

# Town of Chichester

## Capital Improvements Program Report 2014 to 2023

FINAL  
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Capital Improvement Program Committee  
Matthew Cole, Andrea Deachman, Anthony J. Galdieri, Allen Mayville, and Darren Tapp

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## **Acknowledgments**

The CIP Committee would like to thank the Board of Selectmen and all of the town departments and their staff for their cooperation in the preparation of this report.

## **Department Submissions**

Forms and materials submitted by the town departments during the Capital Improvement Program process are available for viewing by the public at the Town Hall.

## **1. The Committee's Situation**

The year 2013 brought submissions to the Capital Improvement Program from Town departments to a total of \$6,550,484 for the next 10-year period. While most of these submissions have merit, realistically, in a town of approximately 2,500 inhabitants and a finite tax base, it will be difficult to fund a 6 million dollar total.

The committee has attempted to balance the needs of town departments with the wishes and means of Chichester taxpayers.

Through a process of reductions, postponements and shifts, the committee has attempted to produce a reasonable proposal.

The committee has proposed a sum of \$2,174,644 for the 10-year period. This is minus the proposal of the Road Action Committee of approximately \$373,000 for road improvements. The Committee has recommended this be a warrant article.

We appreciate that town departments are working to service and improve the town of Chichester but reason dictates that costs should be kept within our means.

## **2. The Capital Improvements Program**

### **A. Brief Overview**

State statute authorizes municipalities that have adopted a master plan to appoint a CIP committee "to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years." Chichester has adopted a master plan and, for the past several years, has appointed a CIP committee to recommend a program of capital improvement projects projected over a period of 10 years.

The primary purpose of the CIP is to aid the selectmen and the budget committee in their consideration of the annual budget. In order to do this, the CIP must classify projects according to the urgency and need for realization and recommend a time sequence for their implementation. The CIP must 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.

### **B. Definitions**

The statutes authorizing the CIP program, RSA 674:5-7, use various terms that share similar words. These terms are not defined in the statutes. Thus, in order to clarify the Committee's role and to make the information contained in this report more accessible to the reader, the Committee has defined the terms in the above statutes as follows:

1. **Capital Improvements Program (“CIP”)** – A recommended program of municipal capital improvement projects projected over a period of at least 6 years.
2. **Capital Improvement Project or Capital Project** – Public projects undertaken by the town of Chichester, whether individually or cooperatively with other governmental entities, or undertaken by other governmental entities closely related to the town of Chichester, such as the school district. Such projects must have a useful life of at least 5 years, cost at least \$10,000, and must be generally non-recurring in nature. All of these projects are included in the CIP program but only some apply to Impact Fees as described in the Chichester Zoning Ordinance.

A capital improvement project or capital project includes reasonable costs associated with planning, design, engineering, acquiring land, and other costs directly associated with the project. However, capital improvement projects or capital projects do not include costs associated with the operation or maintenance of capital projects over time.

A capital improvement project or capital project may include costs associated with the repair or replacement of capital projects if the repair or replacement either increases the capacity or level of services of the capital project or substantially extends the useful life of the capital project.

Examples of Capital Improvement Projects or Capital Projects include:

- The construction and reconstruction of public infrastructure such as roads;
- The purchase, lease, construction, rehabilitation, and replacement of public buildings and facilities;
- The purchase or lease (including replacement) of major, heavy equipment such as fire trucks, dump trucks, loaders, etc.;
- The acquisition or lease of land, or interest in land for public purposes.
- Revaluation of property for municipal tax purposes.

3. **Capital Improvement** – Unlike a “capital improvement project” or “capital project,” the term “capital improvement” is narrower in scope and is defined in the Chichester Zoning Ordinance. *See* Town of Chichester, 2012 Zoning Ordinance, Section 3.13(B)(II-III)

### **C. Community Benefits**

There are many significant community benefits that a CIP provides, including but not limited to:

- Building facilities and increasing services that ensure the public health, safety, and welfare of the town's citizens, a fundamental responsibility of local government. The CIP identifies and recognizes these needs as being of the highest order of priority;
- Providing an informed decision-making process that the public is invited and encouraged to participate in. The CIP will make voters aware of proposed improvements that may be of particular interest and about major proposals that will likely come before future Town or School District Meetings;
- Maintaining a stable property tax rate by avoiding untimely expenditures, which generate unstable property tax impacts. Capital projects are forecasted within a flexible framework designed to distribute the tax burden attributable to capital expenditures over time;
- Implementing our shared vision for the future of Chichester. Successful community planning necessitates a series of incremental steps designed to implement our shared vision for the future. The CIP provides a mechanism to translate community planning into a sustainable multi-year financial plan.
- Saving costs and avoiding duplication of expenditures. Communication and coordination between departments and town and school officials is essential to avoid wasteful spending and duplication of expenditures;
- Attracting investors of all kinds through planned stability, including homeowners, businesses, and lending institutions. Decisions to invest in Chichester may be influenced by improvements that enhance the quality of life for our citizenry, work force, and business owners. Capital improvement programming supports and complements broader community economic development objectives.

#### **D. CIP's Limitations**

It is equally important to understand the limitations of a CIP:

- The CIP process is not a means to micro-manage the budget development process. Preparation of the Town and School District annual budgets is the responsibility of elected officials and professional administrators. The CIP is a tool designed to aid in the development and consideration of annual budgets.
- The CIP does not allocate funding for "wish list" projects that are neither needed nor likely to receive public funding or support.
- Although the program provides a framework to guide activity, the CIP is not rigid and inflexible. The CIP process cannot anticipate unusual changes in growth, economic conditions, political behavior, emergencies, non-tax revenue sources, and opportunities not predictable enough to schedule.

- The CIP cannot be prepared in a vacuum. The CIP committee will continue to have representation and seek input from the Planning Board, Selectmen, Town, School District and general public. The CIP committee will solicit public comment on recommendations prior to their adoption.

Although a recommended CIP should fit within reasonable fiscal constraints, it does not guarantee a level tax rate. There are many variables that determine the total tax rate (*i.e.*, tax base, town and school district operating budgets, revenues, etc.). Capital expenditures constitute only a portion of total local spending.

### **3. Submissions by Town Departments**

The committee reviewed submissions from the fire, library, highway and Road Advisory Committee. The highway submission is basically the same request as 2012. The Road Advisory Committee reported good progress on this year's improvements and requested the same amount (\$375,000) for 2014. The Library requested parking expansion and improvements and some interior work. The fire department hosted a tour with Deputy Chief Matt Cole and detailed equipment upgrades, building (roof) and parking lot repairs, and future new equipment needs. The committee discussed, quantified and adjusted these requests in hopes of reducing spikes, eliminating redundancies while staying in the scope of Capital Improvements and the interest of taxpayers.

### **4. Approach to Priority Setting**

Adjusting priorities for Capital improvement projects is a challenge to undertake without upsetting department plans and schedules and/or creating discord. Safety equipment and replacement for out of service vehicles' plus mandated Disability Act, etc., rate priority.

Highway repairs and improvements also have a number of safety factors as well as a need to be accomplished timely to avoid rising costs. New equipment and new vehicles may be able to continue in service with repairs and good maintenance but there is still a need to continue Capital Reserve deposits to insure for future or sudden replacements.

Hopefully taxpayers and town departments will be satisfied, even if not completely happy.

### **5. Caveats Regarding Highway Projects**

The Committee recognizes and thanks the Road Agent and the RAC for their diligent work to identify and prioritize several projects. The committee feels that the message sent at town meeting in 2013 from the voters in attendance is that they would like to have the roads repaired in the manner prescribed in the RAC report. The committee felt it would be an exercise in futility and very short sighted of the committee to not fund the full amount requested by the RAC. Therefor the committee voted to include the full amount of the recommendation from the RAC based on that Town Meeting Vote.

## **6. Recommendations for 2014**

The most immediate use of the Capital Improvement Program is for consideration by the Budget Committee, the Board of Selectmen, and the School Board as they prepare budgets and requests for funding projects for the upcoming year.

We recommend that the town appropriate \$338,629 from 2014 taxes for the following projects and deposits into capital reserve funds (CRFs).

**6.1** We recommend the deposit of \$10,000 to the town revaluation CRF for the revaluation of properties in the town in 2018.

**6.2** We recommend the deposit of \$10,000 to the Fire Engine CFR to replace the 1997 E-One Fire Engine in 2019.

**6.3** We recommend that the town appropriate \$25,000 from taxes and withdraw \$25,000 from the Forestry Truck CFR to replace Forestry Truck #2 in 2014.

**6.4** We recommend that the town deposit \$110,604 to the Rescue Vehicle CFR to replace Rescue Vehicle 2 in 2015.

**6.5** We recommend that the town appropriate \$3,000 to the Fire Station CFR to replace the Fire Station Roof in 2023.

**6.6** We recommend allowing the Ambulance User Fee Fund to grow by at least \$20,000 to ensure sufficient money to replace the Ambulance in 2020.

**6.7** We recommend the appropriation of \$373,000 to road reconstruction for 2014 in accordance with the recommendation of the Road Advisory Committee. This recommendation is based on the fact that the majority of voters at the 2013 town meeting approved the full amount for road reconstruction. We recommend this amount appear as a warrant article.

**6.8** We recommend the deposit of \$10,000 to the Town Bridges CFR for the reconstruction of the Hilliard Road Culvert.

**6.9** We recommend the deposit of \$13,750 to the Heavy Equipment CRF to replace the 2004 International Plow Truck in 2019.

**6.10** We recommend the appropriation of \$7,354 from taxes and the withdrawal of \$2,646 from the Parks & Recreation CRF to complete Phase 2 of the Carpenter Park project.

**6.11** We recommend the appropriation of \$21,921 from taxes and \$4,589 from the Library CRF to improve the Front and Rear Parking Lots of the Library.

**6.12** We recommend the appropriation of \$34,000 to purchase a generator for the School for Emergency Response Preparedness for the town and school.

**6.13** We recommend the appropriation of \$112,000 for Reconditioning Athletic Fields for the school, \$19,000 of which should be withdrawn from one or more of the school's CRFs, the remainder to be paid from taxes,

## **7. Estimating Future Costs**

Inflation was considered when budgeting for the roads. When budgeting for the roads we increased the allocation by 3% each year to account for inflation. We are aware that 3% is higher than the Federal Reserve's 2% target. However, current inflation calculations do not account for energy costs at the level needed to construct a road. Crude oil prices have outpaced inflation for the past decade or so. We expect this trend to continue. Since road construction is dependent on crude oil derivatives, we feel that 3% is justified.

Inflation was included in department submissions for vehicle costs. In future years the effects of inflation will be clearer. The need may arise for adjustments to our proposed budget during future years, or during the purchase years. We expect departments to keep us informed of any relevant market trends as events unfold.

We understand that future needs of departments may be uncertain. However, we would expect that our ten year recommendation is reflected in future budgets.

## **8. Recommendations for 2014-2023**

The Committee's recommended projects and their costs for subsequent years are included in Table 1 of the following page. These projections and recommendations, however, will need to be revisited in the coming year as better information is made available to the Committee.





## **9. Leveling of Future Tax Burdens**

One purpose of the CIP is to establish a relatively level tax burden for capital projects among future years. By leveling, it may be necessary to spread out the submitted capital projects so they are completed in a different years from the year originally proposed by department heads. This will in fact lessen the tax increase/decrease spikes that may be caused by the high cost of multiple capital improvements proposed for a given year.

## **10. Recommendations for Policy and Process Improvement**

This was the sixth year for Chichester's Capital Improvement Program Committee since the 2008 Town Meeting voted to establish a CIP Committee per RSA 674:5. We have learned much from our efforts and those of the town's departments over these years. We believe that there are actions that should be taken by the Board of Selectmen, by the operating departments, and by this Committee to make next year's CIP process easier and its results more defensible.

- 10.1** We recommend that the Board of Selectmen appoint members for next year's committee as soon after this report is adopted as possible. The CIP Committee should operate as a year-round committee of five members. With a full year, the committee could work in a more collaborative manner with the department heads and allow for a more relaxed scheduling of its work.
- 10.2** We recommend that the Board of Selectmen make a brief presentation regarding town vehicle fleet requirements and town road repair requirements at the beginning of each annual Town Meeting. While department heads can help prepare and support such a presentation, we believe it would be helpful to have the Board make the presentation to assure town voters that the needs have been reviewed and are part of an integrated plan, not just each department making its own special pleading.
- 10.3** As was done in previous years, after all proposed project information has been collected and compiled, the Board of Selectmen should invite the CIP Committee and all town department heads to discuss the aggregate cost of projects, their necessity and priority, and give guidance to the Committee on a maximum property tax requirement. This could be the culminating meeting of the series of quarterly meetings described above.
- 10.4** We continue to recommend that the departments submit information for any large anticipated projects or purchases beyond the 10 year period being studied in order to better help the CIP Committee project CRF needs and level tax impact year to year.
- 10.5** We recommend that the Highway Department and the RAC establish and maintain a list of alternative repairs for roads the RAC has determined require rehabilitation. We request that the RAC include estimated costs and benefits of alternative repairs.

## **Appendix A: Descriptions of Projects/Purchases**

(Listed in the same order they appear in Table 1 of this report.)

### **Town Revaluation Complete Measure and list 2018**

- Complete revaluation of all properties in town
- Estimated cost \$100,000 in 2018
- Required by Dept of Revenue Administration RSA requirements

### **Fire Department Project Summaries**

#### **Fire Truck -2019**

- Replacement of 1997 Engine. Consistent with 20 year life cycle
- Projected cost \$500,000 in 2019
- The Committee recommends making deposits into the Fire Truck Capital Reserve Fund until 2018 and a purchase in 2019.

#### **Forestry Truck # 2- 2014**

- Purchase of replacement forestry truck and associated tools
  - Replace the 1977 Dodge with a new one ton vehicle
  - Will be used to access remote areas, flood areas, & other remote rescue situations
  - Purchase a one ton chassis & add skid tank, high pressure forestry pump, class A foam system, & tool boxes - hand tools & portable equipment to be reused.
- Estimated Cost in 2014- \$50,000
- The committee recommends using \$25,000 from the forestry truck CRF and appropriation of \$25,000 from taxation.

### **Rescue Vehicle # 1 – 2015**

- Replacement of heavy rescue vehicle
- Estimated cost \$287,000
- The committee recommends deposit of \$110,604 to the Rescue Vehicle Capital Reserve Account 2014. In 2015, \$189,396 should be withdrawn from the Capital Reserve Account in 2015 the remainder to come from taxation.

### **Self-Contained Breathing Apparatus (SCBA) - 2018**

- Replacement of 40 cylinders
  - Federal mandated 15 year life.
- Current equipment was purchased used in 2008
  - Equipment has 10 years of life remaining from 2008
- Estimated cost in 2018 - \$199,700
- The committee recommends capital reserve deposits in the amount of \$29,950 per year in years 2016, 2017 with the remainder of the cost to be raised from taxation.

### **Fire Station Roof - 2023**

- Estimated cost \$30,000
- The committee recommends \$3,000 per year be deposited into the Fire Station Capital Reserve Account

### **Finish pave safety building parking lot -2018**

- Omitted when building was completed in 1996 for cost savings. Pavement is now becoming worn.
- Estimated cost \$18,625
- CIP Committee recommends deposits into the Fire Station Capital Reserve Account of \$4656 in 2016-2017

### **Dry Hydrant Installation**

- New submittal to increase water supply potential for fire suppression
- CIP Committee recommends appropriation of \$10,000 in the years 2018, 2019, 2020
- When completed 9-15 hydrants will have been installed

### **Ambulance - 2020**

- Replacement of Ambulance purchased in 2000
- Estimated life – 20 years
- Estimated cost in 2020 – \$269,000
- CIP Committee recommends using the Ambulance User Special Revenue Account to pay for this project

### **Highway Department Project Summaries**

The committee recommends the adoption of the road reconstruction plan adopted by the RAC. A vote of Town Meeting in 2013 made this decision for us. Additionally, several more projects need to be adopted in future years:

#### **Capital Reserve Fund Deposit for Hilliard Rd Culvert-2013/2014**

- Part of the towns matching funds for FEMA mitigation grant
- \$10,000 deposit in each year
- The RAC will coordinate with the Road Agent to prioritize this project

#### **Replace 1997 Ford Plow Truck -2015**

- Estimated life 10 years
- Estimated cost \$140,000
- The committee recommends \$20,000 be deposited in the highway truck CRF in years 2014 and that the truck be purchased in 2015. The remainder of the cost should come from taxation.

#### **Pickup Truck Replacement - 2016**

- Year of current vehicle = 2004
- Estimated useful life = 10 years
- Estimated cost = \$50,000 in 2015 dollars
- Committee recommends this replacement be funded through one time purchase price.

#### **Replace 1986 Grader -2017**

- Replace with similar newer model year grader
- Estimated cost \$175,000
- The committee recommends deposits of \$43,750 starting this year through 2016 into the highway heavy equipment CRF. The remainder of the cost will come from taxation

#### **Replace 2004 International Plow Truck -2019**

- Estimated life 10yrs
- Estimated cost \$165,000
- The committee recommends \$27,500 be deposited into the Highway Truck CRF each year for future truck replacement.

#### **Replace 2004 loader in 2026**

- The committee recommends beginning in 2018 that \$10,000 be deposited in the highway heavy equipment CRF for future loader replacement.

### **Parks, Recreation, and Conservation Project Summaries**

### **Carpenter Park phase 2 – 2014**

- Relocate playground equipment & construct new natural playground area with amphitheater and common gathering area
- Expansion of the pavilion
- Establish a picnic area with tables & grills
- Establish game courts
- Landscape the park including a perimeter walking trail
- Estimated cost in 2012 ~ \$65,000 ~ minus \$25,000 in donated labor/equipment/funds & minus \$20,000 of grants the net cost from current taxes would be \$20,000

### **Library Project Summary**

#### **Parking lot improvements 2014**

- Estimated cost \$26,510
- Remainder of the Library Capital Reserve Account should be used to offset the cost

### **School District Project Summaries**

#### **Emergency Response Plan – submitted for 2014, recommended for 2014**

- The committee believes this project should be a priority for accomplishment
- Providing emergency power by purchasing a generator
- This is part of the larger plan to be able to use Chichester Central School building and grounds to create a viable central facility for the town in the event of a large scale emergency
- Estimated cost in 2014 - \$34,000
- Committee recommends utilizing the capital reserve account to fund a portion of this project (\$20,000).

#### **Athletic Field Rehabilitation – submitted for 2014,**

- Improvement of athletic fields at CCS including
  - Resurfacing of fields
  - Providing irrigation and drainage
- Estimated cost - \$112,000
- The CIP Committee suggests clarification of the relationship between these fields and the proposed expansion at Carpenter Field to determine overall needs.

## **Appendix B: Methods of Funding Capital Improvements**

The capital projects recommended by the committee for 2014-2023 would require an outlay of about \$2,174,644 million. In considering how to pay for any set of capital improvement projects, the town has three basic methods with each having its own advantages and disadvantages. The CIP Committee considered each method in our work.

Historically, the Town of Chichester has used the first two methods below in combination with each other to fund most of the town's Capital Improvements.

**A. Pay-As-You-Go Plan:** This plan raises the tax dollars needed in the given year to pay for the capital improvements submitted for that given year.

This is the easiest method to understand. For example, if the purchase of a new fire truck is submitted and costs \$500,000, and a complete repaving of a major road is submitted in the same year that costs \$250,000, the tax dollars in this particular year would be \$750,000, creating a substantial increase in the tax rate for that year. Now, if the following year has no capital improvement submissions, then the tax rate will substantially decrease that particular year. The difficulty with this method is that it can result in large increases or decreases in the amounts to be raised by taxes, creating major fluctuations in annual tax bills.

**B. Lay-Away-Plan:** One way to mitigate any increase/decrease in the tax rate for capital projects annually is to schedule projects and purchases so that the amount to be voted each year is approximately the same. By funding through advance annual installments into capital reserve funds (CRFs), then carrying out the project or purchase after most of the funds have been set aside is the equivalent of a consumer's lay-away purchase.

This method requires planned annual deposits to be made and must be based on a reasonably accurate estimate of project costs, potentially as many as 10 years in advance. It has the advantage of allowing multiple expensive projects to occur in the same year without resulting in a large increase in tax rate that particular year. For example, if the town needed a \$500,000 fire truck and a \$250,000 road project ten years in the future, \$75,000 could be raised and placed into CRFs for each of nine years. Then, in the tenth year another \$75,000 would be raised and used with the \$675,000 in the CRFs to undertake both projects without a huge tax increase in that year.

One disadvantage of this method is that some projects proposed for the first few years may not have sufficient capital reserve funds. Therefore each of the first few years could require both large deposits into capital reserve funds for future projects as well as expenditures for the current capital projects, making the tax impact of early years greater than later.

Another alternative would be to delay all major projects and purchases for four or five years so that sufficient balances can be generated in capital reserve funds.

Another disadvantage is that some current taxpayers will contribute many years to the funding of services they may never see because they move away or die before the project/purchase occurs.

**C. Bonding Plan:** With this option, the town must obtain two-thirds voter approval, for what is essentially a long-term loan to fund a set of major projects. This allows the town to get many projects done in a short period of time, but repay the loan over a number of years.

The Chichester School District paid for expansions at the Central School using this method. The town has never issued long-term bonds for capital projects, although it has issued 3-5 year notes.

Other towns in the state regularly issue bonds for expansion of municipal buildings and road projects.

This method allows critical projects to be completed early and naturally levels the required funding over a period of years, usually 10-15.

Interest rates today are about 1.5%-3.0% for bonds and other municipal indebtedness. While that is an additional expense, completing a project early will reduce its cost by whatever inflation factor is expected in the intervening years. This method also has the philosophical advantage that the town residents who benefit from the project in future years will be the ones to pay for it. However this method has the disadvantage of binding future residents of Chichester to the decisions made before them. Another disadvantage of this method is that it requires a 2/3 vote rather than a simple majority at town meeting. Obtaining such support would require a thoughtful, well explained plan for the voters.

## **Appendix C: State Law Regarding CIP**

### **CHAPTER 674 :LOCAL LAND USE PLANNING AND REGULATORY POWERS (Capital Improvements Program)**

**674:5 Authorization** – In a municipality where the planning board has adopted a master plan, the local legislative body may authorize the planning board to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years. As an alternative, the legislative body may authorize the governing body of a municipality to appoint a capital improvement program committee, which shall include at least one member of the planning board and may include but not be limited to other members of the planning board, the budget committee, or the town or city governing body, to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 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 or selectmen and the budget committee in their consideration of the annual budget.

**674:6 Purpose and Description** – The capital improvements program shall classify projects according to the urgency and need for realization and shall recommend a time sequence for their implementation. The program may also contain the estimated cost of each project and indicate probable operating and maintenance costs and probable revenues, if any, as well as existing sources of funds or the need for additional sources of funds for the implementation and operation of each project. The program shall be based on information submitted by the departments and agencies of the municipality and shall take into account public facility needs indicated by the prospective development shown in the master plan of the municipality or as permitted by other municipal land use controls.

**674:7 Preparation** –

I. In preparing the capital improvements program, the planning board or the capital improvement program committee shall confer, in a manner deemed appropriate by the board or



the committee, with the mayor or the board of selectmen, or the chief fiscal officer, the budget committee, other municipal officials and agencies, the school board or boards, and shall review the recommendations of the master plan in relation to the proposed capital improvements program.

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

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

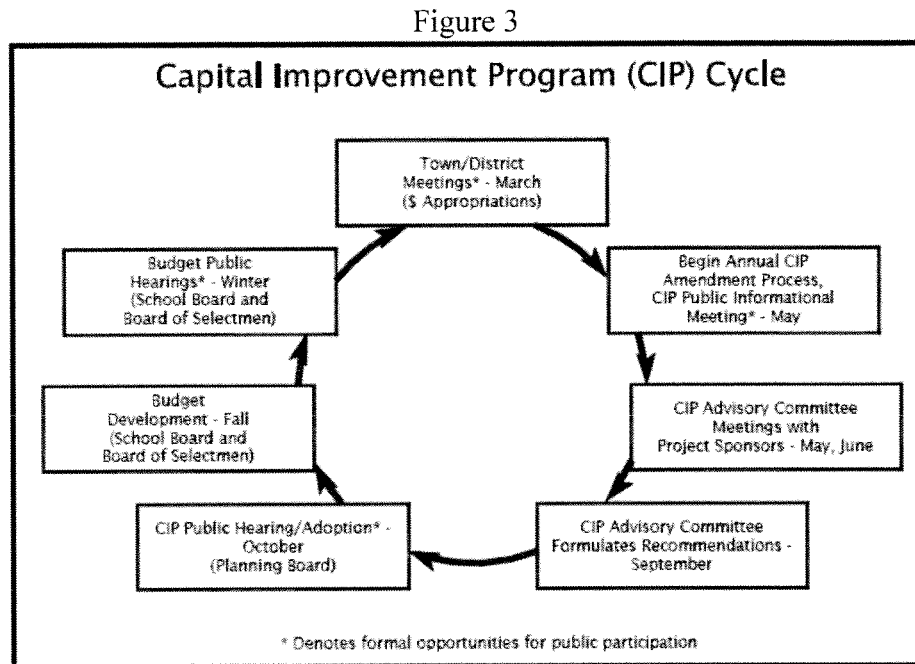
## **Appendix D: Chichester Town Vote Regarding CIP**

At the Town Meeting held on March 15, 2008, the town considered Warrant Article #36: “To see if the Town will authorize the board of Selectmen to establish a Capital Improvement Program Committee pursuant to RSA 674:5, which shall include at least one member of the Planning Board and may include but not limited to other member of the Planning Board, the budget Committee or the town governing body, to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years.”

The article passed on a voice vote.

For 2014, the Chichester Board of Selectmen appointed Matthew Cole, Andrea Deachman, Anthony J. Galdieri, Allen Mayville, and Darren Tapp to the committee.

## Appendix E: The CIP Cycle



The Capital Improvements Program, while serving as a common sense forecasting tool, must also be responsive to the uncertainties that are inherent in all aspects of community development. It is important that the program be reviewed on an annual basis to remain both proactive and practical. The elements of the annual review and amendment cycle are illustrated in Figure 3 and are briefly described below.

**Review of Town and District Meetings** - The annual review and update process begins in the spring of each year with a review of the decisions made at the respective Chichester Town and School District Meetings. This review examines the capital improvement related decisions that were acted upon by the voters.

**Meetings with Project Sponsors** - Throughout the balance of the spring, the committee meets with Boards, Commissions, Committees, Department Heads and others to discuss any updates to existing information, and to review and discuss any newly identified projects.

**Formulation of CIP Recommendations** - In late summer, the committee receives any final updates, if any. By consensus the committee develops its recommendations for the ensuing program period.

**CIP Public Hearing and Adoption** - The CIP Committee presents its recommended program to the Community at a public hearing. This is an opportunity for the public to comment on the draft CIP report prior to its final consideration and possible amendment by the CIP Committee. Once adopted, the CIP report is filed with the Town Clerk.

**CIP and the Budget Process** - The adopted CIP is forwarded to the Town Administrator, Board of Selectmen, Superintendent of Schools, School Board, and Budget Committee for their

consideration as part of the budget development processes. As the respective entities hold their budget workshops and hearings, the public has additional opportunities to comment on capital improvements. One of the goals of the CIP is to recommend a stable program of improvements in terms of the associated tax rate impact. Although capital improvements represent a relatively small portion of Town and School appropriations, they can be easily targeted for budget reduction purposes. It is important that public officials consider needed capital expenditures within the context of the bigger spending picture. To the extent this is accomplished reasonably, tax rate stability can be achieved while decreasing the likelihood that action on needed capital improvements will be deferred.

**Town and District Meeting** - The two budget processes culminate with the consideration of budgets presented by the Board of Selectmen and the Chichester School Board at by the Town and District Meetings. It is at the Town and District Meetings where actual appropriations are made to fund capital improvements.

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