

**Capital
Improvements
Program
(CIP)**

2005 to 2014

Town of Temple, New Hampshire

Prepared
for
The Town of Temple
by the
Capital Improvements Program Committee

Submitted for consideration December 2004

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1. Overview

This Committee was formed at the request of the Temple Town Meeting March 2004. Its purpose is to examine and develop an ongoing plan for capital expenditures by the Town. By creating such a plan, it allows the Town to anticipate major expenditures through budgetary forecasting, thus aiding in a more stable cost of town government. Another benefit of a Capital Improvements Program (CIP), when coupled with a Master Plan, is that it allows the Town to monitor the impact of future development. This plan is a living document, being revised and re-evaluated on an annual basis. As the Town's needs change, so will the document.

We as a Committee feel that this plan is a good start. With ongoing communication between the various departments within Town government, we can develop a fiscally sound and responsible plan for the future of the citizens of Temple.

2. Introduction

Temple's Town officials, like their counterparts in other communities in New Hampshire, expend a great deal of effort each year establishing a municipal budget. This budget must realistically balance the ever-increasing needs and costs of delivering services to Town residents with the financial constraints mandated by available revenues.

In an acknowledgment of the precariousness of the annual budgetary process, the General Court authorized the use of a Capital Improvements Program (CIP) to aid town officials in scheduling capital outlays. New Hampshire RSA §674:5-8 provides the legislative authorization, purpose, description, and preparation of the CIP.

Undertaking a CIP can be done only after authorization to do so is granted by the local legislative body. This was done by a vote of the residents of Temple at Town Meeting in March 2004.

Although the local legislative body must authorize formation of a CIP Committee, the Committee's report is entirely advisory. This document is structured to provide a recommended 10-year program of major capital projects and expenditures. It is intended as a fluid-working document, adaptable to the changing needs and development of the Town.

3. Growth in Temple

Municipal costs in Temple have increased significantly since the early 1980's. This increase is due to a combination of inflation, the general increase in the cost of providing municipal services, and the Town's recent population increase.

Table 1, below, shows the Historical U.S. Census Population for Temple as well as projections of population growth from the New Hampshire Office of Energy and Planning (NHOEP).

Table 1. Historical and Projected Temple Population.

Historical U.S. Census Population			NHOEP Population Projections		
Year	Population	% Change	Year	Population	% Change
1970	441		2005	1,420	+5.1%
1980	692	+56.9%	2010	1,510	+6.3%
1990	1,194	+72.5%	2015	1,590	+5.3%
2000	1,297	+8.6%	2020	1,660	+4.4%
2003	1390	+7.2%	2025	1,720	+3.6%

Sources: U.S. Census for 1900 to 2000; New Hampshire Office of Energy and Planning (NHOEP) population projections, 1997

The schools, police department, fire department, recreation facilities, recycling center, roads, library, Town offices, and meeting space all experience direct increases in demand with population growth.

Each year’s operating costs must be paid as they are incurred. However, capital costs can be controlled through their timing and financing methods. Because capital expenditures have a substantial impact on the property-tax rate, controlling the timing and financing of these expenditures can have a stabilizing effect.

The Town’s master plan identifies the size, locations, and densities of past and projected population growth, and it forms the basis for the assessment of capital needs.

Table 2, below, shows the historical tax rate for the Town of Temple, and how it is broken down, from 1996–2003. Table 2 reflects a 53.21% increase in the Temple Municipal Tax Rate over 7 years and a 21.03% increase from 1996 to 2002.

Table 2. Temple Property Tax Rate, 1996–2003.

Date Sent	Local Valuation	Temple Municipal Tax Rate	Conval Education Tax Rate	NH State Education Tax Rate	County Tax Rate	Total Tax Rate	Tax Commitment
11/13/03	79,829,041	9.76	16.74	5.38	1.71	33.59	2,668,686
11/25/02	75,612,947	7.71	13.89	6.33	1.67	29.60	2,225,189
11/02/01	71,475,445	6.35	10.76	6.28	1.93	25.32	1,796,855
11/13/00	68,781,926	7.22	11.44	5.20	1.78	25.64	1,754,984
12/02/99	66,287,676	8.00	10.53	5.40	1.52	25.45	1,678,328
1998	68,610,512	6.09	19.82	0.00	1.68	27.59	
1997	68,233,631	5.95	18.27	0.00	1.64	25.68	
1996	67,966,688	6.37	16.57	0.00	1.71	29.60	

Source: State of New Hampshire Department of Revenue Administration; NH DRA Tax Rate Calculations

Definitions:

Local Valuation. Property taxes are based on the local assessed valuation of all taxable property within the town, as of April 1 of each year.

Temple Municipal Tax Rate. The component of the tax rate that represents the net budget voted at Temple Town Meeting.

Conval Education Tax Rate. The component of the tax rate that represents the net budget voted by each school district [and/or?] the amount of the net budget of a regional school district apportioned to the municipalities within that regional school district according to the formulas adopted by the voters in that district.

NH State Education Tax Rate. The state education property tax has been effective since April 1999. It was the solution to the New Hampshire Supreme Court's decision concerning the use of local property taxes to fund education. This tax is collected by municipalities and is included on the same bill with other property taxes administered at the local level.

County Tax Rate. The component of the tax rate that represents the net county budget apportioned to each municipality within the county based on Equalized Valuation. (The equalization factor, sometimes called a multiplier, is the tool used to bring all property to a uniform level of assessment.)

Total Tax Rate. The total of the components listed above.

4. CIP Assumptions

- i. Capital Projects are defined as \$5,000 or more / with a projected lifespan of 5 years or more
- ii. Rate of Interest for long-term obligations is 5%.

- iii. Assumed Inflation Rate is 4%. We used data from InflationData.com to make our determination, and we erred on the conservative side.
- iv. Payments on Bridge Bonds reflect an 80% contribution by the State of New Hampshire.

5. Questions about the Capital Improvements Program

Q: Why is a CIP recommended?

Each town in New Hampshire is encouraged by the state to develop a CIP because the CIP process forces each town to identify and prioritize future needs of the municipality that are likely to have a significant impact on annual budgets. The plan then spreads out the annual costs of significant expenditures in order to minimize or avoid significant tax increases.

Q: What are the purposes of the Temple CIP?

The Temple CIP is an advisory document. It is intended to serve a number of purposes, including an attempt to plan all anticipated major Town expenditures for a period of 10 years. In addition, it

- i. Provides the Town of Temple with a guide to be used by the Board of Selectman for their annual budgeting process pursuant to RSA §674:5-8.
- ii. Provides a forward-looking planning tool for the purpose of contributing to the creation of a stable property tax rate.
- iii. Aids the Town's elected officials, appointed committees, and department heads in the prioritization, coordination, and planning for future Town growth and in sequencing of various municipal expenses.
- iv. Informs residents, potential residents, business owners, potential business owners, and developers of needed and planned improvements.

One of the main goals of the CIP is to even out the periods of underexpenditure and overexpenditure on capital improvements—and thus protect Temple taxpayers from large swings in their tax rate due to these spending divergences. This is done by properly planning for, scheduling, and setting aside public funds for projects that are needed and desired, now and in the future.

For the purposes of this document, a capital improvement is an item or project for the public use that costs more than \$5,000; has a useful life of 5 years or more; is considered to be beyond the scope of normal annual operating expenses. Examples of capital improvements include

- i. Land acquisition for a public purpose.
- ii. Vehicles.
- iii. Buildings.
- iv. Equipment and machinery with a useful life of greater than 5 years.
- v. Major building or facility renovations and repairs.
- vi. Road renovations, bridge renovations or bridge replacement resulting in long-term improvement in road capacity or conditions.
- vii. Special studies, such as resource assessments, facility studies, or master plans.

Q: What are the benefits of a CIP for Temple?

A CIP attempts to stabilize the tax rate by linking the planning for major expenditures to the Town budget. For Temple, specific benefits of a CIP include

- i. Providing an inventory of major Town assets.
- ii. Establishing a method for departments to anticipate and communicate future needs.
- iii. Providing a process for identified needs to be discussed and prioritized.
- iv. Encouraging evaluation of timing and financing options.
- v. Stabilizing annual expenditures for capital outlays to minimize tax impact.
- vi. Making preemptive acquisitions (for example, land acquired for Town uses such as municipal space, land preservation and recreation) more feasible and defensible.
- vii. Reducing interest payments (through using capital reserve funds).
- viii. Supporting planned growth.
- ix. Facilitating implementation of the master plan through scheduling projects over a period of time and eliminating multiple expenses in any one fiscal year.
- x. Furnishing a total picture of the Town's major needs, discouraging piecemeal expenditures, and coordinating the activities of various departments.
- xi. Establishing priorities for projects on the basis of needs and costs, and permitting anticipation of revenues and expenditures.
- xii. Serving as an information resource for Temple residents by describing the Town's plans for major expenditures.

Q: Who were the members of the 2004 CIP Committee?

The Committee encompassed a wide variety of experience and viewpoints. Chairperson was Sherry Fiske, Vice Chairperson was Jim LaPree, and Members were Steve Andersen, John Kieley, Paul Martin, Allan Pickman, and Shawn Smith.

Q: What process did the Temple CIP Committee use?

In the spring and early summer months, the Committee met every two weeks. In the late summer and fall, the Committee met every week. The Committee's work was organized as follows:

- i. Education and Planning

The group reviewed materials from other towns and then held discussions with CIP committee members from those towns about their processes and results. An important early decision for the Committee was determining the criteria Temple should use to define "capital improvement." After due consideration, the Committee agreed that a "capital improvement" must cost at least \$5,000 and have a useful lifetime of at least 5 years.

To give each department a method for collecting required information, and to help assure consistency across departments, the Committee developed:

- a) An inventory form of current capital items (including expected remaining life and replacement costs); and
- b) A submittal form for anticipated future needs (including desired acquisition date, anticipated lifetime, and cost).

ii. Meetings with Departments

The Committee met with Town departments to explain the process and solicit questions before asking them to submit their capital requests using the new forms. (Copies of the completed forms are on file in the Board of Selectmen's office.)

iii. Analysis

To facilitate analysis, all of the information was entered into a computer spreadsheet, which allowed the Committee to assess the impact of different acquisition dates and financing approaches for all projects.

iv. Plan Development and Recommendations

During the course of several meetings, the Committee followed up with each department to clarify needs and discuss Town priorities, alternative approaches, and acquisition timing. The Committee then worked through a number of scenarios to develop relatively flat annual expense projections across the entire 10-year period in order to avoid a significant impact on the tax rate in any one year.

Q: What are the major capital needs and requests for each department?

i. *Animal Control:*

a) Four-Season Shelter

Request: That the Town build an animal control shelter.

Department justification: Need.

Projected cost: \$25,306.

CIP Plan: The Committee recommends that a small, four-season, all-weather kennel facility be built in 2010. The current shelter is inadequate for use during winter months.

b) Vehicle

Request: That the Town provide a vehicle for the Animal Control Officer.

Department justification: Need.

Projected cost: \$0.

CIP Plan: The committee recommends that the 1999 police cruiser, which is scheduled to be retired as a police vehicle in 2007, be transferred to the animal control department for its use. The Animal Control Officer currently uses personal vehicle.

ii. *Highway Department: Bridges*

Request: That the 10 major Town bridges be replaced, at the rate one bridge every 3 years, and that a capital reserve fund be established to repair smaller bridges and culverts as required.

Department justification: Safety.

Projected cost: \$2,500,000± over next 30 years.

CIP Plan: The Town has 10 specific bridges and major culverts identified for eventual replacement; three of those are recommended for inclusion in this 10-year plan. All three are eligible for 80% state funding.

In addition to major bridge and culvert structures, the Town has dozens of smaller conduits for water under its roads. Some of these are literally centuries old, while others are more modern. To cover the anticipated expenses of repairing these structures when they fail, it is recommended that the Town establish a "Stone Bridge Capital Reserve Fund." This fund would be accumulated over the 2005-2008 period and used for repairs as the need arises.

iii. *Cemetery*

Request: That the Town continue to slowly add to the new cemetery area.

Projected cost: \$100,000.

Department justification: Future need.

CIP Plan: The Town's Highway Department is currently converting the old gravel pit for cemetery use as fill becomes available. Recognizing that there is not currently a demand for additional burial space, it is recommended that this approach to the conversion continue. It is expected that the new facility will be available in 2015.

iv. *EMS Services*

Request: That the Town contribute its 20% share toward the purchase of a new area ambulance.

Projected cost: \$24,000±

Department justification: Future need.

CIP Plan: The Committee did not receive enough information to formulate a recommendation.

v. *Fire Department*

This CIP includes the two remaining payments on the Town's new 2003 tanker: \$45,000 in 2005 plus \$43,500 in 2006.

a) Rescue Truck

Request: Replacement of rescue truck.

Department justification: Need.

Projected cost: \$28,122.

CIP Plan: The committee recommended that, just as the Town's road grader was given a major overhaul a few years ago, the rescue truck be refurbished in 2007. The Fire Department had requested a new \$75,000 rescue truck.

b) Brush Truck

Request: Replacement of brush truck.

Department justification: For forest-fire fighting capabilities.

Projected cost: \$44,286.

CIP Plan: The committee recommended that the brush truck, which was recently refurbished, be scheduled for replacement in 2011.

c) New Second Fire Pumper

Request: To add a second fire pumper in order to institute a two-pumper fire-protection system.

Department justification: Vision.

Projected cost: \$300,000.

CIP Plan: The Town's purchase of a second pumper was discussed with fire department leadership and officers. Before a second pumper is considered, a thorough needs assessment is recommended. The committee suggested that the request be held open for future consideration. The committee also recommends that a CIP sub-committee be established to work with the Fire Department to assist with the needs assessment process.

vi. *Highway Department: Equipment*

a) Dump Truck

Request: That the 1986 dump truck be replaced as soon as possible.

Department justification: Safety.

Projected cost: \$85,000.

CIP Plan: The highway department currently has two large dump trucks; one was acquired in 1985 and the other in 1996. The older unit is no longer considered safe and is recommended for replacement in 2005. (Refurbishing the unit was considered, but dismissed due to expense and short additional lifespan.) It is not anticipated that the newer unit will need to be replaced during the 2005-2014 period.

b) Road Grader

Request: That the 1979 grader be replaced.

Department justification: End of useful/reliable life.

Projected cost: \$253,064.

CIP Plan: The Town's grader was purchased in 1979 and had its drive train rebuilt in 2002. It is recommended for replacement in 2010.

c) Farm Tractor and Mower

Request: That the 1972 tractor be replaced.

Department justification: End of useful/reliable life.

Projected cost: \$68,428.

CIP Plan: This tractor was manufactured in 1972 and purchased used by the Town in 1988. The committee recommends that the current tractor be scheduled for replacement in 2012 with a good quality used tractor.

d) Loader-Backhoe Combination

Request: That the existing loader be replaced.

Department justification: End of useful/reliable life.

Projected cost: \$170,797.

CIP Plan: The committee recommends that the 1995 loader be scheduled for replacement in 2013 with a combination loader-backhoe. The Town currently rents a backhoe on an as needed basis.

e) Garage and Sand Storage Facility

Request: That the town garage and sand storage facility be relocated.

Department justification: Vision.

Projected cost: \$1,077,618±.

CIP Plan: The Town's facility occupies approximately two acres immediately behind the library and town hall. While the buildings themselves currently meet the department's needs, it is recommended that the facility be relocated eventually in order to (1) provide the department with more physical ground space, (2) permit the sand-and-salt mix to be covered (as required by law) and (3) eliminate the congestion and safety hazard created by truck and equipment traffic between Town buildings. This plan does not include land acquisition. Given the uncertainty regarding a suitable site and the fact that the cost of the relocation has not been included in this plan, a thorough needs assessment is recommended. The committee suggests that the request be held open for future consideration. The committee also recommends that a CIP sub-committee be established to work with the Highway Department to assist with the needs assessment process.

vii. *Library*

Request: None at this time.

Department justification: NA.

Projected cost: NA.

CIP Plan: NA.

viii. *Police Department*

a) Police Station Upgrade

Request: Expand and upgrade police station.

Department justification: Vision.

Projected cost: \$80,000.

CIP Plan: The Town's police station does not meet state-recommended standards and should be upgraded. Because of the Greenville/Temple study underway, the expense to upgrade the Temple police station has not been included in this plan. The committee suggested that the request be held open for future consideration. The committee also recommends that a CIP sub-committee be established to work with the Police Department to assist with the needs assessment process.

b) Cruisers

Request: Periodically replace police cruisers.

Department justification: Need.

Projected cost: \$41,058 for 2007 cruiser plus \$48,032 for 2011 cruiser.

CIP Plan: The Committee recommended that the Town's two police cruisers remain on eight-year replacement cycles with a new unit purchased every four years. The older current cruiser would be replaced in 2007 and the newer unit replaced in 2011.

c) ATV

Request: Consider the eventual replacement of the existing Department ATV.

Department justification: Vision.

Projected cost: \$9,000.

CIP Plan: The Department's ATV is not expected to need replacement during the period covered by this plan. The committee suggested that the request be held open for future consideration.

ix. *Recreation Department*

a) Tennis and Basketball Courts Resealing, Resurfacing, and Relining

Request: That the Town reseal, resurface, and reline the tennis and basketball courts on a 5- or 6-year schedule.

Department justification: Needed in order to maintain surface quality.

Projected cost: \$6,656 in 2005 plus \$8,422 for 2011 resurfacing.

CIP Plan: The committee recommends that the tennis and basketball courts be resealed, resurfaced, and relined in 2005 and again in 2011 in order to stop further deterioration.

b) Little League Field: Bleachers

Request: To construct bleachers for the Little League park.

Projected cost: \$6,749.

Department justification: Safety; add more amenities to the ballpark.

CIP Plan: The committee recommends that bleachers be added in 2007.

c) Little League Field: Fencing

Request: To add 4-foot chain-link fencing around the Little League park outfield.

Projected cost: \$6,434.

Department justification: Safety; add more amenities to the ballpark.

CIP Plan: The committee recommends that the fencing be installed in 2008.

d) Tennis Courts: Lights

Request: To add lights to the two tennis courts.

Department justification: Vision.

Projected cost: \$5,000±.

CIP Plan: After researching the expected costs of adding lights to the two tennis courts, the committee concluded that the costs were prohibitive and adding lights is not a priority at this time. The committee suggested that the request be held open for future consideration.

e) Little League Field: Dugouts

Request: To add dugouts to the Little League field

Department justification: Vision.

Projected cost: \$15,000±.

CIP Plan: The committee researched the expected costs of adding dugouts to the Little League field and felt that the costs at this time were prohibitive. The committee suggested that the request be held open for future consideration.

f) Swimming Pool

Request: That the Town build a swimming pool.

Department justification: Vision; “most asked for” by Town residents.

Projected cost: \$1,000,000± to build, plus annual expenses of \$20,000.

CIP Plan: The committee researched the expected costs to the Town of building, owning, and operating a municipal swimming pool and felt that the costs at this time were prohibitive. The committee suggested that the request be held open for future consideration. The committee recognized that Temple residents have access, for a minimal fee, to the Town of Greenville swimming pool and Goss Park in Wilton. The committee also suggested that the Temple Selectmen start discussions with the Town of Peterborough about allowing access, for a fee, to Cunningham Pond.

g) Skateboard Park

Request: That the Town build a skateboard park.

Department justification: Vision; second “most asked for” by Town residents.

Projected cost: \$250,000±.

CIP Plan: The committee researched the expected costs to the Town of building a skateboard park and felt that the costs at this time were prohibitive. The committee also expressed concerns about Town liability. The committee suggested that the request be held open for future consideration.

x. *Town Government:*

a) Land Acquisition for Municipal Purposes

Request: That the Town purchase land for future Town purposes.

Department justification: Need.

Projected cost: \$390,000.

CIP Plan: The committee felt that it is important to purchase and secure land within the Town for future purposes such as the Skladany Land. . The committee also recommends that a CIP sub-committee be established to work on a needs assessment for Land Acquisition for Municipal Purposes.

b) Land Acquisition to Preserve Rural Character

Request: To preserve rural character and natural areas.

Department justification: Town land acquisition is important for town residents because it preserves rural character, protects drinking water quality, protects working farms, protects wildlife and natural areas for future generations, and helps stabilize

the property tax rate.

Projected cost: Varies from year to year – it is based on new development in Town.

CIP Plan: The committee recommends that 100% of the Land Use Change Tax be used for Land Acquisition to Preserve Rural Character and further recommends that the amount of money for this purpose set aside be capped at \$30,000 each year. Any additional monies would go toward Town Revenue. The committee also recommends that a CIP sub-committee be established to work on a needs assessment for Land Acquisition for Land Preservation.

c) Municipal Building

Request: To build new municipal facilities.

Department justification: Need.

Projected cost: \$400,258.

CIP Plan: The committee recommends that a new municipal building be built in 2016 in order to meet future Town growth and needs. The committee also recommends that a CIP sub-committee be established to work on a needs assessment for a future Town Municipal Building.

d) Town Office

Request: To replace the photocopier in the Town office.

Department justification: Need.

Projected cost: \$6,240.

CIP Plan: The committee researched the expected cost to the Town of purchasing a new commercial, multifunction digital photocopier-printer with an annual service contract and recommended that a model that met the Town’s 2500 copies per month be researched. The estimated lifespan of the photocopier was 8± years.

Q: What is the CIP Priority System?

In order to assess the relative priority of projects requested by the various departments, the Committee established a priority system. Each proposed project was individually considered by the Committee and assessed a priority rank, as follows:

U = Urgent	Cannot be delayed. Needed for health or safety.
C = Committed	Part of an existing contractual agreement or otherwise legally required.
N = Necessary	Needed to maintain existing level and quality of community services.
D = Desirable	Needed to improve quality or level of services.
F = Deferrable	Can be placed on hold until after 10-year period, but supports community development goals.
R = Research	Pending results of ongoing research, planning, and coordination.
I = Inconsistent	Conflicts with an alternative project or solution recommended by the CIP; contrary to land use planning or community development goals.

Table 3, below, lists the capital improvement requests considered by the CIP Committee and represents all the requests submitted.

Table 3. Capital Improvement Project Requests Submitted in 2004.

	Department/Project	Inflation (4%) Adjusted Projected Total Cost	Starting Year CIP Recommends	Possible Financing Method	CIP Committee Priority Recommendations						
					U	C	N	D	F	R	I
i	Animal Control										
a	4-Season Kennel	\$25,306	2010	Appropriations				D			
b	Transfer of Old Police Cruiser	\$0	2007					D			
ii	Highway Department - Bridges										
	Replace 10 Town Bridges as needed	\$2,500,000±	2005 over 30yrs.				N				
iii	Cemetery										
	Expand Cemetery Area	100,000	2005 for 10yrs.	\$10,000 per year			N				
iv	EMS Services										
	Replace Ambulance	\$24,000	2006?	Appropriations						R	
v	Fire Department										
	2003 Tanker	\$88,500	Started in '04	\$88,500 owed		C					
a	Refurbish 1973 Rescue truck	\$28,122	2007	Appropriations			N				
b	Replace 1981 Brush Truck	\$44,286	2011	Bond			N				
c	Purchase 2 nd Fire Pumper	\$300,000	2015?	Bond						R	
vi	Highway Department - Equipment										
a	Replace Dump Truck	\$85,000	2005	Appropriations	U						
b	Replace 1979 Road Grader	\$253,064	2010	Bond			N				
c	Replace 1972 Farm Tractor	\$68,428	2012	Appropriations			N				
d	Replace 1995 Loader	\$170,797	2013	Bond			N				
e	Build New Garage & Sand Storage	\$1,077,618±	2015?	Bond						R	
vii	Library										
	NONE										
viii	Police Department										
a	Police Station Upgrade	\$80,000	2020?	Bond					F		
b	Replace 1999 Police Cruiser	\$41,058	2007	Appropriations			N				
b	Replace 2002 Police Cruiser	\$48,032	2011	Appropriations			N				
c	Replace 2003 Police ATV	\$14,409	2016?	Appropriations					F		
ix	Recreation Department										
a	Tennis & Basketball Resurfacing	\$6,656	2005	Appropriations			N				
	Tennis & Basketball Resurfacing	\$8,422	2011	Appropriations			N				
b	Little League Bleachers	\$6,749	2007	Appropriations				D			
c	Little League Fencing	\$6,434	2008	Appropriations				D			
d	B-ball & Tennis Courts Lights	\$5,000±	2020?						F		
e	Little League Dugouts	\$15,000	2020?						F		
f	Building a Town Swimming Pool	\$1,000,000±							F		
g	Building a Town Skateboard Park	\$250,000±							F		
x	Town Government										
a	Land Acquisition – Municipal Use	390,000	2005	Bond				D			
b	Land Acquisition – Preservation		2005	L.U.C.T.			N				
c	Build New Municipal Building	\$400,258	2016?	Bond				D			
d	Photocopier	\$6,240	2005	Appropriations			N				

Q: What are Temple's options for financing major capital needs?

The project summaries in Table 3 refer to a number of different local financing methods. Four of these methods require appropriations, either as part of the Town's annual operating budget or as independent warrant articles for Town Meeting vote.

Following are summaries of the different ways the Town has financed, and could continue to finance, major capital expenses. (More than one approach can be used at one time.)

- i. The *1-year appropriation* is most common. Proposed projects are funded by real property tax revenues within a single fiscal year, i.e., expense in one year and pay cash, concentrating the tax impact on that year. Temple used this approach in 2002 to purchase the new police cruiser.
- ii. The *capital reserve (savings) method* requires appropriations over multiple years. The capital improvement is not made until total appropriations meet the cost of the improvement. The capital reserve approach spreads the tax impact across several fiscal years in advance of the actual expenditure. Temple has used this approach historically for purchasing heavy equipment.
- iii. The *lease-to-purchase method* has been used for vehicle purchases.
- iv. *Bonds*, issued by the New Hampshire Municipal Bond Bank, are generally used only for the most expensive capital projects, such as major renovations, additions, or new construction of buildings or infrastructure. Bonds permit major capital requests to be met immediately while spreading out the cost—and the impact on the tax rate—over many years in the future. Towns typically use this approach to purchase land or build a major facility.
- v. *Offsetting revenues* are fiscal resources from outside the community that are applied to help finance a local capital project. Typical examples are grants for new education buildings or State Transportation Improvement Plan (TIP) matches.

Q: What are the financial projections resulting from Temple's CIP process?

The details are included in the spreadsheet at the end of this report, which summarizes the anticipated capital expenses for the 2005–2014 period.

Q: What happens next to the CIP Plan?

The CIP Committee will present this proposed plan to the Board of Selectmen during December 2004. The Plan will be posted on the Temple Web site (<http://www.templenh.info>) in a PDF format and also printed in the form of handouts for Town residents.

Every year, the Committee will review the CIP Plan and modify it based on changing needs and priorities, then present it to the Board of Selectmen for their review prior to budget deliberations. Each annual update will add an additional year to the schedule so that a 10-year program period is maintained. For example, the 2005 CIP committee will be continue to further assess long-term projects proposed by the various departments. These include, but are not limited to, the following proposed expenditures: land acquisition, new police facility (pending discussions with Greenville), new Highway Department facility, new municipal building, and new (second) fire pumper truck. The committee will also assess the Town's roads and existing buildings.

6. Conclusions

This document has been developed in response to the capital expenditure requests of Town departments. It is the Committee's understanding that every capital request included in this document will be brought up by the Selectmen or individual departments at a future Town Meeting.

The CIP Plan is intended as a guide for assisting with budgeting and development in Temple. Each resident, and each department, still has the option of ignoring the advice contained in the Plan and presenting their request directly to the voters at Town Meeting.

As noted, in the case of some of the proposed projects, the Committee concluded that more information was needed before a recommendation could be made. The Committee plans to reconsider those proposals when more detailed needs assessments are provided.

The CIP Committee is striving to improve the effectiveness of capital expenditure planning for Temple. The Selectmen are asked to continue providing workshops—on topics such as how to present requests for capital projects for inclusion in the CIP, and how to evaluate capital requests—with Town department heads, boards, and committee chairs.

To more effectively assist Town departments in future budget cycles, the CIP Committee will try to initiate the CIP planning process earlier in the year in order to make information available to individual Town departments before they prepare their preliminary budgets for submission to the Town.

The CIP planning process can provide a forum for encouraging the development of capital asset inventories that account for the value of the assets and track the useful life and depreciation of municipal equipment and infrastructure. As a minimum, the CIP recommends that all Town assets be tracked for life expectancy so that future capital needs can be better anticipated and planned for. Future meetings with the Board of Selectman regarding better long-term planning will result in tax savings.

7. Appendix

Exhibit 1

RSA Section 674:5 through Section 674:8 — Capital Improvements Program

TITLE LXIV

PLANNING AND ZONING

CHAPTER 674

LOCAL LAND USE PLANNING AND REGULATORY POWERS

Capital Improvements Program

Section 674:5 Authorization

In a municipality where the planning board has adopted a master plan, the local legislative body may authorize the planning board to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years. As an alternative, the legislative body may authorize the governing body of a municipality to appoint a capital improvement program committee, which shall include at least one member of the planning board and may include but not be limited to other members of the planning board, the budget committee, or the town or city governing body, to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least years. The capital improvements program may encompass major projects being currently undertaken or future projects to be undertaken with federal, state, county and other public funds. The sole purpose and effect of the capital improvements program shall be to aid the mayor or selectmen and the budget committee in their consideration of the annual budget.

Source. 1983, 447:1, eff. Jan. 1, 1984. 2002, 90:1, eff. July 2, 2002.

Section 674:6 Purpose and Description

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

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

Section 674:7 Preparation

1. In preparing the capital improvements program, the planning board or the capital improvement program committee shall confer, in a manner deemed appropriate by the board or the committee, with the mayor or the board of selectmen, or the chief fiscal officer, the budget committee, other municipal officials and agencies, the school board or boards, and

shall review the recommendations of the master plan in relation to the proposed capital improvements program.

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

Source. 1983, 447:1. 1995, 43:1, eff. July 2, 1995. 2002, 90:2, eff. July 2, 2002.

Section 674:8 Consideration by Mayor and Budget Committee

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

Source. 1983, 447:1, eff. Jan. 1, 1984. 2002, 90:3, eff. July 2, 2002.

Town of Temple Capital Improvements Program Worksheet

Dept.	Item Description	Year Needed/ Purchased	Estimated Cost (2004\$)	Estimated cost adjusted for inflation	CRF %	Approp. %	State/Fed Aid	Bond %	Bond Yrs	Bond rate	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Animal	Kennel	2010	20,000	\$ 25,306	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	25,306	-	-	-	-
Bridges	Powers Rd Bridge	2008	300,000	\$ 350,958	0%	20%	80%	0%	0	5.0%	-	-	-	70,192	-	-	-	-	-	-
Bridges	Stone Bridges Capital Res. Fund	2009	41,096	\$ 50,000	100%	0%	0%	0%	0	5.0%	-	-	12,500	12,500	12,500	12,500	-	-	-	-
Bridges	Putnam Rd Bridge	2009	300,000	\$ 364,996	0%	20%	80%	0%	0	5.0%	-	-	-	-	72,999	-	-	-	-	-
Bridges	Converse Rd Bridge 1	2014	300,000	\$ 444,073	0%	20%	80%	0%	0	5.0%	-	-	-	-	-	-	-	-	44,407	44,407
Bridges	Converse Rd Arched Culvert	2017	300,000	\$ 499,522	0%	20%	80%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Bridges	N Road Concrete bridge	2020	25,000	\$ 46,825	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Bridges	East Road Arched Culvert	2023	300,000	\$ 632,055	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Bridges	Hadley Highway Arched Culvert	2026	300,000	\$ 710,976	0%	20%	80%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Bridges	Moran Rd Arched Culvert	2029	40,000	\$ 106,633	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Cemeteries	New Cemetery	2015	100,000	\$ 100,000	100%	0%	0%	0%	10	5.0%	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Fire Dept.	New Tanker	2003	128,008	\$ 123,085	0%	0%	0%	100%	3	5.0%	45,131	43,080	-	-	-	-	-	-	-	-
Fire Dept.	Refurbish Rescue Truck	2007	25,000	\$ 28,122	0%	100%	0%	0%	0	5.0%	-	-	28,122	-	-	-	-	-	-	-
Fire Dept.	Replace Brush Truck	2010	35,000	\$ 44,286	0%	0%	0%	100%	5	5.0%	-	-	-	-	-	-	11,072	10,629	10,186	9,743
Future	Skladany Land	2005	390,000	\$ 390,000	0%	8%	0%	92%	15	5.0%	31,200	41,860	40,664	39,468	38,272	37,076	35,880	34,684	33,488	32,292
Highway	Dump Truck	2005	85,000	\$ 88,400	0%	50%	0%	50%	1	5.0%	44,200	46,410	-	-	-	-	-	-	-	-
Highway	Road Grader	2010	200,000	\$ 253,064	0%	20%	0%	80%	10	5.0%	-	-	-	-	-	50,613	30,368	29,355	28,343	27,331
Highway	Farm tractor, used W/ Mower	2012	50,000	\$ 68,428	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	68,428	-	-
Highway	Backhoe/Loader	2013	120,000	\$ 170,797	0%	15%	0%	85%	10	5.0%	-	-	-	-	-	-	-	-	25,620	21,777
Highway	Dump Truck	2015	120,000	\$ 184,734	0%	0%	0%	100%	20	5.0%	-	-	-	-	-	-	-	-	-	-
Highway	Highway Garage & Salt Shed (W/O Land)	2015	700,000	\$ 1,077,618	0%	0%	0%	100%	20	5.0%	-	-	-	-	-	-	-	-	-	-
Police	Police Cruiser	2007	36,500	\$ 41,058	0%	100%	0%	0%	0	5.0%	-	-	41,058	-	-	-	-	-	-	-
Police	Police Cruiser	2011	36,500	\$ 48,032	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	48,032	-	-	-
Police	Police Cruiser	2015	36,500	\$ 56,190	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Police	Police ATV	2016	9,000	\$ 14,409	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Police	Police Cruiser	2019	36,500	\$ 65,734	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Recreation	Resurface Tennis & B-Ball Courts	2005	6,400	\$ 6,656	0%	100%	0%	0%	0	5.0%	6,656	-	-	-	-	-	-	-	-	-
Recreation	LL Field Bleachers	2007	6,000	\$ 6,749	0%	100%	0%	0%	0	5.0%	-	-	6,749	-	-	-	-	-	-	-
Recreation	LL Field Fencing	2008	5,500	\$ 6,434	0%	100%	0%	0%	0	5.0%	-	-	-	6,434	-	-	-	-	-	-
Recreation	Resurface Tennis & B-Ball Courts	2011	6,400	\$ 8,422	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	8,422	-	-	-
Recreation	Resurface Tennis & B-Ball Courts	2017	6,400	\$ 10,656	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Recreation	Resurface Tennis & B-Ball Courts	2023	6,400	\$ 13,484	0%	100%	0%	0%	0	5.0%	-	-	-	-	-	-	-	-	-	-
Town Gov.	Photocopier	2005	6,000	\$ 6,240	0%	100%	0%	0%	0	5.0%	6,240	-	-	-	-	-	-	-	-	-
Town Gov.	Municipal Office Space	2016	250,000	\$ 400,258	0%	0%	0%	100%	10	5.0%	-	-	-	-	-	-	-	-	-	-
TOTAL											143,427	141,350	139,092	138,594	133,771	135,495	143,773	153,097	152,044	145,550
10 YEAR AVERAGE											142,741									
6 YEAR AVERAGE											138,622									
TOTAL IN 2004 DOLLARS											137,911	130,686	123,653	118,471	109,950	107,084	109,255	111,866	106,824	98,328
10 YEAR AVERAGE IN 2004 DOLLARS											113,412									
6 YEAR AVERAGE IN 2004 DOLLARS											121,292									