

TOWN OF MEREDITH, NEW HAMPSHIRE

**CAPITAL IMPROVEMENTS PROGRAM (CIP)
2012-2021**

Recommended by:

The Capital Improvements Program Advisory Committee: September 21, 2011

Adopted by:

The Meredith Planning Board: October 25, 2011

Acknowledgements

Capital Improvements Program Advisory Committee

Lou Kahn, Chairman, Planning Board Representative
Jack McEwan, Vice Chairman
Ed Touhey, Planning Board Representative
Miller Lovett, Board of Selectmen Representative
Peter Brothers, Board of Selectmen Representative (Alternate)
Jack Carty, Inter-Lakes School Board Representative
Jeanie Forrester
Justin Van Etten

Planning Board

Bill Bayard, Chairman
Roger Sorell, Vice Chairman
John Dever, III, Secretary
Peter Brothers, Ex Officio, Board of Selectmen
Lou Kahn
Ed Touhey
Liz Lapham

Town of Meredith

Capital Improvements Program (CIP)

2012-2021

Annually, the Capital Improvement Program (CIP) Advisory Committee reviews capital needs and recommends a program of capital improvement projects for a period of up to ten years. The primary purpose of the CIP is to aid the Board of Selectmen and the School Board in their consideration of the annual budget (RSA 674:5). As a preface to the recommendations that follow, it is important to note:

1. In 2011, appropriations for municipal capital improvements supported by the General Fund (exclusive of debt service) totaled \$185,000.
2. The Capital Improvements Program Advisory Committee anticipates the 2012 budget will again be a challenging year in order to meet budget goals of the Town Manager and the Board of Selectmen.
3. Administrative Services projects a reduction in debt service of \$182,271 for 2012 from the prior year due to debt retirement and debt refinancing.
4. For 2012, exclusive of debt service, the Committee recommends funding totaling \$425,000. This figure is \$240,000 greater than 2011 capital spending.
5. The total recommended CIP costs for 2012 is \$1,533,348, including debt service. Existing debt service totals \$1,108,348 or 72% of the total CIP recommended costs for program year 2012. Additional debt service will be retired in 2013 (\$35,000), 2014 (\$39,745), 2015 (\$90,530), 2016 (\$181,017), 2017 (\$142,155).
6. The 2012 CIP total recommendation of \$1,533,348, represents a \$57,729 increase, or a 3.9% increase over the 2011 CIP-related appropriations.
7. It is the view of the Committee that the proposed 2012 recommendations take advantage of retiring debt, buys some time and address needs that are reasonable in relation to budgetary constraints.
8. Although the Capital Improvements Program extends out to 2021, the Committee has concentrated on recommendations for 2012 in light of economic uncertainties.

RECOMMENDATIONS OF THE CIP ADVISORY COMMITTEE

In 2011 the Committee met on five occasions (May 11th, May 25th, June 8th, September 7th, and September 21st, 201) resulting in the following recommendations:

Fire Department.

Fire Department Vehicle Replacement Expendable Trust Fund:

Recommendation: Allocate \$150,000 in 2012 and \$125,000 for each of the ensuing 4 years. Note: major equipment purchases are anticipated in future years. However, recommended amounts are subject to subsequent review and adjustment as other needs are identified.

Rationale: The ETF balance as of 12/31/11 is estimated at \$14, 145. No payments have been made to this trust fund since 2008. The Fire Department has submitted an Equipment Inventory and proposed 20-year replacement schedule. The near term priority is to purchase a Heavy Rescue Vehicle in 2015. Specialized rescue equipment would be consolidated on this vehicle, allowing the adjustment of run cards while reducing the duplication of equipment carried on multiple vehicles. This acquisition would replace an existing 1986 Rescue Van. Associated with the purchase of this apparatus would be the retirement of 1983 Engine 4. Engine 4 would not be replaced. Additionally, the proposed Rescue Vehicle would further consolidate the Department's inventory by eliminating the need for a separate air supply trailer. The estimated cost of this vehicle is approximately \$400,000.

Department of Public Works.

DPW Equipment Replacement Expendable Trust Fund:

Recommendation: Allocate \$175,000 in 2012 and \$150,000 for each of the ensuing 4 years. Note: major equipment purchases are anticipated in future years. However, recommended amounts are subject to subsequent review and adjustment as other needs are identified.

This fund was established in 2011 per the recommendation of the CIP Advisory Committee. The ETF balance as of 12/31/11 is estimated at \$60,000. In 2011, no funds were requested by the Department of Public Works deferring the resumption of major equipment replacements to 2012 and beyond. The Department of Public Works has submitted an updated Equipment Inventory and proposed replacement schedule thru 2021. The near term priority is to replace two 1998 Kenworth dump trucks (and sanders). The dump trucks recommended for replacement in 2012 and 2013 have 136,015 miles and 141,690 miles respectively. Each replacement is estimated to cost approximately \$180,000 to \$185,000.

Roads:

Recommendation: The Committee recommends funds for road work supplemental to the 2012 DPW operating budget in the amount of \$100,000. This figure is \$40,000 more than the supplemental amount recommended in 2011.

Rationale: The Department is responsible for the maintenance of 62 miles of paved roads and 31 miles of gravel roads. Although some road work has continued through the economic recession, significant road work has been deferred since 2008. The Committee is concerned that continued

deferrals of road work will force us into a major catch up some time in the future. Phil Warren, Town Manager has advised that the Department is in the process of updating its Road Surface Management System (RSMS) analysis of road conditions. This will provide the Department and the Town Manager with an updated assessment of road conditions, needs and priorities for the future.

General Government.

Waterfront Infrastructure:

Recommendation: No additional funding is recommended at this time.

Rationale: The initial priority identified for funding through this ETF is the replacement of the docks at Cattle Landing. This fund was also used to rebuild the retaining wall at the Waukegan boat ramp last year. The Cattle Landing Docks are scheduled for replacement in the Fall of 2011. The estimated Waterfront Infrastructure ETF balance (after the completion of the Cattle Landing Docks project) is estimated at \$93,313. Phil Warren, Town Manager has advised that in 2012 assessments of our waterfront infrastructure will be completed. The committee may re-visit allocating funds to this ETF in future amendment cycles should the assessments demonstrate needed capital improvements.

Conservation.

Open Space/Conservation:

Recommendation: No additional funding is recommended at this time.

Rationale: The Page Pond property was acquired in 2009. The Conservation Commission agreed to forego any requests for payments to the Open Space ETF during the life of the loan. The last payment (\$30,565) is scheduled for 2018.

Parks and Recreation Department.

Recreation Facilities:

Recommendation: No additional funding is recommended at this time.

Rationale: In 2009 Town Meeting established a Recreation Facilities Improvements Expendable Trust Fund and approved an appropriation to the fund in the amount of \$25,000. In 2010 Town Meeting appropriated \$60,000 to this fund in anticipation of making improvements to Childs Park located in Meredith Center. Municipal funds have been augmented with privately raised funding and donations of material and labor. Total project cost is estimated at \$183,950. With approval from the Board of Selectmen, construction began on the park renovations in September, 2011.

Phil Warren, Town Manager has advised that the Parks and Recreation Department continues its work on its comprehensive facility improvements plan and that it should be completed in 2012.

Water and Sewer Department

Water System Improvements Expendable Trust Fund:

Recommendation: No additional funding is recommended at this time.

Rationale: In 2011, \$30,000 was allocated to this fund. The estimated ETF balance through 12/31/11 is \$107,708. The water rate structure implemented in 2011 will begin to accrue funds for capital improvements. It is anticipated that in 2011, approximately \$50,000 will be raised for this purpose. It is anticipated that in 2012 this amount will increase to \$100,000.

The Water System Advisory Committee is currently working on a recommended Strategic Plan. When completed, this plan will identify capital improvements on a priority basis. It is anticipated that these recommendations will feed into future CIP amendment cycles.

Currently the Town is engaged in a groundwater exploration project. This project is intended to identify an alternative groundwater, water supply source. Limited test drilling will occur late 2011 or in 2012. The results from this phase of work will help inform whether and to what extent additional funding is needed for this project.

Given the on-going status of these two initiatives, the Committee concluded that it was prudent to hold off on additional funding towards the Water System Improvements ETF at this time.

Sewer System Improvements:

Recommendation: No additional funding through the Capital Improvements Program is recommended at this time.

Rationale: The sewer utility currently has \$442,779 in Sewer Access Fees that are available for repairs and major improvements. The sewer rate structure implemented in 2011 will begin to accrue funds for capital improvements. It is anticipated that in 2011, approximately \$50,000 will be raised for this purpose. It is anticipated that in 2012 this amount will increase to \$100,000.

The Sewer Department is currently working on a condition and criticality assessment of our sewer collection system. This assessment will lead to recommendations on a priority basis. When completed, it is anticipated that these recommendations will feed into future CIP amendment cycles.

Public Library

Building Improvements:

Recommendation: No funding through the Capital Improvements Program is recommended at this time.

Rationale: In 2012 the Library identified several building improvements totaling \$ 155,015. These improvements included the installation of sprinklers for two stair wells (\$18,930), excavation for the water line (\$50,000), replacement of the front granite steps and railings (\$11,551), exterior trim painting (\$2,900), a balcony railing (\$2000), tempered glass (\$1,634), and re-pointing brick (\$68,000). None of the proposed improvements meet the \$90,000 CIP project threshold. The Committee recommends that the Library pursue these items, on a priority basis, through the budget process as opposed to through the CIP process.

SUMMARY

2011 Capital Appropriations

\$ 35,000	Waterfront Infrastructure ETF
\$ 60,000	DPW Equipment Replacement ETF
\$ 30,000	Water System Improvements ETF
<u>\$ 60,000</u>	Road Work supplement
\$ 185,000	Sub Total
<u>\$1,290,691</u>	Debt Service (General Obligation)
<u>\$1,475,619</u>	Total CIP-Related Appropriations

2012 Recommended Capital Appropriations

\$ 150,000	Fire Equipment Replacement ETF
\$ 175,000	DPW Equipment Replacement ETF
<u>\$ 100,000</u>	Road Work supplement
\$ 425,000	Sub Total
<u>\$1,108,348.</u>	Debt Service (General Obligation)
<u>\$1,533,348.</u>	Total CIP-Related Recommendations

The 2012 Total CIP Recommendation (\$1,533,348) represents an increase of \$57,729 over 2011 CIP Capital Appropriations.

Attachments:

Total Requested Projects by Year, by Department. The attached spreadsheet dated September 21, 2011 identifies projects requested by each department, the estimated cost for each project, the year in which a project has been requested and if applicable, the year in which the project has been scheduled by the CIP Advisory Committee. The spreadsheet also includes summaries of existing and proposed debt.

Summary of Trust Funds dated August 31, 2011. The attached spreadsheet identifies all Expendable Trusts, the purpose of each trust, year established and estimated balances at year end.