

Town of Bradford, New Hampshire

Capital Improvements Program 2016-2021



ADOPTED BY THE BRADFORD PLANNING BOARD

October 13, 2015

Developed by the Bradford Planning Board's CIP Committee
With assistance from the Central New Hampshire Regional Planning Commission

**Town of Bradford,
New Hampshire**

**Capital Improvements Program
2016-2021**

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Prepared by the:

Bradford Planning Board and its
Capital Improvements Program Committee
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Certificate of Adoption

In accordance with New Hampshire RSA 674:5-8, Capital Improvements Program, and RSA 675:6, Method of Adoption, the Bradford Planning Board, having held a duly noticed public hearing on October 13, 2015 hereby adopts and certifies this **Capital Improvements Program 2016-2021**, dated October 13, 2015.

Bradford Planning Board Chair

Bradford Planning Board Vice Chair

Bradford Planning Board Member

Bradford Planning Board Member

Bradford Planning Board Member

Bradford Planning Board Member

Bradford Planning Board Member

Bradford Planning Board Member

Bradford Planning Board Selectmen's Representative

This document was received and recorded by the Town Clerk on _____, 2015.

Signed: _____
Erica Gross, Bradford Town Clerk

Seal:

Acknowledgements

The Planning Board would like to express their gratitude to the following people who assisted the Board with developing this **Capital Improvements Program 2016-2021**. Time and assistance provided includes completing Department/Board project Applications, discussing those Applications at scheduled times with the CIP Committee, Committee meeting attendance by members and Department designees, and volunteer and staff assistance.

These individuals participated on the above activities and together developed this document.

Appointed CIP Committee

- Marcia Keller, Planning Board, CIP Committee Chair
- James Bibbo, School District/Planning Board
- Don Jackson, Budget Committee
- Claire James, Planning Board
- James Valiquet, Police Department
- Sonny Harris, Board of Selectmen
- Barry Wheeler, Highway Department

Central New Hampshire Regional Planning Commission Staff

- Michael Tardiff, Executive Director
- Katie Nelson, Assistant Planner

Other Contributors

- Camila Devlin, CIP Committee Secretary
- Harry Wright, Board of Selectmen
- Louis Kilnapp, Transfer Station
- Mark Goldberg, Fire Department Chief
- Carl Goldberg, Fire Department

Chapter 1. Introduction

HISTORY OF BRADFORD'S CAPITAL IMPROVEMENTS PROGRAM (CIP)

In April 2006, the Bradford Planning Board adopted the 2006 Master Plan. Adoption of the Master Plan represented the culmination of almost two years of work by dozens of volunteers and local officials. In addition to in-depth discussion of land use patterns, conservation, and economics of the community, this Plan included a comprehensive Community and Recreational Facilities and Utilities Chapter, which discussed the short- and long-term needs of each department within Town. One of the critical recommendations within the Master Plan was that the Town continue to develop and update its Capital Improvement Program (CIP) in accordance with NH RSA 674:5-8 (see Chapter 5. Appendix).

The CIP, an integral extension of the Master Plan, is a six-year schedule of planned municipal expenditures for capital improvements. The CIP shows what, when, how, and at what cost the Town of Bradford intends to expand or renovate its services and facilities over a six-year period to accommodate existing and predicted needs of the community as related to current and projected growth.

PURPOSE AND USE OF THE CIP

The CIP has a variety of purposes and should have many beneficial effects on Bradford's financial, budgetary, and planning functions. Its primary purposes are summarized below.

1. State Statutory and Other Legal Requirements: According to NH RSA 674:22, communities that wish to engage in regulating the timing of development through the establishment of growth controls must have adopted both a Master Plan and the Capital Improvements Program. With the adoption of the CIP, the Town may be able to regulate the rate of growth, should the need for such control become necessary. In the meantime, the CIP, in conjunction with the Master Plan, will enable the Planning Board to use its power under RSA 674:36 to deny subdivisions that are premature due to the lack of sufficient public services and/or infrastructure (see Chapter 5. Appendix). The CIP demonstrates that the Town is attempting to accommodate growth, and that there is a good faith effort on the part of the Town to provide those services at some later date. If impact fees are assessed to a developer, the Town should request the fees in accordance with the CIP and should also fund its portion of the necessary infrastructure improvement.

2. Stability in Tax Rates and Budgets: The Capital Improvements Program can contribute to stabilizing the Town's tax rate and budget each year by planning and budgeting for major capital expenditures well in advance. In fact, as shown in Table 8, the Town has experienced recent success in stabilizing the amount to be raised to support the municipal budget as the 2014 figure (\$1.47M) was only slightly higher than the amount raised in 2008 (\$1.44M). The CIP process can help the Town continue this trend as the impact of municipal expenditures on each year's tax rate and the effect of offsetting capital reserve funds can be measured.

Financing methods such as bonding and capital reserve funds are recommended in order to make annual capital expenditures more stable, predictable, and manageable. Wide fluctuations in annual Town budgets caused by sudden or large one-time capital expenditures will be reduced. Under NH RSA 33:4A, a Town's bonded indebtedness is limited to 3.0% of the Town's assessed valuation, the School bonded indebtedness is limited to 7.0% of the Town's assessed valuation, and a Village District is limited to 1.0% of their valuation. Towns participating in a cooperative school district can incur bonded indebtedness up to 10% of its equalized valuation (Chapter 5. Appendix).

3. A Management Tool for Town Officials: The 2006 Master Plan contains projections and analyses of the Town's demographic trends and finances which all local officials may find useful in planning and delivering public services if the information is updated. A comprehensive, longer-term picture of capital needs is created because all capital items are placed into one schedule. The Planning Board has initiated the process to update the Master Plan over the next several years. The Capital Improvements Program is designed to be used by officials as a management tool that builds off of information contained in the Master Plan.
4. Citizens' and Developers' Guide to Planned Expenditures: The Capital Improvements Program will serve both citizens and developers as a useful guide for expenditures planned by the Town to accommodate projected growth. The citizen who wants to know when and at what costs a particular service will be expanded can consult the Capital Improvements Program, as can the developer who wants to know when, for example, school capacity will be expanded. The Town can limit the number of building permits issued each year (Growth Management Ordinance) if it can document the lack of municipal and school capacity to handle growth and state the Town's intentions to remedy the situation within one year.

5. Use by the Selectmen and Budget Committee: In Bradford, the Budget Committee works with the Board of Selectmen to develop the annual budget. RSA 674:8 is not specific about how the Capital Improvements Program is actually used in preparation of the annual Town Budget. It simply requires the Planning Board "...submit its recommendations for the current year to the Mayor (Board of Selectmen) and Budget Committee... for consideration as part of the annual budget." This clearly means the Capital Improvements Program is not binding in any way upon Town appropriations and expenditures. The Capital Improvements Program is thus an advisory document without the force of law. A properly prepared Capital Improvements Program will, however, be effective and credible when annual consideration of the budget takes place.
6. A Basis for Enacting a Growth Management Ordinance: In order to regulate and control the timing of development through a Growth Management Ordinance (GMO) in accordance with NH RSA 674:22, communities must enact and maintain a current Master Plan and a Capital Improvements Program. A demonstrated need to time development must be identified through both documents. The CIP contains demographic data, current and future facility information, and Department needs over the next six years. The document helps to support whether a need for new facilities and infrastructure will be needed to accommodate new growth.
7. A Basis for Enacting an Impact Fee Ordinance: In order to implement an impact fee schedule in accordance with NH RSA 674:21, communities must enact and maintain a Capital Improvements Program. Through adoption of this CIP, as well as the 2006 Master Plan, Bradford has the legal ability to assess impact fees to developers as long as an Impact Fee Ordinance is approved by Town voters. Such fees are used to construct or acquire necessary public infrastructure in order to accommodate demands created by new growth.

THE CIP DEVELOPMENT PROCESS

The Planning Board appoints a Capital Improvements Program Committee, which should use the following process as guidance for development of a CIP. This process was used in 2015 for the development of the 2016-2021 CIP.

Approval of Master Plan (2006)

- Bradford Planning Board completes the 2006 Master Plan after conducting properly noticed public hearings. The generally accepted practice is to update the Master Plan every 7 to 10 years, or after a decennial census is released. Bradford has begun to update the Master Plan.

Authorization from Annual Meeting (1995)

- The Planning Board seeks and secures approval from the Town Annual Meeting on March 14, 1995 to create a Capital Improvements Program in accordance with NH RSA 674:5-8.

Appointment of Committee (2015)

- The Planning Board appoints a Capital Improvement Program Committee consisting of members from the Planning Board, Town Departments, Town Staff, Town Committees, and the School District. The 2013-2021 CIP Committee was formally approved by the Planning Board on April 28, 2015.

Definition of Capital Expenditure (2015)

- The CIP Committee defines what a “capital expenditure” is each time it generates a new CIP. Most of the time, the definition remains the same for each CIP. The definition is typically multi-part. As indicated previously, the definition approved in 2015 by the CIP Committee in order for a project to qualify for inclusion into the 2016-2021 CIP is:

The project or purchase must:

- 1) Must have a gross cost of at least \$10,000;
- 2) Must have a useful life of at least 3 years;
- 3) Is not typically included in the operating budget;
- 4) Is any project or purchase requiring bond financing or lease-purchase.

Eligible items include major equipment, vehicles, special studies, purchase of land or easements, as well as construction of roads and buildings. Recurring costs, such as personnel and supplies, are not capital improvements. Some items, such as maintenance or repairs, may or may not be included depending upon the cost and the useful life of the repair. The criteria were modified from what was used in the previous years.

Solicitation of Projects from All Municipal/School Departments (2015)

- The CIP Committee sends information and application materials to all Town Department heads, Board/Commission Chairs, certain administrative Staff positions, and the School Board. Department heads (et al) submit requests with proposed dates of implementation, estimated costs, and identification of how each project/purchase is to be funded. This occurred in May 2015.

Department Consultation of Project Requests (2015)

- The CIP Committee holds a consultation with each applicant to discuss each request.

- Adjustments in scheduling over the six-year time period (2015-2020) are negotiated within the CIP Committee in order to minimize sharp increases in the yearly tax rate.
- The CIP Committee develops a final recommended Municipal Improvement Schedule and School Improvement Schedule of projects, including the years of expenditure, offsetting funds, and funding sources.

Document Development (2015)

- The CIP document includes and supports the Municipal Improvement Schedule and provides additional information of value to the Planning Board, Board of Selectmen, and Budget Committee which allows for informed decisions. The Chapters of the CIP are written or updated from the previous version. These Chapters include Introduction, Demographics, Summary of Projects, Financial Analysis, and the Appendix. The numerous financial and comparative tables and figures within the document are developed or updated.

Planning Board Review (2015)

- The Planning Board receives a final recommended Capital Improvements Program from the CIP Committee. Planning Board may, at their discretion, meet with the CIP Committee at a Work Session to discuss the document prior to the Public Hearing.
- The Planning Board may adjust scheduling and/or estimated cost of items prior to the Public Hearing, and the CIP Committee makes adjustments accordingly.
- The Planning Board conducts a properly noticed Public Hearing for adoption of the CIP. The Planning Board either votes to adopt the CIP as posted, or revises it as result of public testimony or Board discussion. The Board members sign the Certificate of Adoption which will be kept with the original, approved document.
- Once adopted, the original signed CIP is filed with the Town Clerk, and copies are provided to all Town Departments, Boards, Committees, Budget Committee, Board of Selectmen, and the Bradford School Board.

Annual Update (2016)

- Following the annual March Town Meeting the CIP process is repeated. Projects are re-evaluated and re-prioritized according to criteria approved by the Planning Board or CIP Committee. The annual update is particularly necessary if a community utilizes a Growth Management Ordinance or an Impact Fee Ordinance as the data contained within the CIP will be able to support the necessity of having such an ordinance. This may render the Town's ordinance(s) defensible in court. The next CIP developed should be for the six-year period of 2017-2022, beginning the process in spring 2016.

- Waiting until the six-year term of the CIP has nearly expired to begin the update of the next CIP is inadvisable. Yearly budget appropriations, equipment purchases, capital reserve fund deposits, capital project expenditures, or failure to follow yearly CIP recommendations can very quickly cause the adopted CIP to become outdated and not useful to the community.

SCOPE OF THE CAPITAL IMPROVEMENTS PROGRAM

This Capital Improvements Program identifies capital expenditures anticipated over the next six fiscal years beginning January 1, 2016 and ending December 31, 2021. Within this time frame, however, other projects will be identified which will be of high priority and warrant immediate inclusion in the Town's capital spending plan. After projects are completed for a particular year, they should be removed from the CIP and the status of pending projects should be examined and adjustments made. Every spring or summer, the process should begin anew to ensure priorities remain the same and new projects are placed into the CIP or incomplete projects are placed into forthcoming years.

Demographics of the community are presented to provide the basis for the requirement of many of the projects within this document. The baseline information is additionally valuable when developing future applications for consideration into an updated Capital Improvements Program. Similarly, Department building sizes, staffing, and programs are inventoried and future projections for expansion in the Departments are provided as baseline information. They present an indicator of what types of future needs are on the horizon and develop a history of the growing needs of the community's facilities.

Tax rates and financial data over a period of about six years prior to 2015 enable trends to be identified. Comparisons can be then made or predictors set for the upcoming years.

Chapter 2. Demographics

HISTORICAL POPULATION AND HOUSING GROWTH

A Capital Improvement Program has a direct relationship to the impact fees which the Town can collect with the proper zoning ordinances and administrative procedures in place. Growth trends must be established to identify the qualification of projects as either serving the current population or serving anticipated population growth. Impact fees can only be assessed on future anticipated growth.

In order to ascertain the growth trends of the community, an examination of past, present, and future population growth is required. The following tables and analysis help assess the growth condition of the community and updated with the most recent estimated demographic data provided by the US Census Bureau.

In Table 1, population in Bradford increased 13.5% since 2000 to 1,650, while housing growth increased 20.3% to 917 units. Bradford's overall growth since 1970 has increased by 143% in population and 231% in housing units, which is more than doubling population and nearly tripling the number of housing units over the four decades. Additionally, in 2010, an average of 1.8 people lived in each housing unit, down significantly from 2.5 people in 1970.

Table 1
Overall Population and Housing Growth Trends, 1970-2010

Growth	Population	Net Change		Housing Units	Net Change	
		#	%		#	%
1970 Census	679	NA	NA	277	NA	NA
1980 Census	1,115	436	64.2%	520	243	87.7%
1990 Census	1,405	290	26.0%	757	237	45.6%
2000 Census	1,454	49	3.5%	762	5	0.7%
2010 Census	1,650	196	13.5%	917	155	20.3%
Total Change from 1970 – 2010		971	143.0%		640	231.0%

Sources: Bradford Master Plan 2004; US Census 2010 Data

Though not presented in Table 1 above, The NH Office of Energy and Planning recently released Bradford's population estimate for 2014, which demonstrated a 0.4% growth in Bradford since 2010 with an estimated population of 1,656 residents.

Table 2**Population Density, 1970-2010**

Area (Sq. Mile) Excluding Water	Persons per Square Mile				
	1970	1980	1990	2000	2010
35.2	19	32	40	41	47

Sources: U.S. Census, ACS 2009-2013

As displayed in Table 2, the population density of persons per square mile has increased from 19 in 1970 to 47 in 2010. Using the 2014 estimated population of 1,656 residents, the population density stayed steady with 47 persons per square mile as it was in 2010. Overall, population density increased 148% between 1970 and 2014, with the largest increase occurring between 1970 and 1980 with 68%.

Table 3**New Construction Building Permits, 2008-2015***

New Construction Type	2008	2009	2010	2011	2012	2013	2014	2015	8-Year Total
Single Family New Home	9	1	3	1	0	4	2	1	21
Multi-Family New Home	0	0	0	0	0	0	0	0	0
Manufactured New Home	0	0	0	0	0	0	0	0	0
Non-Residential New Commercial, Non-Profit, Organization, Church, School, Municipal, etc. Building	1	0	0	0	4	1	0	0	6
Total Permits Issued	10	1	3	1	4	5	2	1	27

Sources: Town Reports; Building Permit files. *2015 numbers are through 08-31-15

Like many other Central NH communities, in Table 3 Bradford has shown a decline in the number of new construction (home, commercial, and non-residential) building permits issued since 2008, although a rebound was indicated in 2012-2013. Over the eight-year time span of 2008 through 2015, no multi-family housing and manufactured housing permits were issued and six (6) non-residential permits were issued in Town. Twenty-one (21) single family housing permits were issued over the same time period.

In Table 3, the highest numbers of permits issued annually during this timeframe were nine (9) single family permits in 2008 and four (4) single family permits in 2010. Bradford experienced its lowest number of permits issued, one (1) single family housing permit, in 2009, 2011, and 2015.

Table 4 below displays population projections for Bradford through 2040. The projections show high increases in the number of residents when compared to the 2014 estimate and need to be revised with the current trend analysis. Overall, statewide population projections show NH will continue to grow, but at a slower pace than experienced in the past.

Table 4
Population Projections 2015-2040

2010 Census Population	2014 Estimate	Population Projections					
		2015	2020	2025	2030	2035	2040
1,650	1,656	1,712	1,787	1,831	1,868	1,890	1,896

Sources: NH Office of Energy and Planning, Population Projections, Fall 2013

CONCLUSIONS

Housing and non-residential building growth in Bradford since the late 2000s has declined, although over the 2000-2010 decade, 13.5% population growth (to 1,650 people) and 20.3% housing growth (to 917 units) occurred (Table 1). Although only 21 new homes were built during 2008 to 2015, the early 2000s had far greater growth, totaling 155 new housing units between 2000 and 2010 (Table 1). Southern New Hampshire and Central New Hampshire have been growing far more rapidly both in population and housing, however, as this growth is expected to continue, statewide trends point towards the rate of growth declining.

The Town presently has neither Growth Management Ordinance nor Impact Fee Ordinance. As of present day, both a Growth Management Ordinance and Impact Fee Ordinance would be premature as the Town's growth trends do not substantiate either. Impact fees not expended after six years need to be returned to the property owner, and with little growth, no significant amount of impact fees would be generated to pay for capital expenditures necessary to accommodate growth.

Chapter 3. Summary of Projects

PROJECTS OVERVIEW

To prepare the [Capital Improvements Program 2016-2021](#), the CIP Committee surveyed all Town Departments and Boards/Commissions and inquired of the Bradford School District representative for information on the current adequacy and needs of their facilities and equipment, and identification of future needs for expansion, improvements, and additions. Some Town Departments, etc. opted not to participate. Others had no projects to include in the CIP during this timeframe.

Using data submitted by Department Heads for this document, the CIP Committee identified 25 Town projects for inclusion in the Capital Improvements Program for the 2016-2021 (six-year) period. All projects are recommended to be funded through property taxes, grants, capital reserve funds, state aid, user fees, and/or bonds.

Proposed projects address the need to correct deficiencies in the Town's infrastructure and services, as well as meet the service needs generated by increased population growth and development. The following Table 5 summarizes the projects to be included in the 2016-2021 CIP. Where available, Department support tables document the present status and future needs of each Department responding to the request for CIP projects and provide inventories of either singular or aggregate Department equipment over \$10,000. These support tables provide baseline information on Departments and provide a window into the future needs for the next CIP(s).

Projects are identified with a project number beginning with 1) a consecutive number in which order the application was reviewed by the CIP Committee, 2) a Department abbreviation, and 3) the first year of the CIP span (2016) to track its project/purchase's submission date. For projects carried over from the previous 2015-2020 CIP, only the project number year was updated for the 2016-2021 CIP.

This type of project numbering system allows for easier tracking of the applications over time, especially during annual updates, and reduces the confusion with similar applications such as vehicle replacements. Consistency is key when receiving and processing the applications received.

As previously noted, the 2016-2021 CIP includes 25 projects, of which one was submitted by the Transfer station, four from the Police Department, two from the Community Center, one for the Town Hall Restoration Committee, nine for the Highway Department, and eight for the Fire Department. Each of these projects are described below in Table 5. Of the projects, most were existing from the previous 2015-2020 CIP, however updated by the CIP Committee and Department representatives. Existing projects retained the same application number but were

updated to 2016 to match the updated application. It is important to note project 51-HD-2016 (2018) was not an actual application but was added during the CIP discussion process by the Committee in the 2015-2020 CIP. The CIP Committee updated this project for inclusion in this CIP update.

Table 5
Summary of Projects

Project Details				Present (2016)				Future Needs (15 Years)			
Application	Title of Project	Total Estimated Cost	CIP Expenditure Year(s)	Building Square Footage	Annual Paid Hours	Annual Non-Paid Hours	Full/Part Time Employees	Staffing Needs	Program Needs	Building Needs	Equipment Needs
Transfer Station											
2-TS-2016	Trash Compactor ¹	\$22,000	2016-2017	0	2,688	0	1/1	No Change	No Change	No Change	No Change
Police Department											
3A-PD-2016	Police Cruiser ²	\$36,000	2016	N/A	10,000	N/A	3/8	Additional F/T employee	N/A	Larger facility	Vehicles, weapons system
3B-PD-2016	Police Cruiser	\$34,000	2018	N/A	10,000	N/A	3/8	See 3A	N/A	See 3A	See 3A
3C-PD-2016	Police Cruiser	\$35,000	2020	N/A	10,000	N/A	3/8	See 3A	N/A	See 3A	See 3A
4-PD-2016	Department Weapons System ³	\$12,850	2016	N/A	10,000	N/A	3/8	See 3A	N/A	See 3A	See 3A
Community Center											
5-CC-2016	Roof Replacement ⁴	\$25,000	2017	8,000	6,344	N/A	2/2	N/A	N/A	Roof, heating, paving	N/A
6-CC-2015	Replace Heating System ⁵	\$20,000	2019	8,000	6,344	N/A	2/2	N/A	N/A	See 5	N/A
Town Hall Restoration Committee											
7-TH-2016	Bradford Town Hall Restoration ⁶	\$1.2 M	2017-2037	3,925	0	1,200	0/0	No Change	N/A	N/A	N/A
Highway Department											
10-HD-2016	Six-Wheel Dump Truck/Plow/Wing/Sander ⁷	\$180,000	2017	6,000	9,600	0	4/0	Addition F/T employee	N/A	Sand/salt Shed	N/A
12-HD-2016	Pick Up Truck with Plow ⁸	\$50,000	2019	6,000	9,600	0	4/0	See 10	N/A	See 10	N/A
13-HD-2016	Chipper ⁹	\$40,000	2019	6,000	9,600	0	4/0	See 10	N/A	See 10	N/A
14-HD-2016	Loader and Sweeper ¹⁰	\$265,000	2020	6,000	9,600	0	4/0	See 10	N/A	See 10	N/A
15-HD-2016	Six Wheel Dump Truck/Plow/Wing/Sander ¹¹	\$200,000	2021	6,000	9,600	0	4/0	See 10	N/A	See 10	N/A
16-HD-2016	Salt/Sand Shed ¹²	\$25,000	2019	6,000	9,600	0	4/0	See 10	N/A	See 10	N/A
17-HD-2016	Generator for Highway Department ¹³	\$50,000	2018	6,000	9,600	0	4/0	See 10	N/A	See 10	N/A
18-HD-2016	Road Repair ¹⁴	\$900,000	2016-2021	6,000	9,600	0	4/0	See 10	N/A	See 10	N/A
51-HD-2016	Improvement of West Main Street ¹⁵	\$600,000	2018	6,000	9,600	0	4/0	See 10	N/A	See 10	N/A

Table 5, Continued
Summary of Projects

Project Details				Present (2016)				Future Needs (15 Years)			
Application	Title of Project	Total Estimated Cost	CIP Expenditure Year(s)	Building Square Footage	Annual Paid Hours	Annual Non-Paid Hours	Full/Part Time Employees	Staffing Needs	Program Needs	Building Needs	Equipment Needs
Fire Department											
41-FD-2016	Replace Breathing Air Compressor & Cascade Cylinders ¹⁶	\$30,000	2017	4,500	N/A	N/A	28 F/T non-paid	Unknown	N/A	Unknown	Update aging equipment
42-FD-2016	Replace Driveway ¹⁷	\$30,500	2020	4,500	N/A	N/A	See 41	Unknown	N/A	Unknown	See 41
43-FD-2016	Replace Fire Alarm System & Add Security System ¹⁸	\$22,000	2018	4,500	N/A	N/A	See 41	Unknown	N/A	Unknown	See 41
45-FD-2016	Install Floor Drain Capture System ¹⁹	\$30,000	2016	4,500	N/A	N/A	See 41	Unknown	N/A	Unknown	See 41
46-FD-2016	Replace Furnance ²⁰	\$18,000	2020	4,500	N/A	N/A	See 41	Unknown	N/A	Unknown	See 41
47-FD-2016	Replace 1994 Pumper, 82-M2 ²¹	\$475,000	2019	4,500	N/A	N/A	See 41	Unknown	N/A	Unknown	See 41
48-FD-2016	Install Fire Suppression Sprinkler System in Fire House ²²	\$135,000	2021	4,500	N/A	N/A	See 41	Unknown	N/A	Unknown	See 41
50-FD-2016	Purchase and Install Washer/Dryer ²³	\$24,500	2016	4,500	N/A	N/A	See 41	Unknown	N/A	Unknown	See 41

¹Replace current trash compactor with a new Tram Rail trash compactor. Current compactor is well used and requires numerous maintenance problems. Funding mechanism is user fees.

²Scheduled police car rotation. Funding mechanism is property tax.

³Create a plan for the replacement of the current weapons systems of the Department. Current weapons are starting to age and requires maintenance and repairs. Will improve officer safety and performance. Costs of weapons estimated at handguns- \$7,000.00, rifles- \$4,350.00, holsters- \$1,500.00. Funding mechanism is property tax.

⁴Replace roof of BACC. Existing roof partially replaced in 2008 and remaining portions over 20 years old. May have two layers increasing the estimated cost. Funding mechanism is property tax.

⁵Replace heating system with high efficiency unit. Relocate thermostat. Funding mechanism is property tax.

⁶Renovate the Town Hall so to provide space for municipal offices, meeting, and functions for the Town and residents. Will provide a versatile building, increases the value of the building and improves Main Street. Listed on the National Register of Historic Places. Funded through a 1 mill bond, grants and donations/bequest/gift/trust funds.

⁷Purchase new six wheel dump truck/plow/wing/sander to replace existing 2003 International truck. International truck requires body and mechanical maintenance. Funding mechanism is property tax.

⁸Purchase new pick-up truck with plow to replace existing 2005 Ford F350. Ford has high mileage and is standard transmission that is not optimal for plowing. Requires body and mechanical maintenance. Funding mechanism is property tax.

⁹Purchase new chipper to replace existing 1984 chipper. 1984 chipper is not fully performing adequately. Funding mechanism is property tax.

¹⁰Purchase new loader and sweeper to replace existing 2003 CAT loader. 2003 CAT has high hours and contains structural and mechanical issues due to age. Funding mechanism is property tax.

- ¹¹Purchase six wheel dump truck/plow/wing/sander to replace existing 2008 International truck. Funding mechanism is property tax.
- ¹²Replace the salt/sand shed. Currently collapsing and requires constant maintenance to remain standing. Funding mechanism is property tax.
- ¹³Purchase generator and concrete pad with wiring to allow HW Department to operate during power outages. Funding mechanism is property tax.
- ¹⁴General road repair within Town. Roads include Breezy Hill Road, Center Road, Cilley Lane, Creesy Road, Davis Road, East Washington Road, Fairgrounds Road, Forrest Street, Gillingham Drive, Green House Lane, Hogg Hill Road, Howlett Road, Jones Road, Oakdale Road, Old Sutton Road, Marshall Hill Road, Massasecum Ave, Massasecum Lake Road, Melvin Mills Road, Rowe Mountain Road, Sunsett Hill Road, West Road. Funding mechanism is property tax.
- ¹⁵Complete West Maine Street Improvements. Funded through Transportation Alternatives Program (TAP) grant and property tax.
- ¹⁶Replace breathing air compressor and cascade cylinders that fill oxygen supply packs used during fire suppression by firemen. Originally purchases in 1988 and becoming less reliable due to age. Does not meet the current 6,000 PSI required. Funding mechanism is property tax.
- ¹⁷Replace driveway of the Fire Station. Over thirty years old, currently in inadequate condition, contains cracks and holes, safety concern for firehouse procedures performed in the driveway. Funding mechanism is property tax.
- ¹⁸Replace fire alarm and security system in the Fire Station. Over thirty years old, new system would protect the Departments vehicles and equipment, including drugs used in EMS. Security system would include card reader, automatic latch, and inventory system. Security system estimated at \$5,000.00. Funding mechanism is property tax.
- ¹⁹Install a floor drain capture system into Fire Station to catch contaminated water and prevent water pooling on the floor. System would contain a storage tank that would be emptied and treated by a contracted company. Recommended to be combined with purchase and installation of washer and dryer to save money during installation. Funding mechanism is property tax.
- ²⁰Replace existing furnace in Fire Station that is over thirty years old. Funding mechanism is property tax.
- ²¹Purchase pumper to replace existing 1994 pumper. Foam system on the pumper has become unreliable. Reliability of the pumper is expected to decrease as it ages. The new pumper will have additional safety features, including ABS breaking and stability control. Funding mechanism is property tax and capital reserve funds for down payment.
- ²²Install fire suppression sprinkler system in Fire Station that would protect the Department's equipment and vehicles. Funding mechanism is property tax.
- ²³Purchase and install washer/dryer in Fire Station. Used to wash firefighting bunker gear exposed to harmful chemicals and toxins. NFPA and OSHA require protective gear be cleaned after every fire and hazmat incident. Recommended to be combined with the install of floor drain capture system to save money during installation. Funding mechanism is property tax.

ORIGINAL CIP APPLICATIONS

The original project Applications, along with any supporting documentation submitted, are on file in the Planning Board office. The Applications give additional detail on the impacts to the operating budget and the methods anticipated to fund each of the applications. However, note that the Application information evolves over the CIP process to what is displayed within this document and the Municipal Improvement Schedule.

MUNICIPAL IMPROVEMENTS SCHEDULE

Figure 1, Municipal Improvements Schedule on the foldout page, details the recommended methods of financing the capital improvements, and the impacts to the yearly municipal tax rates for the municipal projects presented within this CIP. The fiscal year of the Town begins on January 1 and ends on December 31 of the same year. All numbers are shown in 2015 dollars and inflation is not accounted for.

Figure 1 illustrates a potential \$1.59 impact to every \$1,000 of property valuation in 2016. This impact includes projects which would have normally occurred that year, bond payments, and a few new projects that were introduced during the CIP planning process. The \$1.59 per \$1,000 in valuation in 2016 represents the lowest impact to the tax rate over the coming six years; the highest will be found, with the current project load, in 2021 at \$2.50.

Voters at the annual March Town Meeting will decide whether the best interests of the Town and its residents are served when they choose to allocate funds to many of the capital projects listed here. If the CIP is annually updated (a 2017-2022 document, for instance) as is highly recommended, more information will be available on 2015 projects submitted but not yet purchased. The potential net impact on the town tax rate will be managed by viewing another six years' worth of municipal projects and prioritizing Department needs using the most recent Net Valuation and project costs.

Chapter 4. Financial Analysis

USE OF THE FINANCIAL ANALYSIS

This chapter contains a summary of recent municipal finance trends related to Bradford's bonding capacity, annual appropriations, capital reserve balances, the town operating budget, tax rates, and most important to the use and utility of the CIP, the anticipated financial impact of proposed capital projects through 2021.

BONDED INDEBTEDNESS

Bradford, like most Towns, relies on bonds for the funding of large-scale municipal projects. Bonds typically last from five to twenty years. Low-interest loans and bonds are provided by the NH Municipal Bond Bank and by private organizations. Towns are permitted to carry a certain amount of debt, as described below.

Shown in Table 6, the Town of Bradford currently has two outstanding municipal bonds, or debt service. The Town owes a total of \$233,741 in existing municipal debt over the CIP term of 2016-2021. Adding in the remaining \$67,670 of the Road Repair Bond (2014) payments through 2023, this equals a total existing municipal debt of \$301,411, overall a very low amount.

Table 6
Existing Bond Payment Schedules, 2016-2021

Existing Town Bonds	2016	2017	2018	2019	2020	2021	Total
Highway Garage (2010-2016)	\$30,731						\$30,731
Road Repair Bond (2014-2013)	\$33,835	\$33,835	\$33,835	\$33,835	\$33,835	\$33,835	\$203,010
Existing Town Bond Payments	\$64,566	\$33,835	\$33,835	\$33,835	\$33,835	\$33,835	\$233,741

Source: Town Administrator

The CIP Municipal Improvements Schedule (Figure 1) includes a Town Hall Restoration bond for potential consideration at Town Meeting 2016. Displayed in Table 6A, the anticipated bond would have a term of 20 years, and the approximate payment would be \$73,000 per year if approved. Within the CIP term of 2016-2021, this would require an additional \$365,000 in payments and raise the total municipal debt by \$1,533,000 to equal \$1,834,411 in total overall municipal debt through 2037.

Table 6A**Potential Additional Bond Payment Schedule, 2016-2021**

NEW Bonds in CIP Term*	2016	2017	2018	2019	2020	2021	Total
(TH) Town Hall Restoration (2017-2037)		\$73,000	\$73,000	\$73,000	\$73,000	\$73,000	\$365,000
NEW Town Bond Payments*	\$0	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000	\$365,000
Total Existing and New* Bond Payments							
Total Town Bond Payments 2016-2021*	\$64,566	\$106,835	\$106,835	\$106,835	\$106,835	\$106,835	\$598,741

Source: Town Administrator *If approved at 2016 Town Meeting

The Municipal Finance Act (RSA 33:4a and 4b) establishes the base limit of bonded indebtedness a municipality can incur for municipal expenses (3.0% of the equalized valuation) and for school improvements (7.0% of the equalized valuation). Water projects, the portion of sewer projects financed by users, and tax anticipation notes are excluded from the calculation of indebtedness. Towns participating in a cooperative school district can incur bonded indebtedness up to 10% of its equalized valuation. Based on State law, the bonding capacity and amount available for the Town of Bradford is as follows.

Water projects, the portion of sewer projects financed by user fees, and tax anticipation notes are excluded from the calculation of indebtedness. The Town does not carry any tax anticipation notes. The *Maximum Bonding Capacity* and amount of money available for the Town of Bradford to currently bond (*Available Bonding Capacity*) is displayed in Table 7:

Table 7**Bonded Indebtedness**

	Base Valuation for Debt Limits	Maximum Bonding Capacity	Existing Debt	Available Bonding Capacity
Town (3%)	\$201,714,244	\$6,051,427	\$301,411	\$5,750,016
Local School (10%)	\$201,714,244	\$20,171,242	\$0	\$20,171,424

Sources: NHDRA 2014 Base Valuation for Debt Limits (latest available); Table 6 with further calculation

The *Available Bonding Capacity* of the Town from Table 7 is \$5.75 million after the existing debt of the Highway Garage and Road Repair bonds' \$301,411 debt is subtracted. The potential new bond for the Town Hall Restoration is not included. With the available bonding capacity of just under \$6 million and the potential new bond for Town Hall Restoration of \$1.6 million, that would leave over \$4.15 million remaining in bonding capacity, a substantial amount for other capital projects should the Town choose to pursue the bonding option.

Although the calculated numbers display the *Available Bonding Capacity* as \$5.75 million, the reality is the Town is constrained by revenue brought in by taxes. The Town would not be able to bond to the maximum technical capacity. Factors include how much property is in current

use, the Town's poverty rate, the average household income, a percentage of affordable housing higher than the regional average, etc. Raising the taxes does not equal much additional money because of these and other factors, so enough revenue could not be generated to cover bonds of this size.

As the CIP does not include the Kearsarge Regional School District's capital expenses, reserve funds, debt or possible capital projects, the School District's actual available bonding capacity is not available without these detailed figures. However, using the basic calculations the School's *Maximum Bonding Capacity* of \$20.17 million is displayed in Table 7. School bonding increases the Town's overall tax rate as the payments are calculated into the Local School tax rate.

ANNUAL APPROPRIATIONS

In order to create a CIP which is feasible, and because the CIP will have financial impact on the community, it is important to review Bradford's recent municipal finance trends. Table 8 displays the appropriations and taxes per \$1,000 of valuation for municipal, county, local school, and state school tax categories (not including exemptions).

A key point to highlight when reviewing the Town's annual assessments and tax rates is the stability in the amount to be raised to finance municipal operations. With some variation over the seven year period, the 2014 figure was only \$29,257 more than the same figure in 2008. This emphasizes the steadiness of the Town's municipal budgeting process, which can be helped further by the continued annual update of the CIP.

Table 8
Annual Appropriations, 2008-2014

Assessments & Tax Rates	2008	2009	2010	2011	2012	2013	2014
Net Property Valuation	234,904,231	234,369,815	234,369,815	218,736,468	219,877,193	220,787,083	221,759,710
Municipal Rate	6.15	6.55	6.46	7.27	7.38	6.67	6.67
<i>amount raised in taxes</i>	\$1,447,460	\$1,320,412	\$1,411,836	\$1,589,175	\$1,621,869	\$1,473,702	\$1,476,717
County Rate	2.4	2.65	2.84	2.74	2.81	2.87	2.87
<i>amount raised in taxes</i>	\$563,999	\$494,079	\$621,128	\$599,489	\$618,202	\$634,445	\$367,069
School Rate (local)	8.45	8.32	8.91	10.38	10.12	10.47	11.27
<i>amount raised in taxes</i>	\$1,987,847	\$2,131,123	\$1,950,342	\$2,269,449	\$2,225,338	\$2,312,367	\$2,500,313
School Rate (state)	2.08	2.20	2.37	2.51	2.38	2.41	2.46
<i>amount raised in taxes</i>	\$483,720	\$488,394	\$509,697	\$539,229	\$513,781	\$523,224	\$536,095
Total Tax Rate	19.08	19.72	20.58	22.90	22.69	22.42	23.27
Total Assessments	\$4,483,026	\$4,434,008	\$4,493,003	\$4,997,342	\$4,979,190	\$4,943,738	\$5,150,194

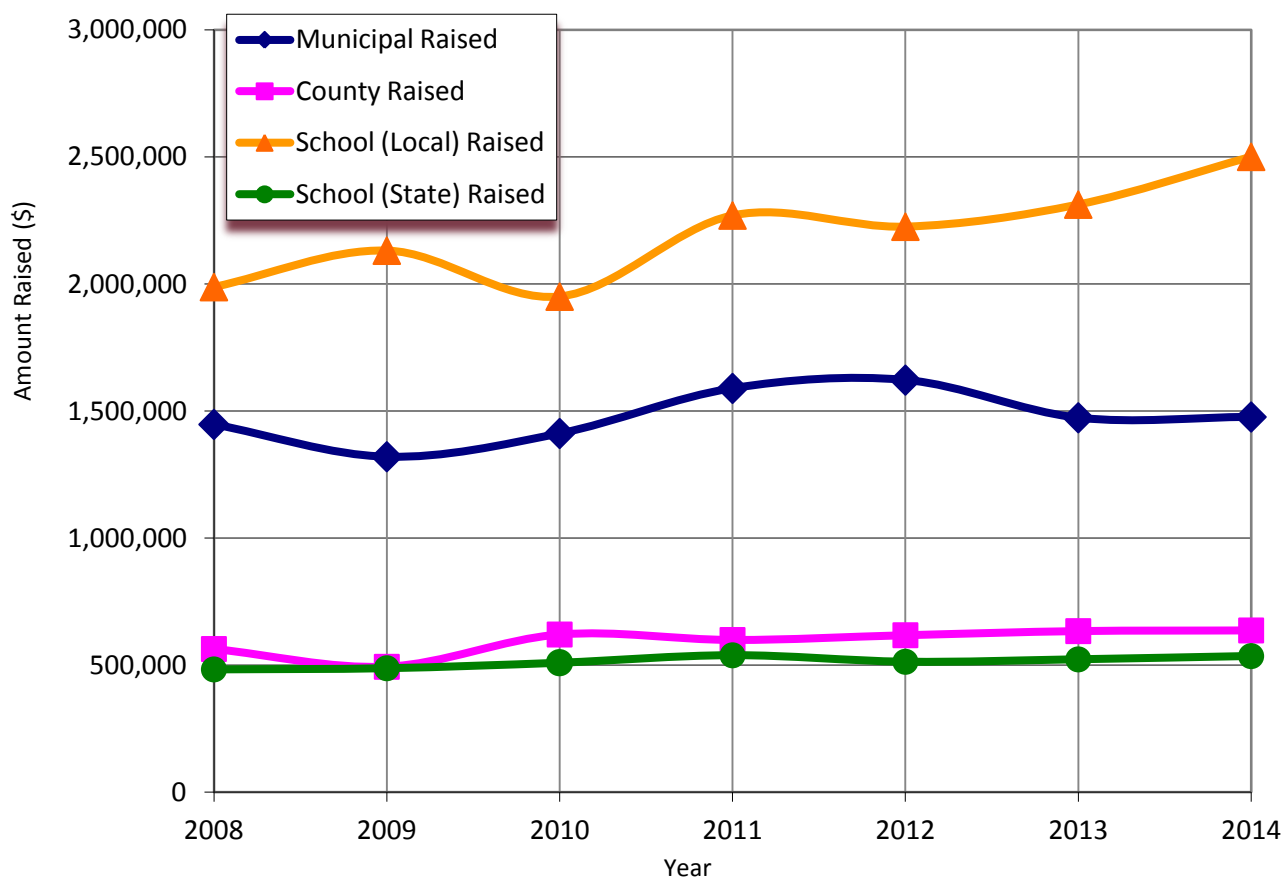
Source: Town Reports 2008-2014

Since 2008, net valuations had an overall trend of slow increases to reach \$221,759,710 in 2014. The net valuations can be grouped into two sets of averages over the past seven years. The first assessment group is from 2008 (\$234,904,231) to 2010 (\$234,369,815), with an overall average increase of 0.84 %. The reassessment in 2011 brought the net valuation down to \$218,736,468, yielding an average increase of 0.46% through 2014.

For the purposes of the anticipated net valuation increases over the CIP term of 2016-2021, these two assessment group average increase figures are then averaged to calculate a future net valuation change of 0.65% per year as used within the Municipal Improvements Schedule in Figure 1. See also Net Valuation section below.

The total tax rate per \$1,000 of net valuation in Bradford increased from \$19.08 in 2008 to \$20.58 in 2010. Following the 2011 reassessment, the overall tax rate declined through 2013, and then increased from \$22.42 in 2013 to \$23.27 in 2014.

Figure 2
Taxes Raised for Appropriations



Source: Town Reports 2008-2014

The local school tax rate notably increased from 2007 to its present rate of \$11.27 in 2014, with jumps of \$8.45 in 2008 and \$10.38 in 2011. The municipal rate remains fairly similar over the six year period, increasing to \$7.27 and \$7.38 in 2011 and 2012. However, 2013 saw a

significant decrease to \$6.67. The county and state school tax rates remain the lowest contributors to the overall tax rate per \$1,000 of net valuation.

Figure 2 illustrates the amount of appropriations raised in Table 8 over the same period. Each tax line shows an increase over the six year period, with the local school appropriation being the largest in 2014 at \$2,500,313. The local school appropriation and municipal appropriation both have the largest fluctuations of amount raised, as municipal taxes raised began at \$1,447,460 in 2008, jumped to \$1,621,869 in 2011, and lowered back to \$1,476,717 in 2014. The state school and county tax appropriations have remained relatively constant, with an overall slight increase, during this time period.

CAPITAL RESERVE FUNDS

Often yearly, the voters allocate funds into the Town's Capital Reserve Funds (CRFs) or Expendable Trust Funds (ETFs) dedicated for specific purchases or improvements. Table 9 lists those fund balances as of June 30, 2014. Only those funds which are related to the capital expenditures contained within this CIP or were anticipated to have additional monies added into the funds between 2015 and 2020 were included in Table 9.

Table 9
Capital Reserve Funds and Balances, 2015

Fund Name	Estimated Balance on August 31, 2015
(HD) Highway Heavy Equipment CRF	\$11,444
(HD) Grader Repairs (non-lapsing) CRF	\$3,563
(HD) Main Street Improvement CRF	\$72,139
(FD) Fire Department Equipment CRF	\$136,292
(FD) Fire Station Repair & Improvement	\$10,685
(PD) Police Facility	\$67,302
(PD) Police Cruiser CRF	\$0
(TH) Town Hall Restoration Committee CRF	\$11,148

Source: Town Administrator

Many of the projects listed within the CIP will be proposed for full or partial funding from these CRFs.

Voters at the annual School District meeting also allocate funds into the School District's Capital Reserve funds dedicated for specific purchases or improvements to Bradford (and District) schools. While there are currently no School District projects or funding to review within the 2016-2021 CIP, this data might be placed within a future Town CIP if the School's capital expenditure projects are added. School Districts often develop their own Capital Improvement Programs, and it is important that Bradford obtain copies of any current School CIPs for their information.

Capital Reserve Funds (CRFs) are an excellent tool to help keep the municipal property taxes stable. They offer a mechanism for a municipality to save for anticipated future projects or purchases instead of taking a direct tax hit in any one given year. Money set aside in CRFs also collects interest. Bradford could use their multitude of CRFs more effectively by placing funds in the more regularly used accounts on a yearly basis now that this CIP displays the Department needs.

By creating CRFs for many of the projects proposed in this CIP or by increasing the deposits into the CRFs via warrant articles at the March 2016 annual Town Meeting, the proposed expenditures in this CIP should be more evenly distributed in the following years. In addition, grant funds might be pursued to help offset the burden to taxpayers for some of the projects or purchases that are proposed.

TOWN OPERATING BUDGET

Table 10 displays Total Town Appropriations along with the Capital Reserve Fund (CRF) appropriations so annual comparisons can be made. The CRF appropriations may differ from those in Table 9 as they include appropriations for fund accounts which are no longer used, or for one-time expenditures, for instance.

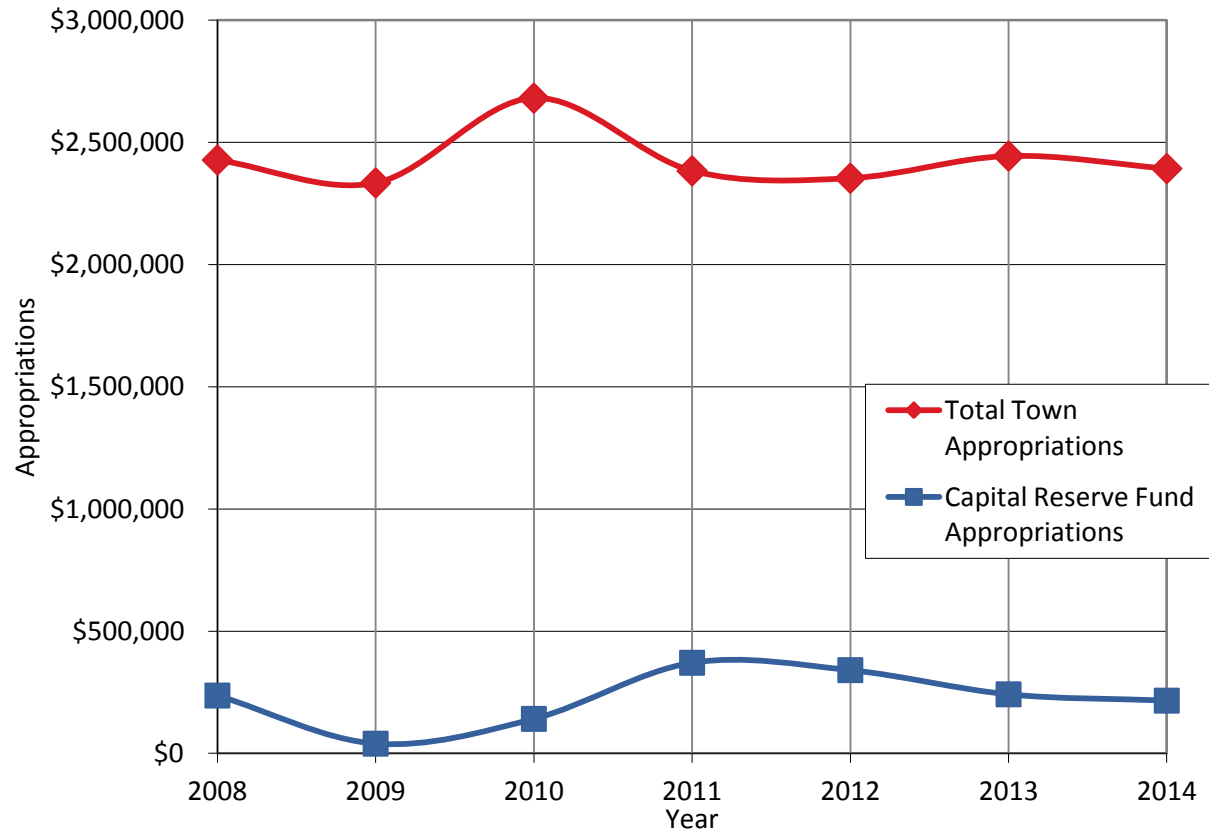
Table 10
Total Town Appropriations and Capital Reserve Appropriations, 2008-2014

Budgets	2008	2009	2010	2011	2012	2013	2014	AVERAGE between 2008 - 2014
Total Town Appropriations	\$2,428,159	\$2,334,432	\$2,681,330	\$2,383,900	\$2,353,567	\$2,444,433	\$2,393,033	\$2,431,265
Capital Reserve Fund Appropriations	\$237,000	\$40,000	\$141,500	\$371,034	\$340,990	\$241,985	\$216,100	\$226,944
% of Town Appropriations	9.8%	1.7%	5.3%	15.6%	14.5%	9.9%	9.0%	9.3%

Source: Town Reports 2008-2014

Figure 3 below graphs the difference between the Capital Reserve Fund (CRF) expenditure appropriations and the Operating Budget appropriations. In 2014, CRF funding was 9.0% of the overall appropriation figure, \$216,100. Overall, between 2008 and 2014, CRF funding averaged 9.3% of the overall town appropriations.

Figure 3
Annual Appropriation Trends Comparison:
Total Town Appropriations and Capital Reserve Funds, 2008-2014



Source: Table 10

Figure 3 illustrates annual appropriation trends. The two lines represent total town appropriations and the appropriated capital reserve funds for each year since 2008. Overall, the trend of the overall appropriations has been very steady over the period with a peak in 2010. Capital reserve fund appropriations peaked in 2011, and averaged \$226,944 over the period.

TAX RATE TRENDS AND COMPARISONS

The full value tax rates included in the table below are derived by the NH Department of Revenue Administration (NH DRA). The NH DRA develops the full value tax rate as a way to compare tax rates among New Hampshire communities. To determine the full value tax rate, the NH DRA compares each municipality's tax rate with its net valuation.

Table 11
Bradford Tax Rates and Trends, 2009-2014

Bradford Taxes	2009	2010	2011	2012	2013	2014
Local Tax Rate	\$19.33	\$20.58	\$22.90	\$22.69	\$22.42	\$23.27
Full Value Tax Rate	\$19.38	\$20.73	\$23.06	\$22.80	\$23.17	\$25.53
Equalization Ratio	100.0	100.0	100.0	100.0	102.9	109.5

Sources: NHDRA Equalization Survey Including Utilities Reports

From Table 11, the equalization ratio increased from 100.0 in 2012 to 109.5 in 2014. The ratio remained constant at 100.0 from 2008 to 2012.

The local tax rates, what residents pay through property taxes of \$1,000 per valuation, remained relatively constant between 2011-2013, with a local tax rate of \$22.90 in 2011 and \$22.42 in 2013. As seen in Table 11, the local tax rate is tending to increase, starting in 2011 increasing to \$23.27 in 2014.

Because the assessed valuation of any community, including Bradford, changes annually, if a Town has not been reassessed that year, the full value tax rates vary sometimes significantly from the local tax rate. The closer the equalization ratio is to 100, the closer the match will be between the local tax rate and the full value tax rate. This trend is reflected in Bradford during 2009 to 2012.

In Table 12, Bradford's full value tax rate in 2014 of \$25.53 was one of the lowest of nearby communities, with Wilmot (\$20.07), Washington (\$19.45), New London (\$15.04) and Newbury (\$14.00) rates far lower. The local area's full value tax rate averaged \$23.20 per \$1,000 of valuation. Henniker has the highest full value tax rate at \$30.94. None of the communities had equalization ratios at 100, making it difficult to compare the towns total tax rate.

Bradford falls on the higher end of the equalization ratio scale (109.5), which is the second highest behind Goshen (112.0). Newbury had the lowest ratio at 90.6.

In 2014, Bradford's municipal taxes of \$6.67 were higher than the average of nearby towns (\$6.32). The lowest local tax was Newbury at \$3.84 while the highest was Hillsborough at \$10.06. On the local school side, Bradford's tax rate of \$11.27 was higher than the area average of \$11.15. Henniker's local school rate was highest at \$17.60 and the lowest was New London at \$5.99.

Table 12
Nearby Community Tax Rate Comparison, 2014

2010 US Census Population		Municipal	County	Local School	State School	TOTAL TAX	Per Capita Tax	Equal. Ratio %	Full Value Tax Rate
Bradford	1,650	6.67	2.87	11.27	2.46	\$23.27	\$0.014	109.5	\$25.53
Goshen	810	7.67	2.80	10.82	2.34	\$23.63	\$0.029	112.0	\$26.39
Henniker	4,836	7.87	2.90	17.60	2.32	\$30.69	\$0.006	102.1	\$30.94
Hillsborough	6,011	10.06	1.17	13.91	2.42	\$27.56	\$0.005	104.5	\$29.39
New London	4,397	3.92	2.95	5.99	2.45	\$15.31	\$0.003	98.4	\$15.04
Newbury	2,072	3.84	2.99	6.21	2.45	\$15.49	\$0.007	90.6	\$14.00
Springfield	1,311	3.90	2.83	12.37	2.28	\$21.38	\$0.016	101.2	\$21.34
Sutton	1,837	6.04	2.93	12.75	2.47	\$24.19	\$0.013	101.4	\$24.44
Warner	2,833	9.29	2.58	12.72	2.27	\$26.86	\$0.009	106.4	\$28.56
Washington	1,123	5.78	3.12	7.96	2.31	\$19.17	\$0.017	101.2	\$19.45
Wilmot	1,358	4.51	2.89	11.06	2.46	\$20.92	\$0.015	96.0	\$20.07

Sources: NHDRA Municipal Services Tax Rates 2014; NHDRA Equalization Survey Including Utilities 2014; US Census 2010

For additional comparison purposes in Table 12, the Per Capita Tax (the tax rate per person) attempts to remove the population component (i.e., large town taxes do not compare well with small town taxes), from the tax rate contrast. Per capita (person), Hillsborough has the lowest tax rate at \$0.005; however, it does have the highest population. Goshen has the highest tax rate at \$0.029 per capita (and has the lowest population), and Washington has the second highest tax rate per capita at \$0.017 (second lowest population). This method of comparison is less favorable and less reliable as although the attempt is to remove population from the tax comparison, note the per capita tax scale is very similar to the population itself.

ANTICIPATED FINANCIAL IMPACTS OF PROJECTS

It is important to note that the CIP and its projected financial impacts are first and foremost advisory and hold no legal commitment for the Town to undertake such expenditures. This CIP document serves as a planning tool to help stabilize the tax rate while ensuring essential services are provided, as each Department's needs over the next few years are listed to keep the Town running safely. The CIP identifies when (and at what cost) the municipal tax impacts may come into effect as a result of necessary Department future capital expenditures.

The projects that Bradford has identified within this CIP will increase the municipal tax rate. However, many of these projects would have occurred regardless of the existence of a Capital Improvements Program and now the Town can plan ahead with upcoming anticipated capital expenditures by having them all appear in one location. Although higher taxes are often

difficult to defend to taxpayers, increases may be easier to justify if they improve the people's quality of life, improve safety, or correct deficiencies in expected services or amenities.

To obtain Capital Reserve funding at the annual March Town Meetings, Department heads and Boards should raise public awareness and promote a positive message for the necessity of their projects during the period January 1 through the Town Meeting in March, each year. The capital projects are discussed in Chapter 3. Summary of Projects.

The dollars required for each capital expenditure will be weighed annually against the need for other projects and operating expenses before the Budget Committee and Board of Selectmen develop warrant articles for Town Meeting. The Department and Board funding needs displayed with in this CIP 2016-2021 have been projected for the next six years for the town to operate safely. These needs may be modified as other or higher priority requirements are discovered. One significant advantage to updating a Capital Improvements Program each year is the ability to adjust costs for existing projects when the details become clearer or to reprioritize based upon the need for new or different projects altogether.

Projected Net Valuation Increases

In order to ascertain what the annual Net Impact on Town Tax Rate (\$ per \$1,000 of valuation) could be with the projects provided, the Net Valuation (with utilities) of each year between 2016 and 2021 must be calculated. The latest Net Valuation available from the NH Department of Revenue Administration (NHDRA) is from 2014 in the amount of \$221,759,710, which is considered the baseline for calculations.

The approach to derive Net Valuation increases and the resulting Net Impact to the Town Tax Rate is made in a consistent, logical manner for the task of attempting to budget forecast out for the next six years.

To determine how much the 2014 baseline net valuation of \$221,759,710 must grow to reach a projected 2015 net valuation, past changes in net valuation are examined and use to develop a percentage of change. When net valuations *increase*, the annual projects' Net Impact on Town Tax Rate will *decrease*.

From Table 8, the net valuations were grouped into two sets of averages over the past eight years. The first assessment group is from 2007 (\$228,614,981) to 2010 (\$234,369,815), with an overall average increase of 0.84% over the term. The second group was assembled when the reassessment in 2011 brought the net valuation down to \$218,736,468, which yields an average increase of 0.46% through the 2014 net valuation baseline of \$221,759,710.

For the purposes of the projected net valuation increases over the CIP term of 2016-2021, these two assessment group average increases percentages are then averaged to calculate a future projected net valuation change of 0.65% per year as used within the Municipal Improvements Schedule in Figure 1.

Interpreting the Net Impact on Town Tax Rate

In Figure 1. Municipal Improvements Schedule, each year's Net Impact to the Town Tax Rate is a standalone figure. The Net Impact on Town Tax Rate (\$ per \$1,000 of valuation), and everything shown within a single year column of the spreadsheet are not cumulative. They are indicative of that year alone.

Each year's Net Impact on Town Tax Rate shown in Figure 1 displays how much the taxpayers would pay for that year alone if each of the projects were funded. For instance, in 2016, property taxes would increase \$1.59 per \$1,000 of valuation if all projects were funded.

An important aim of the CIP process is to keep the tax impact of capital projects as level as possible on a year to year basis. As noted elsewhere in this document, the Town has had recent success in stabilizing the amount to be raised for municipal operations. It is hoped that the CIP process can assist with continuing this trend into the future.

Ultimately, the CIP document is a planning tool and is not expected to contain actual budget figures; instead, but it is a "best guess" for what projects might cost the Town and taxpayers with the information available. With so many possible changing variables such as project cost fluctuations, fragile funding mechanisms, and actual net valuations determined by the NHDRA (using real estate market conditions), budgetary accuracy is not possible. The CIP's approach provides a consistent, relative comparison of capital project impact on the town tax rate. The CIP is intended to be updated yearly for these reasons and does the best it can at forecasting out six years with the information provided.

Chapter 5. Appendix

METHODS OF FINANCING CAPITAL IMPROVEMENTS

Many other sources of project funding, other than the raising of property tax dollars in one given year to pay for a project, can be considered over the long term. This list of 17 methods of financing capital expenditure projects is not comprehensive but does cover the majority of different CIP projects as presented in this document.

1. Current Revenue (Property Tax): The most commonly used method of financing capital projects is through the use of current revenues. Current revenue is the money raised by the local property tax for a given year. When a project is funded with current revenues, its entire cost is paid off within one year. Projects funded with current revenues are customarily lower in cost than those funded by general obligation bonds. If the town has the financial capacity to pay for the project in one year, the cost to the taxpayer will be less than if bonded because there are no interest payments to be made. However, making capital acquisitions with current revenues does have the effect of lumping an expenditure into a single year, sometimes resulting in higher taxes for the year of the purchase.
2. Municipal Indebtedness: General obligation bonds and short-term borrowing can be used to finance major capital projects. They are issued for a period of time ranging from 5 to 20 years, during which time principal and interest payments are made. Short-term notes and longer term bonds are secured by the government's power to tax, and are funded primarily by property taxes. Payments over time have the advantage of allowing the capital expenditures to be amortized over the life of the project, thus avoiding "spikes" in the property tax which may result from capital purchases made from current revenues. On the other hand, they can commit resources over a long period of time, thereby decreasing the flexibility of how yearly revenue can be utilized. NH RSA 33:3 mandates that bonds or notes may only be issued for the following purposes:
 - Acquisition of land;
 - Planning relative to public facilities;
 - Construction, reconstruction, alteration, enlargement or purchase of public buildings;
 - Public works or improvements of a lasting nature;
 - Purchase of equipment of a lasting character;
 - Payment of judgments; and,
 - Revaluation or acquisition of tax maps, RSA 33:3-b.

3. Capital Reserve Funds (CRF): A popular method to set money aside for expansion, alteration or improvement to municipal buildings and facilities, RSA 35V mandates that such accounts must be created by a warrant article at town meeting. The same warrant article should also stipulate how much money will be appropriated to open the fund as well as identify what Town entity will be the agent to expend the funds. Once established, communities typically appropriate more funds annually to replenish the fund or be saved and thus earn interest that will be put towards large projects or expenditures in the future. Since many capital projects involve very considerable expenditures, many towns set aside general revenue over a period of years in order to make a purchase.

The advantage of a CRF is that the major acquisition or improvement can be made without the need to go into the bond market with the accompanying interest payments. The disadvantage to present taxpayers is that future residents enjoy the benefits of the improvement(s) without having to pay for them.

4. Special Revenue Sources: Special revenue sources include user fees, payments in lieu of taxes, gifts/donations, trusts, development impact fees, and intergovernmental transfers (i.e. grants) such as NH Shared Revenues and Highway Aid grants. The State of NH Building Aid is available at 30-55% for certain School District building projects (RSA 198:15-b).
5. NHDES Clean Water State Revolving Loan Fund: The Safe Drinking Water Act (SDWA) Amendments of 1996 provide for federal funding of a Drinking Water State Revolving Fund (DWSRF) to provide assistance to public water systems to finance the cost of drinking water infrastructure. The amendments also establish a strong emphasis on preventing contamination and enhancing water system management by allowing states to use some of the DWSRF for source water protection, capacity development and operator certification. Public water systems eligible for assistance are community water systems, both privately or publicly owned, and nonprofit non-community water systems. The DWSRF assistance is available in the form of loans or subsidies to public water systems for infrastructure and contamination prevention (source water protection) activities.

The infrastructure portion of the DWSRF provides assistance to public water systems primarily in the form of low interest loans. In addition, the state has chosen to provide additional loan subsidies, including forgiveness of principal, to disadvantaged communities that receive loans.

- Rehabilitation or development of sources (excluding reservoirs, dams, dam rehabilitation and water rights) to replace contaminated sources.
- Installation or upgrading of treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary standards.
- Installation or upgrading of storage facilities, including finish water reservoirs, to prevent microbiological contaminants from entering the water system.

- Installation or replacement of transmission and distribution pipes to prevent contamination caused by leaks or breaks in the pipe, or improve water pressure to safe levels.
- Consolidation of water systems to resolve contamination problems and financial or management capability issues.
- Acquisition of land from a willing seller if it is integral to a project that is needed to maintain compliance and further public health protection.

The Source Water Protection Assistance of the DWSRF will be spent on non-infrastructure source water protection activities. Funding in the form of grants and loans is available to qualified applicants. No subsidization of loans for disadvantaged communities can occur with this portion of the DWSRF. Activities that will be eligible for this funding will include the following:

- Delineation and assessment of protection areas for wells and surface water intakes.
- Implementation of protection measures.
- Acquisition of water supply protection land (loan only).

6. State Highway Block Grants: Annually, the State NH Department of Transportation apportions funds to all cities and towns for only the construction, reconstruction and maintenance of municipal Class IV and V roadways. Apportionment "A" funds represent 12% of the State Highway budget and are allocated based upon one-half the total road mileage and one-half the total population, proportioned by prioritization the municipality with other municipalities in the State. This yields approximately \$1,200 per mile of Class IV and Class V road and \$11 per person residing in a municipality according to the NH Office of Energy and Planning. In 2015, just over \$30,000,000 was available for communities received funding from Apportionment "A." Bradford is estimated to receive \$79,500 in State Fiscal Year 2015 for local road improvements through the Highway Block Grant Aid program's Apportionment "A" funding. Apportionment "B" funds are distributed from a set sum of \$400,000 and assist only those municipalities having high roadway mileage and whose equalized property value is very low in relation to other communities.

Block grant payment schedules are as follows: 30% in July, 30% in October, 20% in January, and 20% in April. Any unused funds may be carried over to the next fiscal year.

7. State Bridge Aid: This program helps to supplement the cost to communities of bridge construction on Class II and V roads in the State. Funds are allocated by NHDOT in the order in which applications for assistance are received. The amount of aid a community may receive is based upon equalized assessed valuation and varies from two-thirds to seven-eighths of the total cost of the project.

8. Town Bridge Aid: Like the State Bridge Aid program, this program also helps communities construct or reconstruct bridges on Class V roads. The amount of aid is also based upon equalized assessed valuation and ranges from one-half to seven-eighths of the total cost of the project. All bridges constructed with these funds must be designed to support a load of at least 15 tons. As mandated by State Law, all bridges constructed with these funds on Class II roads must be maintained by the State, while all bridges constructed on Class V roads must be maintained by the Town. Any community that fails to maintain bridges installed under this program shall be forced to pay the entire cost of maintenance plus 10% to the State Treasurer under RSA 85.
9. Impact Fees: Authorized by RSA 674:21, communities can adopt impact fee programs to offset the costs of expanding services and facilities communities must absorb when a new home or commercial unit is constructed in town. Unlike exactions, impact fees are uniform fees administered by the building inspector and are collected for general impacts of the development, as opposed to exaction which are administered by the planning board and are collected for specific impacts unique to new site plans or subdivisions on Town roads. The amount of an impact fee is developed through a series of calculations. Impact fees are charged to new homes or commercial structures at the time a building permit is issued. When considering implementing an impact fee ordinance, it is important to understand that the impact fee system is adopted by amending the zoning ordinance. The law also requires that communities adopting impact fees must have a Capital Improvements Program (CIP). Lastly, State law also stipulates that all impact fees collect by a community must be used within six years from the date they were collected, or else they must be refunded to the current property owner(s) of the structure for which the fee was initially collected.
10. Community Development Block Grants: Depending on the location, social value, and functional use of a municipal facility, Community Development Block Grants (CDBG) can sometimes be a good source of financing. CDBG funds are allocated from the US Department of Housing and Urban Development. Each year, communities are invited to submit grant applications for funding of projects.
11. Sale or Use of Excess Property: Another possible method to finance or expand town facilities opportunities could include sale of surplus town-owned property. Surplus property is often property acquired from private citizens for failure to pay taxes.
12. Private Foundations/Trusts: For years, communities have been the beneficiaries of trusts and donations created by private citizens and foundations. The Town should actively solicit such resources for assistance regarding the development or expansion of recreational facilities and programs.

13. User Fees: During the 1980s, the concept of user fees for funding of numerous public facilities and services were widely adopted throughout the nation. To help finance community facilities and programs, several communities in New Hampshire have adopted user fees. Examples of user fees in New Hampshire communities include water district charges and transfer station fees.
14. License and Permit Fees: Fees, such as building permits, zoning applications, and planning board subdivision and site plan fees are all examples of permit fees. Such fees are highly equitable and are successful for minimizing the burden on taxpayers for specific programs such as building code enforcement.
15. Land Use Change Tax: When a property that has been paying the lower Current Use Tax rate is removed from that program, the land use change tax penalty is paid to the Town that the property is located in. The penalty is 10% of the full market value of the land when it leaves the current use program. Many Towns put all of this money directly into the Conservation Fund (see below).
16. Conservation Fund: This fund is much like a Capital Reserve Fund, where Town Meeting approval needs to be sought to expend the accumulated funds. The primary purpose of the Fund (RSA 36-A:5) is to acquire real estate for conservation purposes.
17. Miscellaneous Grants: Grants from State Departments and federal sources could be available to help offset the costs of capital improvement projects. Depending on when the application process begins and the length of the grant round, it could be a while before the community learns whether their grant application has been accepted for funding. The actual funding might differ from what was requested. These types of unknown variables should encourage the Town to update its CIP yearly to ensure the most current financial data possible is placed into the document.

RELEVANT STATE STATUTES FOR CAPITAL IMPROVEMENTS

Legislation is current as of 02-25-14.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES **Municipal Budget Law**

Section 32:6 Appropriations

32:6 Appropriations Only at Annual or Special Meeting. All appropriations in municipalities subject to this chapter shall be made by vote of the legislative body of the municipality at an annual or special meeting. No such meeting shall appropriate any money for any purpose unless that purpose appears in the budget or in a special warrant article, provided, however,

that the legislative body may vote to appropriate more than, or less than, the amount recommended for such purpose in the budget or warrant, except as provided in RSA 32:18, unless the municipality has voted to override the 10 percent limitation as provided in RSA 32:18-a.

Municipal Finance Act Section 33:1

33:1 Definitions - This chapter may be referred to as the "Municipal Finance Act." The following terms, when used in this chapter, shall have the meanings set forth below, except when the context in which they are used requires a different meaning:

- I. "Municipality" or "municipal corporation," town, city, school district or village district;
- II. "Governing board," the selectmen of a town, the commissioners or comparable officers of a village district, and the school board of a school district;
- III. "Net indebtedness," all outstanding and authorized indebtedness, heretofore or hereafter incurred by a municipality, exclusive of the following: unmatured tax anticipation notes issued according to law; or notes issued in anticipation of grants of federal or state aid or both; debts incurred for supplying the inhabitants with water or for the construction, enlargement, improvement or maintenance of water works; debts incurred to finance the cost of sewerage systems or enlargements or improvements thereof, or sewage or waste disposal works when the cost thereof is to be financed by sewer rents or sewer assessment; debt incurred pursuant to RSA 31:10; debts incurred to finance energy production projects, the reconstruction or enlargement of a municipally-owned utility, or the manufacture or furnishing of light, heat, power or water for the public, or the generation, transmission or sale of energy ultimately sold to the public; debts incurred to finance small-scale power facilities under RSA 374-D; debts incurred outside the statutory debt limit of the municipality under any general law or special act heretofore or hereafter enacted (unless otherwise provided in such legislation); and sinking funds and cash applicable solely to the payment of the principal of debts incurred within the debt limit.

Section 33:4-a Debt Limit, Municipalities. –

- I. Cities shall not incur net indebtedness, except for school purposes, to an amount, at any one time outstanding, exceeding 3 percent of their valuation determined as hereinafter provided.
- II. Cities shall not incur net indebtedness for school purposes to an amount at any one time outstanding, determined as hereinafter provided, exceeding 7 percent of said valuation. Any debt incurred for school purposes by a city under this or any special statute heretofore or hereafter enacted shall be excluded in determining the borrowing capacity of a city for other than school purposes under the 3 percent limitation in paragraph I.

III. Towns shall not incur net indebtedness to an amount at any one time outstanding exceeding 3 percent of their valuation determined as hereinafter provided.

IV. School districts shall not incur net indebtedness to an amount at any one time outstanding exceeding 7 percent determined as hereinafter provided.

V. Village districts shall not incur net indebtedness to an amount at any one time outstanding exceeding one percent of their valuation determined as hereinafter provided.

Section 33:5-a Water Works

Section 33:5-a Water Works. (Debt Indebtedness Exemption) – Municipalities may incur debt for supplying the inhabitants with water or for the construction, enlargement, or improvement of water works, by the issue of bonds or notes, for such purposes, as set forth in this chapter; provided, however, that such municipalities shall not incur debt for such purposes to an amount, at any one time outstanding, exceeding 10 percent of their last locally assessed valuation as last equalized by the commissioner of revenue administration determined as provided in RSA 33:4-b. Any municipality which shall have received orders from the department of environmental services under the provisions of RSA 485 requiring the alteration, enlargement, or application of any other improvement in such facilities as will ensure fitness and safety and adequate protection of the public health may incur debt thereof by the issue of bonds or notes outside the limit prescribed herein. All debt authorized by this section, inasmuch as it is all excluded from the definition of "net indebtedness" in RSA 33:1, shall at no time be included for the purpose of calculating the borrowing capacity of the municipality for other purposes. The debt limits established by this section may be exceeded by a municipality in accordance with the procedure prescribed in and subject to the provisions of RSA 33:6.

33:6-e Exclusion from Debt Limit; Solid Waste Management Districts

33:6-e Exclusion from Debt Limit; Solid Waste Management Districts. (Debt Indebtedness Exemption) -

The debt limit restrictions of this chapter shall not apply to a solid waste management district formed under RSA 53-B or to the debts or obligations incurred by such a district. Debts or obligations of a member municipality to such a district shall at no time be included in the net indebtedness of the municipality for the purposes of determining its borrowing capacity.

TITLE XV EDUCATION

Cooperative School Districts

Section 195:6 Powers and Duties of Cooperative School Districts.

Debt Indebtedness Exemption –

I. Each cooperative school district shall be a body corporate and politic with power to sue and be sued, to acquire, hold and dispose of real and personal property for the use of schools therein, and to make necessary contracts in relation thereto, and have and possess all the powers and be subject to all the liabilities conferred and imposed upon school districts under the provisions of RSA 194. Whenever a cooperative school district assumes all the functions of a pre-existing district, it shall also assume the outstanding indebtedness and obligations thereof as of the date of operating responsibility; and on such date of operating responsibility the pre-existing districts shall be deemed dissolved, and any and all assets, property and records thereof not previously disposed of shall vest in the cooperative school district, unless otherwise provided in the articles of agreement or existing arrangements.

II. Each cooperative school district shall have the power to borrow money and issue its notes or bonds in conformity with the provisions of RSA 33, provided, however, indebtedness of a cooperative district organized to provide both *elementary* and *secondary* schools may be incurred to an amount not to exceed 10 percent of its assessed valuation as last equalized by the commissioner of revenue administration.

III. Whenever only a part of the educational facilities of a local school district are incorporated into a cooperative school district, such local district shall continue in existence and function as previously. The cooperative school district shall assume only those outstanding debts and obligations of the local school district which pertain to the property acquired by the cooperative school district for use by the cooperative school district. In such case no cooperative school district shall for elementary school purposes incur debt to an amount exceeding 5 percent, and for secondary school purposes, if organized for grades 9 through 12, to an amount exceeding 5 percent, and for secondary school purposes if organized for grades 7 through 12, to an amount not exceeding 6 percent of the total assessed valuation of such district as last equalized by the commissioner of revenue administration. No cooperative school district described in this paragraph shall incur indebtedness if it subjects the taxable property of any school district forming a part thereof to debt, when added to the debt of such school district, of more than 10 percent of the total assessed value of such taxable property as last equalized by the commissioner of revenue administration.

SCHOOL MEETINGS

Section 197:1

197:1 Annual. – A meeting of every school district shall be held annually between March 1 and March 25, inclusive, or in accordance with RSA 40:13 if that provision is adopted in the district, for raising and appropriating money for the support of schools for the fiscal year beginning the next July 1, for the transaction of other district business and, in those districts not electing their district officers at town meeting, for the choice of district officers.

Section 197:3**197:3 Raising Money at Special Meeting. –**

I. (a) No school district at any special meeting shall raise or appropriate money nor reduce or rescind any appropriation made at a previous meeting, unless the vote thereon is by ballot, nor unless the ballots cast at such meeting shall be equal in number to at least 1/2 of the number of voters of such district entitled to vote at the regular meeting next preceding such special meeting; and, if a checklist was used at the last preceding regular meeting, the same shall be used to ascertain the number of legal voters in said district; and such checklist, corrected according to law, may be used at such special meeting upon request of 10 legal voters of the district. In case an emergency arises requiring an immediate expenditure of money, the school board may petition the superior court for permission to hold a special district meeting, which, if granted, shall give said district meeting the same authority as an annual district meeting.

(b) "Emergency" for the purposes of this section shall mean a sudden or unexpected situation or occurrence, or combination of occurrences, of a serious and urgent nature, that demands prompt or immediate action, including an immediate expenditure of money. This definition, however, does not establish a requirement that an emergency involves a crisis in every set of circumstances.

(c) To verify that an emergency exists, a petitioner shall present, and the court shall consider, a number of factors including:

- (1) The severity of the harm to be avoided.
- (2) The urgency of the petitioner's need.
- (3) Whether the claimed emergency was foreseeable or avoidable.
- (4) Whether the appropriation could have been made at the annual meeting.
- (5) Whether there are alternative remedies not requiring an appropriation.

II. Ten days prior to petitioning the superior court, the school board shall notify, by certified mail, the commissioner of the department of revenue administration that an emergency exists by providing the commissioner with a copy of the explanation of the emergency, the warrant article or articles and the petition to be submitted to the superior court. The petition to the superior court shall include a certification that the commissioner of the department of revenue administration has been notified pursuant to this paragraph.

III. In the event that the legislative body at an annual meeting amends or rejects the cost items or fact finder's reports as submitted pursuant to RSA 273-A, notwithstanding paragraphs I and II, the school board may call one special meeting for the sole purpose of addressing all negotiated cost items without petitioning the superior court for authorization. Such special meeting may be authorized only by a contingent warrant article inserted on the warrant or official ballot either by petition or by the governing body. The wording of the question shall be as follows: "Shall (the local political subdivision), if article _____ is defeated, authorize the governing body to call one special meeting, at its option, to address article _____ cost items only?" The refusal of the legislative body to authorize a special meeting as provided in

this paragraph shall not affect any other provision of law. Any special meeting held under this paragraph shall be combined with the revised operating budget meeting under RSA 40:13, XI, if any, and shall not be counted toward the number of special meetings which may be held in a given calendar or fiscal year.

IV. When the school board votes to petition the superior court for permission to hold a special school district meeting, the school board shall post notice of such vote within 24 hours after taking the vote and a minimum of 10 days prior to filing the petition with the court. The school board shall post notice of the court date for an evidentiary hearing on the petition within 24 hours after receiving notice of the court date from the court. Such notices shall be posted at the office of the school board and at 2 or more other conspicuous places in the school district, and in the next available edition of one or more local newspapers with a wide circulation in the school district. If the district is a multi-town school district, the notices shall be posted at the office of the school board and at 2 or more other conspicuous places in each town of the multi-town school district, and in the next available edition of one or more newspapers with a wide circulation in all towns of the multi-town school district.

V. Notwithstanding any other provision of law, no special meeting to raise and appropriate money, or to reduce or rescind any appropriation made at a previous meeting, may be held unless the vote is taken on or before December 31 of any budget cycle. However, the district may bring such items as could not be addressed prior to December 31 before the voters at the next annual school district meeting. Such supplemental appropriations, together with appropriations raised under RSA 197:1, shall be assessed against property as of April 1.

TITLE LXIV PLANNING AND ZONING

Capital Improvements Program

Section 674:5 through 674:8

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. 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 and the budget committee in their consideration of the annual budget.

674:6 Purpose and Description. – The capital improvement 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.

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.

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.

Zoning

Section 674:21

Section 674:21 Innovative Land Use Controls. –

I. Innovative land use controls may include, but are not limited to:

(m) Impact fees.

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 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.

Section 674:22

Section 674:22 Growth Management; Timing of Development. -

I. The local legislative body may further exercise the powers granted under this subdivision to regulate and control the timing of development. Any ordinance imposing such a control may be adopted only after preparation and adoption by the planning board of a master plan and a capital improvement program and shall be based upon a growth management process intended to assess and balance community development needs and consider regional development needs.

II. The local legislative body may adopt a growth management ordinance under this section only if there is a demonstrated need to regulate the timing of development, based upon the municipality's lack of capacity to accommodate anticipated growth in the absence of such an ordinance. The need to regulate the timing of development shall be demonstrated by a study performed by or for the planning board or the governing body, or submitted with a petition of voters presented under RSA 675:4. The study shall be based on competent evidence and shall consider the municipality's projected growth rate and the municipality's need for additional services to accommodate such growth.

III. An ordinance adopted under this section shall include a termination date and shall restrict projected normal growth no more than is necessary to allow for orderly and good-faith development of municipal services. The planning board in a municipality that adopts such an ordinance shall promptly undertake development of a plan for the orderly and rational development of municipal services needed to accommodate anticipated normal growth; provided, however, that in a town that has established a capital improvement program committee under RSA 674:5, the plan shall be developed by that committee. The ordinance and the plan shall be evaluated by the planning board at least annually, to confirm that reasonable progress is being made to carry out the plan. The planning board shall report its findings to the legislative body in the municipality's annual report.

MATERIALS DEVELOPED FOR CIP

- 1. Memorandum**
- 2. Application**

Town of Bradford Planning Board
Capital Improvements Program Committee

134 East Main Street, Bradford, NH 03221
603-938-5900

MEMORANDUM

To: Bradford Department Heads, Board and Committee Chairs, and School Board
From: Marcia Keller, Bradford Capital Improvements Program (CIP) Committee Chair
Date: April 24, 2015
Subject: ***Updated* Bradford Capital Improvements Program (CIP) 2016-2021 Application Solicitation**

The Bradford Planning Board, with support from the Board of Selectmen, is updating last year's **Capital Improvements Program (CIP)** to develop the **2016-2021 CIP**. Doing so will help implement the Master Plan and to provide Town budgetary support to Departments, Board of Selectmen, Budget Committee, and Town taxpayers. The Planning Board is appointing a 2015 CIP Committee to oversee the process.

A CIP is designed to anticipate long-range capital needs of all Town Departments, Boards, and Committees as well as local or co-operative School District capital needs. By supplementing the FY-2016 budget process, the CIP will help guide decisions of the Budget Committee and will help people understand the long-term needs of each Department so that the Town can make informed and pro-active fiscal decisions. With this updated document for 2016-2021 and wide Department participation, it is hoped that sharp fluctuations in the tax rate due to unanticipated capital expenditures will be reduced or eliminated with CIP guidance.

New Hampshire RSA 674:7(II) requires, as part of the CIP process, that *all municipal departments, school boards, and related agencies submit a statement of all capital purchases and projects they intend to undertake during the term of the CIP upon request of the Planning Board*. The same statute also *requires communication between the Planning Board and School Board regarding project recommendations*. **To develop a viable CIP, information about your Department's anticipated capital expenditure projects or purchases over the next 6 years is requested.**

QUALIFYING CRITERIA

The Capital Expenditure Project or Purchase:

- 1) **Must have a gross cost of at least \$10,000;**
- 2) **Must have a useful life of at least 3 years;**
- 3) **Is not typically included in the operating budget;**
- 4) **Is any project or purchase requiring bond financing or lease-purchase.**

To collect this information, **the CIP Committee asks you to complete one Application for each NEW or EXISTING capital project or purchase** that fits the CRITERIA above, which you anticipate will be needed for your Department, Board, or Committee between 2016 and 2021. For **EXISTING** projects currently in the CIP, **last year's Application needs to be REVISED AND RESUBMITTED with any necessary new details in order to be placed within the 2016-2021 CIP**. Distributed along with this MEMO are new digital PDF and/or last year's respective 2015-2020 Departments' PDF **Capital Expenditure Request Applications** in addition to the adopted 2015-2020 Municipal Improvements Schedule.

DEADLINE for submission of your Applications is 10 AM, Wednesday, May 13

Email to Camila Devlin at the Town Offices at camiladevlin@gmail.com or drop off paper Apps (Fri AMs).
Please contact her at 938-5193 if you need assistance or want paper Applications.

The CIP Committee also requests that Applicants or a knowledgeable Department designee attend one of the next CIP meetings to briefly explain ALL of your Department's CIP Application(s) during the short "interview" appointment for which you will be scheduled so your Department requests are fully understood before they are evaluated and placed within the Bradford 2016-2021 CIP.

04-24-15

Page 1 of 2

Over



Here is additional information to help you through the 2016-2021 Application and Interview process:

Using the accompanying **Capital Expenditure Request Applications**, please provide information on **NEW or EXISTING** capital projects or purchases your Department, Board, or Committee would like to make within the next six years (between 2016 to 2021) and estimate costs and potential funding methods for each.

Use the capital expenditure CRITERIA as defined on the previous page and this **CAPITAL EXPENDITURES** sidebar to help determine whether your idea is eligible for inclusion into the CIP.

Noted previously, **one Application needs to be completed in full for EACH new or existing capital expenditure request, and this includes projects within the previous CIP.** When necessary, please attach additional pages to each Application for further explanation. Attach any detailed cost estimates from contractors, architects, engineers, sales representatives, etc. if available.

If a CIP project or purchase might be paid for by Capital Reserve Funds (CRFs), bonds, any specific federal or state grants, matching funds, donations, bonds, or loans, instead of through direct taxation (which is usually by Warrant Article), please indicate these sources on the Application.

The CIP Committee has scheduled its Department "interview" meetings for **May 27 and June 10** for Applicants. **Camila Devlin will contact you to arrange a specially-scheduled time block at one of these CIP meetings for a brief interview to obtain more detail on your Application(s) and the status of any prior projects or purchases within the existing 2015–2020 CIP.** During the planning process, the Committee will evaluate and prioritize all Applications and develop the 2016-2021 CIP with the assistance of the Central New Hampshire Regional Planning Commission, from whom you may hear via email at regular intervals. **Please contact Stephanie Alexander, CNHRPC, with questions on the Application, interview, or CIP process at 226-6020 or salexander@cnhrpc.org, or contact Camila at 938-5193.**

Please note that the CIP is an *advisory* document only; the inclusion of any particular project or purchase on your list or its listing within the CIP does not commit the Town to make that expenditure. After adoption by the Planning Board, the final CIP will be distributed to the Board of Selectmen and Budget Committee for consideration during the annual budget process. The CIP does NOT go to the annual Town Meeting for approval. The CIP can also be utilized by Departments to help with preparing their annual budgets and planning capital replacements or upgrades, and by the Planning Board to help support certain regulations and ordinances.

Thank you very much for your time and effort on this important Town project. The Planning Board, CIP Committee, and Board of Selectmen greatly appreciate your assistance.

CAPITAL EXPENDITURES

Common examples of CIP items include:

- Architectural / engineering studies and/or feasibility analyses or plans
- Road and bridge reconstruction projects (not maintenance).
- Installation of traffic signals.
- Construction of sidewalks and bicycle paths.
- Construction of recreational facilities.
- Construction / renovation / expansion of municipal buildings, including town hall, town offices, library, schools, fire / police station, highway department garage, etc.
- Acquisition of conservation land.
- Expansion of schools, school equipment, or school renovations.
- Acquisition of historic structures and sites.
- Installation / renovation / expansion of waterlines.
- Property revaluation.
- Development of Master Plans.
- Lease and/or purchase of heavy equipment and vehicles such as police cruisers, fire equipment, and highway department equipment.

Items not eligible as CIP items include:

- Staff member(s)
- Maintenance or minor repairs
- Items not meeting all capital expenditure criteria
- Recurring items within the operating budget

Reminder

DEADLINE for Submission of Applications:
10 AM, Wednesday, May 13
Email to Camila Devlin at the Town Offices.

Town of Bradford Planning Board
Capital Improvements Program Committee

134 East Main Street, Bradford, NH 03221
603-938-5900

For Applicant Completion

- ☐ **New** Application not yet in the CIP
- ☐ **Existing** Application from last CIP
- App #: _____ - _____ - 2015

**Bradford Capital Improvements
Program 2016-2021**

**Capital Expenditure
Request Application**

For Committee Completion

Application #:
_____ - _____ - 2016

INSTRUCTIONS:

- See the accompanying **CIP Application Solicitation Memorandum** for examples of capital projects or purchases and what are not considered eligible projects, and for other important information. Supplemental proposals, cost estimates, or proposals to attach to the Application are welcome. Please complete the entire Application, **leaving no blanks**.
- Complete one Application for **each NEW** capital expenditure you **know or anticipate** your Department would want to make during the next six years that fulfills these qualifying CRITERIA. The capital expenditure project or purchase:
 - 1) **Must have a gross cost of at least \$10,000;**
 - 2) **Must have a useful life of at least 3 years;**
 - 3) **Is not typically included in the operating budget;**
 - 4) **Is any project or purchase requiring bond financing or lease-purchase.**
- Revise **each EXISTING** Application your Department had listed in the last CIP, that fits the CRITERIA, which you still want listed within the CIP. Complete/revise this Application in its entirety, **leaving no blanks**, for the project to be considered for the new CIP. You may do this by re-entering the information into this year's Application or by revising last year's Application.
- Remember you or your Department will be contacted for you to attend an upcoming CIP Committee meeting and explain your project, its status from the last CIP, its need, and its funding in depth. The Committee will ask questions to ensure we have all the information we need to evaluate your project.

Basic Information

Department: _____

Total # of Years to EXPEND \$ for Project: _____ Years

What Priority does your Department consider this Project (circle one): Low ☐ Medium ☐ High ☐

Desired Start Year of Expenditure (Payment): 20 _____

Expenditure (Payment) Ends in Year: 20 _____

Project and Department Information

1. Capital Expenditure Project/Purchase Title: _____

2. Primary effect of project/purchase is to: (check one)

- ☐ Replace or repair existing facilities or equipment
- ☐ Improve quality of existing facilities or equipment
- ☐ Expand capacity of existing service level or facility
- ☐ Provide new facility or service capacity
- ☐ Other: _____

3. Service Area (check one)

- ☐ Town
- ☐ School District
- ☐ Road
- ☐ Neighborhood
- ☐ Region
- ☐ Other: _____

4. **Department Description:** This question only needs to be completed **one time**, regardless of how many Applications your Department has completed. Estimate volunteer hours as best as you can.

04-24-15

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Submit by **05-13** to Camila Devlin

Capital Expenditure Request Application

Bradford Capital Improvements Program 2016-2021

Number of:Total **paid staff hours** per year: _____**Number of:**

F/T staff: _____

Number of:

P/T staff: _____

Total **non-paid/volunteer/stipend hours** per year: _____ F/T non-pd/vol/stip: _____ P/T non-pd/vol/stip: _____**Approximate:**

Usable sq. ft. of building #1: _____

Approximate:

Usable sq. ft. of building #2: _____

Building #1 name: _____

Building #2 name: _____

Projections - In 15 years:

Future Staffing Needs: _____

Future Program Needs: _____

Future Building Needs: _____

Future Equipment Needs: _____

5. **Project/Purchase Description:** State clearly what this project is for, then describe the existing problem/deficiency, how project came about, how this project can solve the problem, why the project is needed and beneficial to the Town, etc.

6. **Estimated Cost:** Provide an itemized estimated cost for project/purchase using the following table. Attach any formal cost estimates which you may have received, if available. Please round all estimates to nearest \$100.

\$	Planning and/or Feasibility Analysis Costs (Studies, Plans, etc)
\$	Architectural and/or Engineering Costs
\$	Real Estate Acquisition and/or Appraisal Costs (Land, Buildings, etc)
\$	Site Preparation and/or Construction Costs
\$	Equipment Costs
\$	Permit Costs
\$	Vehicle Costs
\$	Materials Costs
\$	Consultant Costs
\$	Other Costs (<i>Identify</i>):
\$	0.00 Total Dollar Amount of Project/Purchase

04-24-15

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Submit by 10AM Wed 05-13 to Camila Devlin

Capital Expenditure Request Application

Bradford Capital Improvements Program 2016-2021

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

\$	<u>Property Tax</u> Such as warrant article, placed within operating budget, etc.
\$	<u>Capital Reserve Fund Withdrawal OR Expendable Trust Fund Withdrawal</u> Identify CRF or ETF fund name:
\$	<u>User Fees</u> Identify User Fees fund name:
\$	<u>Bond</u> Identify desired bond term (10 yrs, 15 yrs, 20 yrs, other):
\$	<u>Grant</u> Identify specific grant to be applied for:
\$	<u>Loan</u> Identify loan program to be applied for:
\$	<u>Donation / Bequest / Gift / Trust Fund</u> Identify other, specific source(s):
\$	0.00 Total (should equal Total Dollar Amount of Project/Purchase in #6)

8. **How many \$ of the project will be funded in EACH of the CIP years?** Projects that are funded past the 2021 end year should still have the yearly funding indicated here as far out as possible.

2016	2017	2018	2019	2020	2021
\$	\$	\$	\$	\$	\$

9. **Impacts on Operating and Maintenance Expenses:** Indicate if proposed Project/Purchase will impact any of the following.

Does project/purchase increase or decrease the number of staff? Increase ☐ Decrease ☐ No Change ☐

Does project/purchase decrease maintenance or other costs over time? Increase ☐ Decrease ☐ No Change ☐

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

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

10. **Applicant Interviews:** The CIP Committee is scheduling appointments for interviews at the following times. Please check the boxes when you would be available to attend. You will be contacted with the final the date and time. **For the sake of others waiting their turn, please keep your explanation of the project, Dept/Board need, and funding brief.**

Appointments available for 9 Departments* Please select ALL of your available times:

<input type="checkbox"/> Wed May 27 at	<input type="checkbox"/> 6:10P	<input type="checkbox"/> 6:25P	<input type="checkbox"/> 6:40P	<input checked="" type="checkbox"/> 7:10P	<input checked="" type="checkbox"/> 7:30P	7:10-8P Reserved for Highway
<input type="checkbox"/> Wed June 10 at	<input type="checkbox"/> 6:10P	<input type="checkbox"/> 6:25P	<input type="checkbox"/> 6:40P	<input type="checkbox"/> 6:55P	<input checked="" type="checkbox"/> 7:10P	<input checked="" type="checkbox"/> 7:30P 7:10-8P Reserved for Fire Dept

*ONLY if no other option is available will an interview be scheduled at the following meeting

Form Prepared by: _____ Title: _____

Contact Information: Phone: _____ Email: _____

Department: _____ Date: _____

Remember to submit any supplemental information you have to this Application
(cost estimates, proposals, quotes, funding applications, letters of support, etc. as available)
and submit **by 10 AM, Wednesday, May 13** to Camila Devlin at the Town Office or email camiladevlin@gmail.com.