck		\$ 300,000.00	\$ 305,000.00						\$ 304,500.00	\$ 304,500.00
Road Improvement	\$ 340,000		\$ 345,000.00	\$ 15,000.00	\$ 275,000.00		\$ 300,000.00	\$ 260,000.00		\$ 850,000.00
1-ton Replacement				\$ 110,000.00				\$ 116,500.00		\$ 226,500.00
Appropriations to Capital Reserves	\$ 487,700.00	\$ 571,800.00	\$ 462,300.00	\$ 443,500.00	\$ 445,000.00	\$ 455,000.00	\$ 455,000.00	\$ 460,000.00	\$ 465,000.00	\$ 2,723,500.00
Fire Equipment	\$ 14,500.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 60,000.00
Highway Equipment	\$ 170,000.00	\$ 175,000.00	\$ 175,000.00	\$ 50,000.00	\$ 50,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 500,000.00
Bridges	\$ -	\$ -				\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 200,000.00
Cemetery Improvements	\$ 3,200.00	\$ 1,800.00	\$ 2,300.00	\$ 3,500.00						\$ 3,500.00
Police Vehicles	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 25,000.00	\$ 125,000.00
Fire Trucks	\$ 100,000.00	\$ 100,000.00	\$ 50,000.00	\$ 150,000.00	\$ 150,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 500,000.00
Town Facilities	\$ 45,000.00	\$ 45,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 140,000.00
Property Appraisal	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 85,000.00
Town Roads	\$ 175,000.00	\$ 200,000.00	\$ 175,000.00	\$ 180,000.00	\$ 180,000.00	\$ 185,000.00	\$ 185,000.00	\$ 190,000.00	\$ 190,000.00	\$ 1,110,000.00
Appropriations to Other Trusts	\$ 12,200.00	\$ 3,800.00	\$ 2,300.00	\$ 3,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00
Master Plan	\$ 2,000	\$ 2,000.00								\$ -
Legal & Public Assistance	\$ 7,000									\$ -
General Cemetery Maint	\$ 3,200	\$ 1,800.00	\$ 2,300.00	\$ 3,500.00						\$ 3,500.00
TOTAL CAPITAL EXPENDITURES	\$ 1,066,900.00	\$ 990,600.00	\$ 1,159,100.00	\$ 744,000.00	\$ 1,831,500.00	\$ 497,000.00	\$ 755,000.00	\$ 911,500.00	\$ 849,500.00	\$ 5,588,500.00

2024-2029 CIP Draft 12.19.2023

Exhibit 3 Capital Reserve and Public Trust Funds

Fund	Fire Veh.	Fire Equip.	Hwy Equip	Police Veh.	Town Facil.	Town Roads	Town Bridges	Revaluation	Rec. Lands	Cem. Impr.	Cem Maint.	Master Plan	Legal/Welfare	Total	
2022	Ending Balance	\$ 603,838	\$ 17,376	\$ 465,781	\$ 54,999	\$ 176,953	\$ 249,660	\$ 521,443	\$ 33,468	\$ 123,122	\$ 52,485	\$ 15,335	\$ 9,946	\$ 50,684	\$ 2,375,089
	Encumbered			\$ (305,000)		\$ (50,000)	\$ (50,000)	\$ (290,554)							\$ (695,554)
	Additions	\$ 50,000	\$ 10,000	\$ 175,000	\$ 20,000	\$ 20,000	\$ 175,000		\$ 10,000		\$ 2,300	\$ 2,300			\$ 464,600
2023	Withdrawals			\$ (234,480)			\$ (326,498)	\$ (51,958)							\$ (612,936)
	Available Balance	\$ 653,838	\$ 27,376	\$ 101,301	\$ 74,999	\$ 146,953	\$ 48,162	\$ 178,931	\$ 43,468	\$ 123,122	\$ 54,785	\$ 17,635	\$ 9,946	\$ 50,684	\$ 1,531,199
	Additions	\$ 150,000	\$ 10,000	\$ 50,000	\$ 20,000	\$ 20,000	\$ 180,000	\$ -	\$ 10,000		\$ 3,500	\$ 3,500			\$ 447,000
2024	Withdrawals			\$ (110,000)	\$ (60,000)	\$ (29,000)	\$ (15,000)		\$ (38,000)	\$ (20,000)	\$ (5,000)				\$ (277,000)
	Available Balance	\$ 803,838	\$ 37,376	\$ 41,301	\$ 34,999	\$ 137,953	\$ 213,162	\$ 178,931	\$ 15,468	\$ 103,122	\$ 58,285	\$ 16,135	\$ 9,946	\$ 50,684	\$ 1,701,199
	Additions	\$ 150,000	\$ 10,000	\$ 50,000	\$ 20,000	\$ 20,000	\$ 180,000	\$ -	\$ 15,000						\$ 445,000
2025	Withdrawals	\$ (925,000)	\$ (26,500)			\$ (85,000)	\$ (275,000)								\$ (1,311,500)
	Available Balance	\$ 28,838	\$ 20,876	\$ 91,301	\$ 54,999	\$ 72,953	\$ 118,162	\$ 178,931	\$ 30,468	\$ 103,122	\$ 58,285	\$ 16,135	\$ 9,946	\$ 50,684	\$ 834,699
	Additions	\$ 50,000	\$ 10,000	\$ 100,000	\$ 20,000	\$ 25,000	\$ 185,000	\$ 50,000	\$ 15,000						\$ 455,000
2026	Withdrawals					\$ (42,000)									\$ (42,000)
	Available Balance	\$ 78,838	\$ 30,876	\$ 191,301	\$ 74,999	\$ 55,953	\$ 303,162	\$ 228,931	\$ 45,468	\$ 103,122	\$ 58,285	\$ 16,135	\$ 9,946	\$ 50,684	\$ 1,247,699
	Additions	\$ 50,000	\$ 10,000	\$ 100,000	\$ 20,000	\$ 25,000	\$ 185,000	\$ 50,000	\$ 15,000						\$ 455,000
2027	Withdrawals						\$ (300,000)								\$ (300,000)
	Available Balance	\$ 128,838	\$ 40,876	\$ 291,301	\$ 94,999	\$ 80,953	\$ 188,162	\$ 278,931	\$ 60,468	\$ 103,122	\$ 58,285	\$ 16,135	\$ 9,946	\$ 50,684	\$ 1,402,699
	Additions	\$ 50,000	\$ 10,000	\$ 100,000	\$ 20,000	\$ 25,000	\$ 190,000	\$ 50,000	\$ 15,000						\$ 460,000
2028	Withdrawals			\$ (116,500)	\$ (75,000)		\$ (260,000)								\$ (451,500)
	Available Balance	\$ 178,838	\$ 50,876	\$ 274,801	\$ 39,999	\$ 105,953	\$ 118,162	\$ 328,931	\$ 75,468	\$ 103,122	\$ 58,285	\$ 16,135	\$ 9,946	\$ 50,684	\$ 1,411,199
	Additions	\$ 50,000	\$ 10,000	\$ 100,000	\$ 25,000	\$ 25,000	\$ 190,000	\$ 50,000	\$ 15,000						\$ 465,000
2029	Withdrawals			\$ (304,500)					\$ (80,000)						\$ (384,500)
	Available Balance	\$ 228,838	\$ 60,876	\$ 70,301	\$ 64,999	\$ 130,953	\$ 308,162	\$ 378,931	\$ 10,468	\$ 103,122	\$ 58,285	\$ 16,135	\$ 9,946	\$ 50,684	\$ 1,491,699

Capital Improvement Program Project List

Exhibit 4

Draft 12.19.2023

2024

Highway Equipment		
Plow Truck Replacement (1-TON)	\$	110,000.00
Property Revaluation (Statistical)	\$	38,000.00
Town Facilities		
Tennis Court Resurfacing	\$	30,000.00
Cemetery #3 Storage Shed	\$	15,000.00
Recreation Equipment Shed	\$	15,000.00
Police Station Carpet Replacement	\$	4,000.00
Transfer Station Improvements	\$	10,000.00
Roads & Bridges		
Preliminary Engineering School House Road	\$	15,000.00
Police Equipment		
Replacement of 2018 cruiser	\$	60,000.00

2025

Roads & Bridges		
2nd NH Tpke North	\$	275,000.00
Town Facilities		
Library Geo-Thermal (Renewal)	\$	50,000.00
Transfer Station Compactor	\$	35,000.00
Fire Equipment		
Fire Truck Replacement (Non-lapsing)	\$	1,000,000.00
Turnout Gear Replacement	\$	26,500.00

2026

Town Buildings		
Carpet replacement (Town Offices)	\$	12,000.00
Library Roof	\$	30,000.00

2027

Roads & Bridges		
South New Boston Road	\$	300,000.00

2028

Police Equipment		
Replacement of 2021 cruiser	\$	75,000.00
Roads & Bridges		
Poor Farm Road (Todd to Bible Hill)	\$	260,000.00
Highway Equipment		
Plow Truck Replacement (1-TON)	\$	116,500.00

2029

Highway Equipment		
Plow Truck Replacement (6-Wheel))	\$	304,500.00

Unscheduled Projects

Fire Station Painting (Inside and Out)
Fire Station Office Refurbish
Transfer Station - General Bldg Repairs
Town Hall Kitchen
Parking Lot Maintenance - Town Offices/Fire Station

**Capital Improvement Program
Inventory
Exhibit 5
Draft 12.19.2023**

Date of Purchase	Model Year	Equipment/Vehicle Description	Purchase Price	Est. Year of Replacement	Est. Cost of Replacement
POLICE DEPARTMENT					
5/15/2018	2018	Ford Explorer Police AWD	\$ 40,798.35	2024	\$ 60,000.00
8/4/2021	2021	Ford Explorer Police AWD	\$ 47,843.90	2028	\$ 75,000.00
FIRE DEPARTMENT					
12/31/1989	1989	Pierce Pumper	\$ 189,000.00	n/a	
12/31/1991	1990	Penn Rescue Boat w/ Trailer	~\$10,000.00	n/a	
3/26/1996	1996	Mack Tanker	\$ 139,976.00	2025	\$ 1,000,000.00
8/21/2003	n/a	CAT Olympian D20P2S Mobile Generator	\$ 16,345.00	n/a	
12/31/2005	2004	Kubota RTV-900 w/ Trailer	n/a	n/a	
4/20/2006	2006	KME Predator Custom Pumper	\$ 324,591.00	2036	\$ 1,220,000.00
9/12/2010	2011	Int'l KME Tanker	\$ 241,321.00	2040	\$ 866,000.00
9/9/2016	2016	Ford F550 Rescue	\$ 217,793.00	2031	\$ 422,500.00
12/31/2017	2000	Ford F550 Brush Truck	\$ 48,125.00	2032	\$ 93,500.00
6/1/2019	n/a	SCBA Cascade System & Tanks	\$ 177,442.00	2039	\$ 360,200.00
HIGHWAY DEPARTMENT					
3/17/1998	1993	Bandit Brush Chipper	\$ 13,000.00	n/a	
7/9/2009	2010	Mack 10-Wheel Dump Truck	\$ 177,841.90	2023	\$ 305,000.00
8/25/2010	1984	Chevy Water Truck	\$ 15,500.00	n/a	
6/6/2013	2013	John Deere 672G Grader	\$ 275,340.95	2033	\$ 427,000.00
3/18/2014	2014	Ford F550 Dump	\$ 61,439.16	2024	\$ 110,000.00
4/26/2016	2016	John Deere 544K Loader	\$ 164,058.75	2036	\$ 397,000.00
7/31/2017	2018	Western Star 6-Wheel Dump Truck	\$ 179,055.33	2029	\$ 304,500.00
3/23/2018	2018	Ford F550 Dump	\$ 65,135.30	2028	\$ 116,500.00
4/6/2018	2007	John Deere 410J Backhoe	\$ 41,000.00	2032	\$ 95,360.00
5/1/2019	2019	Kubota BX2380V w/ Attachments	\$ 39,000.00	2031	\$ 66,300.00
8/27/2020	2021	Western Star 6-Wheel Dump Truck	\$ 209,671.14	2032	\$ 356,500.00
4/3/2023	2024	Mack 10-Wheel Dump Truck	\$ 277,980.22	2035	\$ 445,000.00