

Town of New Durham, New Hampshire
CAPITAL IMPROVEMENT PROGRAM

2016 - 2025

A Master Plan Implementation Program



Prepared For the Town of New Durham Planning Board

Recommended by New Durham Advisory Capital Improvement Committee

Theresa Jarvis, Member At Large and Chairwoman
Theresa Chabot, Planning Board Member and Vice Chair
David Bickford, Board of Selectmen Representative
Anthony Bonanno, Budget Committee Representative
Denis Martin, Member At Large

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This is to certify this Capital Improvement Program was prepared in accordance with RSA 674: 5 - 7, per Article 20 of the 1989 Town Warrant, adopted and transmitted to the Board of Selectmen and the Budget Committee for their use in preparing the annual budget for the Town of New Durham.

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Dorothy Veisel

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Date:

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INTRODUCTION

A Capital Improvement Program (CIP) is a critical tool to implement the Town's Master Plan. It is also a useful tool in anticipating future costs to the Town and planning ahead for those costs. The Town of New Durham uses a 10-year cycle overview.

The CIP schedule is meant to identify projects required to construct or purchase needed capital facilities and or equipment consistent with the continued growth and development of the Town. The plan identifies project cost estimates and possible funding sources. It is updated annually by the Planning Board and the Advisory Capital Improvement Committee for the use of the Board of Selectmen and Budget Committee to prepare and adopt the annual budget. The goal is to link local infrastructure investments with the Master Plan policies and other implementation programs (see RSA 674: 5-8).

The Advisory Capital Improvements Committee has reviewed the Town of New Durham Capital Improvements Plan for the upcoming 2016 budget season. The Advisory CIP Committee has made changes to the CIP in order to adjust to the economic environment, as well as to reflect the decisions of past Town Meeting appropriations. It is the recommendation of the Advisory CIP Committee that the Capital Reserve Funds (CRF) and or Expendable Trust Funds (ETF) be funded at the level indicated in order to ensure sufficient funds for future expenditures.

CAPITAL IMPROVEMENTS

What are Capital Improvements?

Capital Improvements are the “*bricks and mortar*” of the Town, streets, bridges, downtown improvements, community centers, schools, and major one-time acquisitions of equipment are all considered capital improvements. For this CIP, a capital improvement project is defined as:

- ❑ A physical public improvement involving a facility
- ❑ Acquisition of a parcel of land or easements
- ❑ A piece of major equipment and or vehicle with a value exceeding \$10,000 and occurring no more frequently than every five years

Examples of Capital Improvements are:

- ❑ New public buildings, expansion or renovation of existing buildings
- ❑ Land acquisition, development and or major improvement for public purpose
- ❑ Major vehicle and equipment purchases or leases
- ❑ Road Maintenance
- ❑ Sidewalks & Street Tree Plantings

Since 2007 the capital cost base has been maintained at \$10,000 with a few exceptions.

USE OF CAPITAL EQUIPMENT

Capital equipment costs and associated fuel and maintenance costs continue to be an ever increasing percentage of Town expenditures. In order to maximize the expected life of equipment, it is recommended that use of Town equipment be limited to Town business.

CAPITAL EQUIPMENT LIFE EXPECTANCY

Capital equipment life expectancies given in this report are estimates to be used only for budgetary and planning purposes. The Town needs to revisit what specific equipment it really needs to own versus using seasonal, project specific rentals, subcontracting of specific assignments and or partnering with other communities to share in the cost of specialty equipment such as a grader, street sweeper and similar apparatus that is costly to purchase and maintain and for which there is insufficient need to warrant acquisition and ownership. Actual replacement scheduling should be based on a mechanical evaluation and the concurrence of the appropriate department head after giving careful consideration to repair options.

In order to make cost effective decisions concerning equipment, data is required. This data must include the projected utilization of each piece of equipment based on Department records for the previous three years. If no data exists, usage must be estimated. It can be expressed in miles, days or hours used. This data can then be the basis to determine if it is more cost effective to purchase, lease, rent or contract work out.

RECOMMENDATIONS OF THE ADVISORY CIP COMMITTEE

In 2015 the Committee met on seven occasions (September 2nd, 23rd, and 30th, October 7th and 15th, November 5th and 13th) resulting in the following recommendations:

PUBLIC SAFETY

Public Safety Facilities Capital Reserve Fund

Recommendation: \$ 10,000

Rationale: Fire Chief Varney and Officer in Charge Meattay have identified the need for repairs, replacement of outdated equipment (example Fire Department furnace, Police Department Garage Doors) and major renovations (example Fire Station Front Room remodel) in the immediate future. The Committee believes that these and other building projects cannot be accomplished within the amount already in the CRF.

FIRE DEPARTMENT

Fire Truck Capital Reserve Fund

Recommendation: \$ 48,700

Rationale: The Committee's and Chief Varney's recommendations for replacing equipment differ greatly from last year's. In regards to the 1994 engine #1 attack pumper due for replacement in 2019, according to Chief Varney it no longer has to be placed "out of service" after 25 years. Chief Varney feels that when it is replaced the cost will be approximately \$ 100,000 less than what was previously projected. The Chief believes that there is no need to purchase a tanker/pumper capable of carrying 2,500-3,000 gallons of water as New Durham Fire Department has sufficient water capabilities until mutual aid arrives. The Chief also feels that the Town should not sell the 2001 ladder truck. Since this piece of apparatus has a 45 year life span there is no need for funds to be budgeted for its replacement at the time. The remaining equipment going forward would include the 2008 rescue pumper, 2010 forestry truck, the command vehicle, and mule. The boat and trailer have been removed from the CIP as Chief Varney feels that they can be replaced for less than \$ 3,000 each.

Fire Department Ancillary Equipment Capital Reserve Fund:

Recommendation: \$ 15,000

Rationale: This CRF was established in March of 2015 by the Legislative Body based on anticipated replacement of small equipment in the Fire Department. In 2018 all of the department's SCBAs (Self Contained Breathing Apparatus) are scheduled for replacement at an anticipated cost of \$ 140,000. Even if the Town is successfully in obtaining grant money for this purchased New Durham would still need to meet the required match which can range from 20% to 50% of the total cost.

Dry Hydrant Capital Reserve Fund:

Recommendation: \$ 2,000

Rationale: When the Highway Department is upgrading the road infrastructure the Fire Department tries to have a dry hydrant installed at the same time to decrease the cost of installation. Even if the Town does not adopt an aggressive paving program the current \$ 10,500+/- will not support the installation of more than a few dry hydrants.

Forest Fire Expendable Trust Fund

Recommendation: \$ 2,000

Rationale: This ETF was established in 2003 as a result of the extensive costs associated with the 2001 Kings Highway forest fire. Even though there is \$ 22,213 in the Forest Fire Control Fund Forest Fire Warden Stuart is requesting that \$ 2,000 be added this year as his target for the ETF is \$ 35,000 to \$ 40,000 which a conservative estimate of the costs from the forest fire 20 years ago.

Planning, Construction Satellite Fire Station

Chief Varney is concerned about the long term fire service needs in the Kings Highway section of town. Wolfeboro is willing to respond mutual aid, when available. The Chief feels the town needs a permanent solution – either contract with Wolfeboro or build a 2 bay garage. The Advisory CIP Committee suggests that the Board of Selectmen investigate contracting with Wolfeboro or Middleton for fire services before proceeding with a King's Highway satellite station.

POLICE DEPARTMENT

Police Cruiser Capital Reserve Fund

Recommendation: \$ 10,000

Rationale: The Police Department replaced the 2010 Ford Crown Vic in 2014. As a result of that action the replacement of the 2008 Ford Expedition, scheduled to be replaced in 2016, was moved to 2017. The majority of the Advisory CIP Committee (Bickford, Bonanno, Martin) voted to reduce the number of police vehicles from 5 to 4. Upcoming cruiser replacements are planned for 2020, 2021, 2022, and 2023.

HIGHWAYS AND STREETS

HIGHWAY DEPARTMENT

Highway Equipment Purchases Capital Reserve Fund

Recommendation: \$ 7,000

Rationale: The Committee decreased their recommendation for this account. As a cost saving measure Tony Bonanno proposed that all grader work be contracted out. Road Agent Clarke disagreed with the proposed cost savings sighting several issues that he feels were incorrect. Investigation by Terry Jarvis showed that if the Town owned and operated the grader at current prices it would cost \$ 25.52 per hour less than contracting for grader services. After prolonged discussion occurring at two different Committee meetings the majority of the Advisory CIP Committee (Bickford, Bonanno and Martin) voted that funding for a replacement grader be halted.

The Committee heard information regarding the costs associated with either increasing the volume of materials that the loader can move or contracting for equipment and operators when needed by the Town. As all the gravel has been mined from the town gravel pit Tony suggested that the Town not replace the JD 544 loader that it owns. The Town's CAT 520 loader backhoe can perform all of the remaining tasks that the JD 544 currently performs including loading spreaders in the winter. After discussion the majority of the Committee (Chabot, Bickford, Bonanno and Martin) voted to no longer fund for the loader's replacement.

Highway Truck Capital Reserve Fund:

Recommendation: \$ 55,100

Rationale: The Committee discussed not replacing the 2008 Freightliner water and plow truck. Concerns were raised in regards to contracting out the plow trucks, plowing services and other duties of this truck in view of the fact that the Town did not receive any responses to its recent Request for Proposals for plowing this winter. The Committee decided to continue to fund for the replacement of the 2008 Freightliner plow and water truck.

Replacement of the 01 GMC pickup truck, which was used by the Fleet Maintenance Manager, has been removed from the CIP plan as the Town no longer employs a Fleet Mechanic.

Road Reconstruction Capital Reserve Fund aka Road Surface Management System (RSMS)

Recommendation: \$ 328,000.

Rationale: Currently this fund has \$ 258,056. However, the costs of the 2015 RSMS work have not been deducted at this time. The Road Agent is requesting a total of \$ 335,925 for the RSMS. Of this amount \$ 108,837 is projected to be received from the NH Highway Block Grant fund. Tony Bonanno suggested that the Town plan on paving approximately one mile of dirt road each year which he estimates to cost \$ 100,000/mile. After a lengthy discussion regarding paved vs dirt roads, costs associated with additional paving etc. the Committee unanimously agreed to increase the recommended funding for the RSMS CRF above Road Agent Clarke's request.

David Bickford presented information from the "Final Report, Wakefield, NH, Operational and Organizational Study of Municipal Services, January 2013" prepared by: Municipal Resources, Inc. The report states:

“Wakefield has approximately 53 miles of roadway; 37+/- miles is paved surface and 16+/- miles is gravel. The paved roadway has a replacement value of approximately \$1M per mile and the gravel roadway has a approximate replacement value of \$650K per mile. We believe that Wakefield should be committing at least 1% of the asset value (say 500K) to the road system - some for current year upgrades and maintenance (say \$300K) and some to a replacement reserve (say \$200K) to build a capacity for major reconstruction projects. Given the size of the highway department, we suggest that these funds be largely dedicated to preplanned contracted projects rather than force account projects. “

David suggested that New Durham look towards funding road system work at 1% of the roads assessed value. The total value of New Durham Roads equals \$ 52,150,000 (45 miles paved road = \$ 45,000,000 and 11 miles of paved road = \$ 7,150,000). One percent of the \$ 52,000,000 value of roads = \$ 521,000.

Gravel Fund

Recommendation: \$ 0

Rationale: The Town-owned gravel pit has been reclaimed and must close by the end on 2015. In 2016 4,000 to 5,000 trees will be planted. The Town has 20,000 +/- cubic yards of processed gravel on hand. Some will be used in 2016 and 2017 for road work. Road Agent Clarke does not feel that any money needs to be added to the Gravel CRF at this time.

EQUIPMENT MECHANIC DEPARTMENT

Vehicle and Equipment Maintenance Capital Reserve Fund

Recommendation: \$ 0

Rationale: Fleet Maintenance Manager Valladares feels that no additional funds beyond the current balance of \$ 20,128 are needed.

Surplus Vehicle & Equipment Fund Expendable Trust Fund

Recommendation: \$ 0

Rationale: This fund which was established in 2001 has \$ 2,317. There have been no expenditures from this fund for many years. The Advisory CIP Committee suggests that the Board of Selectmen review the need for continuing this ETF.

SOLID WASTE

Solid Waste Facilities Improvement Capital Reserve Fund

Recommendation: \$ 0

Rationale: Based on the fact that CMA has not recommended any major improvements the Committee is zero funding this account.

Purchase Equipment for Transfer Station Capital Reserve Fund

Recommendation: \$ 12,000

Rationale: Investigation by David Bickford revealed that contractors and containers should have a lifespan of 20 years if they receive ongoing maintenance. After considering this new information the Advisory CIP Committee has changed the life expectancy of the 3 containers to 20 years.

CULTURE AND REREATION

PARKS AND RECREATION DEPARTMENT

Smith Ball Field Improvements Capital Reserve Fund

Recommendation: \$ 0

Rationale: The Parks & Recreation Commission do not see a need for additional funding at this time.

LIBRARY DEPARTMENT

Library Facilities Improvements Capital Reserve Fund

Recommendation: \$ 0

Rationale: The library building was built in 1987 and still uses the original furnace with the oil storage tank located under the men's restroom. The Trustees would like to replace the furnace with a propane heating system. It is suggested that a new system also be able to cool the facility thus doing away with the multiple window air conditioners. The carpeting in the Children's Room is in need of replacement and was cited as a deficiency during the most recent Department of Labor inspection. There is insufficient storage space at the library. Rather than build an addition off the rear of the building the Committee suggested having a storage shed or container off the rear concrete platform and adding an awning type roof over the platform. Currently the Town Buildings Improvement Expendable Trust Fund (ETF) has \$ 161,046. Rather than adding enough funds to the Library Facilities Improvements Capital Reserve Fund to cover the cost of the above the Advisory CIP Committee recommends that the Town Building ETF be utilized.

Library Technology Improvements Capital Reserve Fund

Recommendation: \$0

Rationale: Currently this fund has \$ 7,028. Interim Library Director Allyn believes there is no need to add additional money to this fund at this time.

GENERAL GOVERNMENT

LAND AND BUILDING

Municipal Facility Land Acquisition

Recommendation: \$0

Rationale: The Committee believes the current \$50,000 balance is adequate at this point in time.

Town Building Improvement

Recommendation: \$0

Rationale: The Committee believes there is enough in this CRF even with the proposed expenditures for the Library building.

Shirley Cemetery Improvements Capital Reserve Fund

Recommendation: \$0

Rationale: Cemetery Trustee Chair Kendrick feels the current balance of approximately \$5,000 to be adequate.

1772 Meeting House Restoration Capital Reserve Fund

Recommendation: \$ 10,000

Rationale: The Meetinghouse Committee has received grant funds from the state’s LCHIP program. They are seeking additional grant funding to continue the restoration project. Once phase I of the restoration project is completed there may not be any remaining funds. The \$ 10,000 would be there as seed money for the future.

Master Plan

Recommendation: \$ 0

Rationale: The Planning Board believes most of the Master Plan update can be done with in house labor. Any consultation that is needed to be done can be paid for using this fund.

Milfoil Capital Reserve Fund

Recommendation: \$ 10,000

Rationale: For several years the Milfoil and Invasive Aquatic Weeds Committee has been working with the Department of Environmental Services to eradicate milfoil from the Merrymeeting River system. Efforts are now focused on Jones Pond and Downing Pond. \$ 10,000 is the approximate cost to the Town for treatment activities.

CONCLUSION

For the 2015 budget, the Advisory CIP Committee recommended a total amount of \$208,121.67. This year we are recommending an amount of \$ 509,800 which is \$301, 678 more than last year. However, when one compares the same accounts that were reviewed by the 2015 Advisory CIP Committee to those reviewed by the 2016 Advisory CIP Committee the recommended amount is actually \$ 153,800 - a reduction of \$ 54,322.

The five CRFs/ETFs there were not reviewed by the 2015 Advisory CIP Committee when they developed the 2015 – 2024 Advisory CIP Committee Report are listed below. The 2016 Committee is recommending \$ 356,000 in funding in the 2016 budget for these five accounts:

CRF/ETF	Funding Recommendation
CRF Milfoil	\$ 10,000
CRF Dry Hydrants	\$ 2,000
ETF Forest Fire Fund	\$ 1,000
CRF FD Ancillary Equipment	\$ 15,000
RSMS	\$ 328,000

The Advisory CIP Committee recognizes the need to keep the Town’s tax rate low and has gone through each Capital Reserve Fund and Expendable Trust Fund to determine what the funding for the 2016 budget should be to keep this plan on track.