

DRAFT

Town of Epsom New Hampshire

CAPITAL IMPROVEMENTS PROGRAM 2016-2021



ADOPTED BY THE EPSOM PLANNING BOARD
Date, 2016

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

Town of Epsom New Hampshire

CAPITAL IMPROVEMENTS PROGRAM 2016-2021

ADOPTED BY THE EPSOM PLANNING BOARD
Date, 2016



Prepared by the:

Epsom Planning Board and its
Capital Improvements Program (CIP) Committee
940 Suncook Valley Highway
Epsom, NH 03234
Phone (603) 736-9002



With assistance from the:

Central NH Regional Planning Commission (CNHRPC)
28 Commercial Street, Suite 3
Concord, NH 03301
Phone (603) 226-6020
www.cnhrpc.org

CERTIFICATE OF ADOPTION

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

Epsom Planning Board Chair

Epsom Planning Board Vice Chair

Epsom Planning Board Member

Epsom Planning Board Selectmen’s Representative

This document was received and recorded by the Town Clerk on _____, 2016.

Signed: _____
Dawn E. Blackwell, Tax Collector/Epsom Town Clerk

Seal:

ACKNOWLEDGEMENTS

The Planning Board would like to express their gratitude to the following people who assisted the Board with this undertaking to develop the 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.

CIP Steering Committee

- Barbara Clark, CIP Chair
- Betsy Bosiak, Planning Board
- Don Harty, Planning Board
- Joe Harnois, Planning Board
- John Dodge, Planning Board
- John Hickey, Planning Board
- John Keane, Planning Board
- Kathy DesRoches, Planning Board
- Sharon Burnston, Planning Board

Other Contributors

- Donald Harty, Board of Selectmen
- Rick Bilodeau, Emergency Management
- Stewart Yeaton, Fire Department
- Wayne Preve, Police Department
- Gordon Ellis, Highway Department

Central New Hampshire Regional Planning Commission Staff

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

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CHAPTER 1. INTRODUCTION

HISTORY OF EPSOM'S CAPITAL IMPROVEMENTS PROGRAM (CIP)

In June 2001, the Planning Board began an update to the 1982 Master Plan. The previous Master Plan was adopted in two separate phases in September 12, 2000 and June 27, 2001 after conducting properly noticed public hearings. In addition to in-depth discussion of land use patterns, conservation, transportation, history, 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. The new 2010 Master Plan update was adopted on November 10, 2010 and continued the goals of the previous Master Plan while focusing on population, economics, transportation, and land use goals. One of the critical recommendations within both of the 2001 and 2010 Master Plans was that the Town (Planning Board) develops and strictly follows a Capital Improvement Program (CIP) in accordance with NH RSA 674:5-8 (see CHAPTER 6. APPENDIX).

The CIP, an integral extension of the Master Plan, is a program budget and schedule which lays out a series of planned municipal expenditures for capital improvements. It is a plan that shows how, when, and at what cost Epsom 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.

To accomplish the task of developing the Town's CIP, the Planning Board appointed a Capital Improvements Program Committee in 2003 to complete the first CIP. This Committee was charged with developing preliminary evaluation ranking criteria, defining what a capital improvement is, meeting with department heads to discuss projects, as well as the responsibility of scheduling projects in a way to accommodate the public need while minimizing significant fluctuations in the tax rate.

The 2004-2009 update of the Epsom CIP was initiated in the fall of 2003 and completed in January 2004. The 2005-2010 update was initiated in November 2004 and completed in January 2005. The 2006-2011 update was initiated in November 2005 and completed in July 2006. The 2008-2013 update was initiated in May 2007 and completed in November 2007. The 2011-2016 update began in August 2010 and concluded in December 2010. The 2013-2018 CIP update began in May 2012 and concluded in September 2012.

In spring 2012, the Planning Board established a subcommittee, named the CIP Committee, to oversee the update process for the 2013-2018 Capital Improvements Program in order to keep the CIP current and useful to the Town.

For the purposes of the 2013-2018 CIP, a capital improvement has been defined by four key criteria:

- 1) A gross cost of at least \$10,000; and
- 2) A useful life of at least two (2) years; and,
- 3) Is not included in the operating budget; and
- 4) Any project requiring bond financing.

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.

This above listed criteria was carried over into this 2016-2021 CIP.

PURPOSE AND USE OF THE CIP

The CIP has a variety of purposes and should have many beneficial effects on Epsom'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. Epsom currently has a Growth Management Ordinance in place. 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 6. 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 will contribute to stabilizing the Town's tax rate and budget each year by planning and budgeting for major capital expenditures well in advance. 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, the 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 6. APPENDIX).

3. A Management Tool for Town Officials: The 2010 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. A Master Plan should be updated at least every 7-10 years for it to remain relevant to the community. 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 Epsom, the Budget Committee works with the Board of Selectmen to develop (and approve) the yearly 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 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 2010 Master

Plan, Epsom has the legal ability to assess impact fees to developers through the zoning ordinance 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 2012 for the development of the 2013-2018 CIP.

Approval of Master Plan (2010)

- The Epsom Planning Board completed a comprehensive update to the Town's 1982/83 Master Plan in 2001. The previous Master Plan was adopted in two separate phases in September 12, 2000 and June 27, 2001. The new 2010 Master Plan update was adopted on November 10, 2010. The generally accepted practice is to update the Master Plan every 7 to 10 years, or after a decennial census is released.

Authorization from Annual Meeting (2001)

- The Planning Board seeks and secures approval from Town Annual Meeting to create a Capital Improvements Program in accordance with NH RSA 674:5-8. This approval was obtained in March 2001.

Appointment of Committee (2015)

- The Planning Board appoints a Capital Improvement Program Committee consisting of members from the Planning Board. The 2016-2021 CIP Committee was established on June 10, 2015.

Definition of Capital Expenditure (2012)

- 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. The definition approved in 2012 by the CIP Committee in order for a project to qualify for inclusion into the CIP is: The project must have...

- 1) A gross cost of at least \$10,000; and
- 2) A useful life of at least two (2) years; and,
- 3) Is not included in the operating budget; and
- 4) Any project requiring bond financing.

This above listed criteria was carried over into this 2016-2021 CIP.

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 estimated costs and identification of how each project/purchase is to be funded.

Interviews and Ranking of Project Requests (2015)

- The CIP Chair and CNHRPC staff member hold an interview with each submitter to review submitted project information. The CNHRPC staff member completes an application for each project submitted. This occurred in August 2015.
- Adjustments in scheduling over the six-year time period (2016-2021) 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 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 (2016)

- 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 Epsom School Board.

Annual Update (2016)

- Following the annual March Town Voting Session, the CIP process is repeated. Projects are re-evaluated 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.

- 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 six or seven years past enable trends to be identified and comparisons to be made or predictors to be set for the upcoming years.

CHAPTER 2. DEMOGRAPHICS

HISTORICAL AND PROJECTED POPULATION 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 are updated with the most recent estimated demographic data provided by the US Census Bureau.

In Table 1, population in Epsom grew nearly 14% since 2000 while housing growth increased by nearly 16%. Epsom's overall growth since 1970 has increase by approximately 211% in population and approximately 255% in housing units, which is more than tripling population and nearly doubling the number of housing units over the four decades. Additionally, in 2000 and 2010, there was an average of 2.5 people in each housing unit, down from 2.8 people in 1970.

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

Growth	Population	Net Change		Housing Units	Net Change	
		#	%		#	%
1970 Census	1,469	NA	NA	519	NA	NA
1980 Census	2,743	1,274	86.7%	1,074	555	106.9%
1990 Census	3,591	848	30.9%	1,396	322	30.0%
2000 Census	4,021	430	12.0%	1,592	196	14.0%
2010 Census	4,566	545	13.6%	1,839	247	15.5%
Total Change from 1970 – 2010		3,097	210.8%		1,320	254.3%

*Sources: 1970-1990 US Census CPH-2-31 Table 9 Population and Housing Unit Counts;
US Census 2000 & 2010 Data*

Though not presented in Table 1 above, the New Hampshire Office of Energy and Planning recently released population estimates for 2014, which demonstrated a 2.2% growth in Epsom since 2010 with an estimated population of 4,667 residents.

Table 2
Population Density, 1970-2010

Area (Sq. Mile) Excluding Water	Persons per square mile				
	1970	1980	1990	2000	2010
34.2	43.0	80.2	105.0	117.6	133.5

Sources: Table 1, Office of Energy and Planning's GIS acreage calculations

As displayed in Table 2, the population density of persons per square mile has tripled, from 43 in 1970 to 117.6 in 2000 and then to 133.5 in 2010. Although these numbers are similar to other small, rural towns in the State, the fact that the population density has more than tripled within forty years is notable. Using the 2014 estimated population of 4,667 residents, the population density dropped slightly to 131.5, a decrease of 2 persons per square miles since 2010.

Table 3
Population Projections

2010 Census Population	2014 Estimate	Population Projections					
		2015	2020	2025	2030	2035	2040
4,566	4,667	4,739	4,947	5,069	5,172	5,234	5,249

Sources: NH OEP Municipal Population Projections, Fall 2013

Table 3 above displays population projections for Epsom through 2040. The projections show high increases in the number of residents when compared to the 2014 estimate and need to be revised with analysis of the current trends. Overall, statewide population projections show New Hampshire will continue to grow, but at a slower pace than experienced in the past.

Table 4
Residential Building Permits Issued by Housing Type, 2007-2014

Housing Type	2007	2008	2009	2010	2011	2012	2013	2014	8-Year Total
Single Family	30	13	24	18	12	9	12	10	128
Multi-Family	0	0	0	0	0	0	0	0	0
Manufactured	0	0	2	5	5	2	1	1	16
Total Permits Issued	30	13	26	23	17	11	13	11	144

Source: Annual Town Reports

In Table 4, Epsom has had a relatively stable number of new residential building permits issued since 2007. The highest years were 30 permits issued in 2007 and 24 in 2009. In 2012 and 2014, Epsom experienced its lowest number of 11 permits in the eight year period. Single family housing permits are the predominant new residential permits issued in Town, totaling 128 over eight years. Since 2007, 16 manufactured housing permits were issued. No multi-family permits were issued during the period.

GROWTH MANAGEMENT ORDINANCE

The 2012 Town Voting Session decided whether to continue the Growth Management Ordinance (GMO) which would have expired at the end of March 2012. The Town voted to extend the ordinance through March 2017.

The GMO examines population and building permit increase trends, and relies on the *Feasibility Study for Epsom Central School*, which states the school is being used beyond its functional capacity. The ordinance also compares Epsom with abutting communities on building permits and full value tax rates. Conclusions in the ordinance find the need for the GMO.

The Growth Management Ordinance contains provisions on Administration, Procedures for Permit Limitations, Equitable Allocation of Available Permits, and Exceptions as well as other data and administrative provisions.

The CIP will help provide some of the data the GMO requires in its annual reporting to the Planning Board to justify the continued need for the ordinance.

CONCLUSIONS

Growth in Epsom since 2000 has been at a moderate rate, particularly housing. This rate was tempered by the two Growth Management Ordinances while the Town worked to correct the inadequacies of public infrastructure. Impact fees, which are not currently available to the Town and would have to be voted in at the Town Voting Session, could only be assessed for the building of new facilities and infrastructure which accommodate new growth in Town, not for the lack of facilities for the existing populace. Repairs, reconstruction, and most improvements which are required to serve the existing population cannot be used for impact fee purposes.

Chapter 3. **SUMMARY OF PROJECTS**

PROJECTS OVERVIEW

The 2010 Master Plan continued the goals of the 2001 Master Plan, documenting the need for various capital projects or purchases in Town. The Capital Improvements Program is a document which originated from the needs identified in the Master Plan and has been updated periodically since its development. In preparing this 2016-2021 document, the CIP Committee surveyed all Town departments as well as the Epsom School District 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 opted not to participate. Others had no projects to include in the CIP.

Using data submitted by Department Heads for this document, the CIP Committee identified 15 Town and school projects for inclusion in the Capital Improvements Program for the 2016 to 2021 (six-year) period. All 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 summarize all of the projects to be included in the 2016 to 2021 CIP, including present status and future needs of each Department.

Projects are provided with a project number beginning with 1) a consecutive number in which the application was received, 2) a Department abbreviation, and 3) the year of submission. For example, the first project listed in Table 5 is 1-BOS-2016.

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
Board of Selectmen											
1-BOS-2016	Historic Meeting House ¹	\$200,000	2016-2019	4,800	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2-BOS-2016	New Municipal Building ²	\$650,000	2016-2026	4,500	N/A	N/A	5/5	P/T staff increase to F/T	N/A	Current space reworked	N/A
Emergency Management											
3-EM-2016	Repeater Communicator ³	\$10,000	2017-2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4-EM-2016	Utility Terrain Vehicle ⁴	\$15,000	2017-2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire and Rescue Department											
5-FD-2016	Repair Driveway ⁵	\$8,000	2016	5,000	N/A	10 P/T	5/20	Additional 3 F/T members	N/A	Additional garage space	N/A
6-FD-2016	Garage 2-Bay Storage ⁶	\$75,000	2017	See 5	N/A	See 5	See 5	See 5	N/A	See 5	N/A
7-FD-2016	Forestry/Utility Quad Cab 4x4 Pickup ⁷	\$80,000	2018	See 5	N/A	See 5	See 5	See 5	N/A	See 5	N/A
8-FD-2016	Ambulance Replacement ⁸	\$265,000	2017	See 5	N/A	See 5	See 5	See 5	N/A	See 5	N/A
Police Department											
9-PD-2016	Purchase Digital Road Sign ⁹	\$12,000	2016-2017	N/A	N/A	N/A	7 F/T	Additional 2 F/T members	N/A	None	N/A
Highway Department											
10-HD-2016	Replace F-550 Plow/Dump Truck ¹⁰	\$80,000	2019-2020	Office 600 Salt Shed 2,100	N/A	N/A	3	Additional employee	N/A	Garage	N/A
11-HD-2016	Replace F-350 Crew Cab 4x4 Truck ¹¹	\$50,000	2016-2017	See 10	N/A	N/A	See 10	See 10	N/A	See 10	N/A
12-HD-2016	Replace 420D Backhoe ¹²	\$115,000	2017-2020	See 10	N/A	N/A	See 10	See 10	N/A	See 10	N/A
13-HD-2016	Reconstruct One-Sixth of Road in Town ¹³	\$2,000,000	2016-2021	See 10	N/A	N/A	See 10	See 10	N/A	See 10	N/A
14-HD-2016	Purchase 6-Wheel Plow/Dump Truck ¹⁴	\$140,000	2017-2020	See 10	N/A	N/A	See 10	See 10	N/A	See 10	N/A
15-HD-2016	New Garage ¹⁵	\$320,000	2020-2021	See 10	N/A	N/A	See 10	See 10	N/A	See 10	N/A

¹Improve Epsom's historic meeting house to so be used as a multi-purpose, public access, town facility. Renovations and upgrades are required to receive occupancy permit. Result of stewardship agreement between BOS and LCHIP signed 4/27/2009. Funding mechanism is property tax.

- ²Construction of a new municipal building on land already owned by the Town. Would provide secure space for the storage of records. Current town office are located in rental space. Funding through 10 year bond.
- ³Purchase a repeater communicator. Funding mechanism is property tax.
- ⁴Purchase a utility terrain vehicle. Funding mechanism is property tax.
- ⁵Repaire driveway of Epsom Fire Station. Currently in inadequate condition, contains cracks and is safety concern for department employees. Funding mechanism is property tax.
- ⁶Construction of a two bay garage/storage building that would provide cold storage for vehicles and equipment currently stored outside. Storage would provide cover from the outside elements and prolong the useable life of the equipment. Funding mechanism is property tax.
- ⁷Replace forestry vehicle within the Fire department. Current forestry vehicle is over thirty years old and is starting to show signs of age. Funding is through a special revenue fund.
- ⁸Scheduled ambulance replacement. Funding is through a special revenue fund.
- ⁹Purchase a digital road sign that can be available and benefit all other departments within Epsom. Funding mechanism is property tax.
- ¹⁰Replace existing F-550 Plow Dump Truck. Funding mechanism is property tax.
- ¹¹Replace existing F-350 Crew Cab 4-Wheel Drive Truck. Funding mechanism is property tax.
- ¹²Replace existing 420D Backhoe. Funding mechanism is property tax.
- ¹³Reconstruct one-sixth of road in Town as part of long term goal to reconstruct all roads within Epsom. Funding mechanism is property tax.
- ¹⁴Purchase 6-Wheel Plow/Dump Truck. Funding mechanism is property tax.
- ¹⁵Construct a garage to provide storage and space for equipment to be maintained. Equipment is currently stored outside, lessening the equipment's usable life and makes performing maintenance difficult. Funding mechanism is property tax.

The original applications 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 Improvement Schedules.

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. 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.

Figure 1 illustrates a potential \$1.29 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 \$1.15 in 2021 represents the lowest impact to the tax rate over the coming six years; the highest will be found, with the current project load, in 2017 at \$1.54.

Voters at the annual March Town Voting Session 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. Several Town Departments chose not participate in the project identification process and are not represented within the CIP.

Chapter 4. FINANCIAL ANALYSIS

USE OF THE FINANCIAL ANALYSIS

This chapter contains a summary of recent municipal finance trends related to Epsom'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

Epsom, 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 New Hampshire Municipal Bond Bank and by private organizations. Towns are permitted to carry a certain amount of debt, as described below. The Town of Epsom currently has no bonds or debt service.

The CIP Municipal Improvements Schedule (Figure 1) includes a New Municipal Building bond for potential consideration at Town Meeting 2016. Displayed in table 6, the anticipated bond would have a term of 10 years, and the approximate payment would be \$65,000 (principal only) per year if approved. Within the CIP term of 2016-2021, this would require an additional \$390,000.00 in bond payments.

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

New Bond in CIP Terms	2016	2017	2018	2019	2020	2021	Total
New Municipal Building (2016-2026)	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$390,000
Total Existing and New Bond Payments 2016-2021	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$390,000

The Municipal Finance Act (RSA 33:4a and 4b) establishes the 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.

The Town does not have any anticipation notes. Water projects and sewer projects financed by users would be excluded below if they were applicable to Epsom. The bonding capacity and amount available for the Town of Epsom as of 2014 are as follows.

Table 7
Bonded Indebtedness, 2014

	Base Valuation for Debt Limits	Maximum Bonding Capacity	Existing Debt	Available Bonding Capacity
Town (3%)	\$392,033,553	\$11,761,006	\$0	\$11,761,006
Local School (10%)	\$392,033,553	\$39,203,355	\$0	\$39,203,355

Sources: Department of Revenue Administration 2014 Base Valuation for Debt Limits

As displayed in Table 7 the available bonding capacity for the Town is \$11.7 million and \$39.2 million for the Epsom School District. This Table does not include the potential bond for project 2-BOS-2016.

ANNUAL ASSESSMENTS

In order to create a CIP which is feasible, and because the CIP will have financial impact on the community, it is important to understand financial trends within Epsom.

Epsom has relied upon a variety of revenue sources to finance municipal operations. Such sources include fees, licenses, trusts (including capital reserve funds), interest on accounts, intergovernmental transfers (grants), and property taxes. The New Hampshire Department of Revenue Administration (NH DRA) allows a 0.5% deviation in the calculated assessments due to rounding differences. War service credits (Veterans' Exemptions) are not an assessment and are subtracted directly from the tax bills, so they are not included. Tax rates are provided to most communities in November of each year so December tax bills can be mailed.

Table 8
Annual Assessments, 2009-2014

Assessments & Tax Rates	2009	2010	2011	2012	2013	2014
Net Property Valuation	\$451,564,593	\$400,036,069	\$405,516,753	\$406,687,027	\$406,405,842	\$414,878,590
Municipal Rate	4.03	3.38	4.40	4.89	4.76	4.75
<i>amount raised in taxes</i>	\$1,822,739	\$1,353,660	\$1,783,205	\$1,989,861	\$1,934,952	\$1,970,615
County Rate	2.41	2.58	2.79	2.84	2.68	2.75
<i>amount raised in taxes</i>	\$1,086,467	\$1,032,261	\$1,131,898	\$1,154,529	\$1,090,156	\$1,141,135
School Rate (local)	9.13	11.41	12.22	10.34	12.68	12.51
<i>amount raised in taxes</i>	\$4,122,078	\$4,562,767	\$4,954,237	\$4,204,785	\$5,153,429	\$5,188,940
School Rate (state)	2.17	2.40	2.24	2.43	2.45	2.25
<i>amount raised in taxes</i>	\$966,264	\$943,652	\$895,276	\$970,503	\$976,493	\$920,387
Total Tax Rate	17.74	19.77	21.65	20.50	22.57	22.26
Total Assessments	\$7,997,548	\$7,892,340	\$8,764,616	\$8,319,678	\$9,008,280	\$9,221,077

Source: Epsom Town Staff, New Hampshire Dept. of Revenue Assoc. Tax Rate Reports, New Hampshire Dept. of Revenue Assoc. Final Assessment Reports

Since 2010, net valuations show a slow increasing trend through 2012, with a slight decrease occurring in 2013. Net valuation then experienced a jump from \$406,405,842 to \$414,878,590 from 2013 to 2014. Prior to 2010, 2009 shows a net valuation of \$451,564,593, significantly higher than the following years due to revaluation that occurred in 2010.

For the purposes of the anticipated net valuation increases over the CIP term of 2016-2021, net valuations were averaged over the ten year period between 2005 and 2014. The first assessment group spans 2005 (\$432,861,927) to 2009 (\$451,564,593), with an overall average increase of 1.1%. The reassessment in 2010 brought the net valuation down to \$400,036,069, yielding an average increase of 0.9% through 2014. These two assessment group figures were then averaged to calculate a future net valuation change of 1.0% per year as used within the Municipal Improvements Schedule in Figure 1.

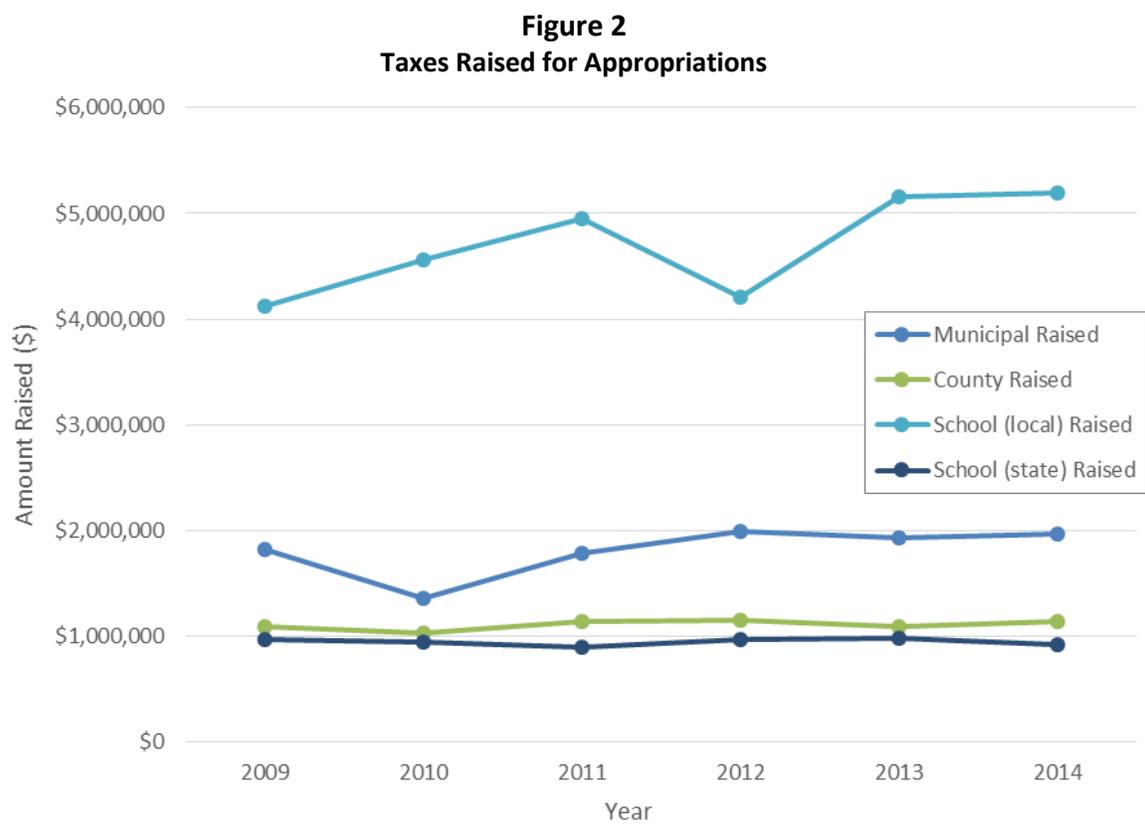


Figure 2 illustrates the amount of appropriations raised in Table 8 over the same period. While the State School and County have remained relatively constant during this time period, Municipal assessments and Local School assessments have both risen and fallen over that period, although in opposite years. In 2014, money raised for Municipal assessments reached its peak during the period, at \$1.97m, after falling nearly \$0.5m in 2010 from 2009. The Local School assessments fluctuated the most, rising to \$4.95m in 2011, falling to \$4.20m in 2012, and rising again steadily in 2013 and 2014 to reach \$5.18m in 2014. While the graph's ups and downs look startling, many of these differences are only a couple of hundred thousand dollars.

CAPITAL RESERVE AND TRUST 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 August 31, 2015. Only those funds which are related to the capital expenditures contained within this CIP were included in Figure 1.

**Table 9
Capital Reserve and Trust Funds Balances, 2015**

Fund Name	Balance on August 31, 2015
Capital Reserve Accounts	
Bridge Capital Reserve	\$104,640.02
Fire Apparatus Fund CRF	\$17,629.96
Highway Vehicle Equipment CRF	\$21,241.51
Land Conservation Fund CRF	\$36,429.92
Re-evaluation of Property CRF	NA
Road Reconstruction CRF	\$368,883.05
School Construction & Renov CRF	\$178,646.51
Trust Fund Accounts	
Cemetery Road Maint. Trust Fund	\$821.48
Cemetery Maint. Exp Trust Fund	\$11,550.64
Historic Town-Owned Blds Maint. Exp Trust Fund	\$10,113.29
Meetinghouse Histroic Trust Fund	\$176.14
New Library Collection Fund Trust Fund	\$20,744.73
School Bldg Maint & Repair Trust Fund	\$24,202.78
Village District Tank Maint. Trust Fund	\$76,996.94
Village District Water System Update Fund	\$36,173.62
Technology Trust Fund – Epsom School District	\$690.03
Lillian Morrison – Assorted Funds	\$276,883.15
Library – Assorted Funds	\$4,773.81
Cemetery Perpetual Care	\$51,730.96
Grossville Cemetery Fund	\$11,080.09

Source: Town of Epsom Trustee of Trust Funds

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. Epsom could use their multitude of CRFs more effectively by placing funds in the more regularly used accounts on a yearly basis.

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 Voting Session, 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.

TAX RATE TRENDS AND COMPARISONS

The full value tax rates included in the table below are derived by the New Hampshire 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 10
Tax Rates and Trends, 2009-2014

Epsom Taxes	2009	2010	2011	2012	2013	2014
Local Tax Rate	\$17.74	\$19.77	\$21.65	\$20.50	\$22.57	\$22.26
Full Value Tax Rate	\$20.61	\$19.29	\$21.66	\$22.17	\$23.95	\$23.46
Equalization Ratio	116.6	97.5	100.0	108.4	106.3	105.9

Source: New Hampshire Dept. of Revenue Administration Equalization Surveys Including Utilities

From Table 10, the equalization ratio has varied over the six year period. A drop can be seen in 2010 due to the town revaluation, which brought the equalization ratio from 116.6 in 2009 to 97.5 in 2010. After the revaluation, the equalization ratio increased to a peak in 2012 at 108.4, before decreasing to 105.9 in 2014.

The local tax rates, what residents pay through property taxes of \$1,000 per valuation, generally increased over the six years, with a local tax rate of \$17.74 in 2009 and \$22.26 in 2014. A peak did occur in 2011 when the local tax rate jumped to \$21.65 from \$19.77 in 2010, but then decreased to \$20.50 in 2012.

Because the assessed valuation of any community, including Epsom, 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 Epsom in 2011 when the equalization ratio was 100.

In Table 11, Epsom's full value tax rate in 2014 of \$23.46 was one of the lowest of the surrounding communities, with Northwood (\$23.29) lower. The local area's full value tax rate averaged \$27.48 per \$1,000 of valuation. Allenstown has the highest full value tax rate (\$32.37), followed closely by Pittsfield at \$32.04. None of the communities had equalization ratios at 100, making it difficult to compare the towns total tax rate.

Epsom falls on the higher end of the equalization ratio scale (105.9), which is the second highest behind Pittsfield (110.9). Allenstown had the lowest ratio at 95.8.

In 2014, Epsom's municipal taxes (\$4.75) are within the low-mid range when comparing them to neighboring towns, from a low of \$4.29 in Northwood to a high of \$11.66 in Allenstown. For local school taxes, Epsom is the lowest at \$12.51 while the area average was \$15.45. Epsom's total tax at \$22.26 was also the lowest, with Allenstown having the highest total tax at \$33.78.

Table 11
Abutting Community 2014 Tax Rate Comparison

2010 US Census Population		Municipal	County	Local School	State School	Total Tax	Per Capita Tax	Equal. Ratio %	Full Value Tax Rate
Epsom	4,566	4.75	2.75	12.51	2.25	22.26	\$0.005	105.9	\$23.46
Allenstown	4,322	11.66	3.03	16.81	2.28	33.78	\$0.008	95.8	\$32.37
Chichester	7,115	6.07	3.14	15.12	2.47	26.80	\$0.004	98.2	\$26.18
Deerfield	2,523	4.44	0.92	15.38	2.27	23.01	\$0.009	104.4	\$25.22
Northwood	4,106	4.29	1.05	16.07	2.49	23.90	\$0.006	98.5	\$23.29
Pembroke	4,241	6.64	2.89	17.68	2.49	29.70	\$0.007	98.6	\$29.82
Pittsfield	4,280	10.0	2.50	14.58	2.05	29.13	\$0.007	110.9	\$32.04

Sources: New Hampshire Dept. of Revenue Assoc. Municipal Services Tax Rates 2014, Equalization Survey Including Utilities 2014

For additional comparison purposes in Table 11, the Per Capita Tax (the tax rate per person) attempts to remove the population component (i.e. large towns taxes do not compare well with small town taxes), from the tax rate contrast. Per capita (person), Chichester has the lowest tax rate at \$0.004; however it does have the highest 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 Epsom has identified within this CIP will increase the municipal tax rate and the local school rate. However, many of these projects would have occurred regardless of the existence of a CIP and now the Town can effectively plan ahead with upcoming anticipated capital expenditures. Although higher taxes are often difficult to sell to residents, increases may be easier to justify if they improve the quality of life, improve safety, or correct deficiencies.

The anticipated financial impact of the capital projects, as displayed in Figures 1, assumes every one of the projects or purchases scheduled within a particular year will be funded in order to plan for the highest possible tax impact from these expenditures. The capital project impact to the tax rate is not simply "added to" the designated municipal tax rate. *The tax rates would have contained capital projects which would have occurred anyway with or without a CIP developed or even without a Department's participation in the CIP process.* The financial impact

of the projects is a six-year prediction if all of the planned capital projects will be expended through 2021. By planning for these projects now, the Town will be working to ultimately keep the municipal tax rate stable over the coming years.

Calculating the growth of net valuations between 2005 through 2009 yielded a 1.1% average increase, and when the Town was reassessed in 2010, the growth of the net valuation between 2010 and 2014 was 0.9%. These two groups of net valuation averages themselves to an overall growth of 1.0% between 2005 and 2014. Beginning with the 2014 net valuation baseline of \$414,787,590, this 1.0% increase was applied yearly from 2016 through 2021 to estimate future net valuations as used within the Municipal Improvements Schedule in Figure 1.

CHAPTER 5.
APPENDIX

METHODS OF FINANCING CAPITAL IMPROVEMENTS

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 five (5) to twenty (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 (Town Voting Session). 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 New Hampshire Shared Revenues and Highway Aid grants. The State of New Hampshire Building Aid is available at 30-55% for certain School District building projects (RSA 198:15-b).

FUNDING SOURCES FOR TRANSPORTATION IMPROVEMENTS

1. Congestion Mitigation and Air Quality Improvement Program (CMAQ): This Federal Program is administered by the State DOT and is designed to fund projects and programs to improve air quality in non-attainment and maintenance areas for ozone, carbon monoxide, and small particulate matter which reduce transportation-related emissions. Typical CMAQ programs and projects include transit projects, trail projects, car pool projects, installation of traffic signals, and construction of sidewalk and bicycle path construction. In 2000, New Hampshire received \$20 million dollars in CMAQ funding from the Federal Government. Funding for projects are split, with 80% of funding coming from the State, and the community providing 20% match.
2. Transportation Enhancement Funds (TE): Transportation Enhancements Program (TE) is another viable source for improving roads in communities. Funding for the TE program is slightly more than \$3 million dollars annually. Like CMAQ, these funds are provided in an 80/20 match, with the State paying for the majority of the project cost. Typical examples of projects eligible for TE funds include:
 - Facilities for bicyclists and pedestrians;
 - Safety and education activities for bicyclists and pedestrians;
 - Acquisition of scenic easements and scenic or historic sites;
 - Scenic or historic highway programs;
 - Landscaping and other scenic beautification;
 - Historic preservation;
 - Rehabilitation and operation of historic transportation buildings, structures of facilities;
 - Preservation of abandoned railway corridors;
 - Control and removal of outdoor advertising;
 - Archaeological planning and research;
 - Some types of environmental mitigation; and,

- Establishment of transportation museums.
3. Federal Aid Bridge Replacement Funds: These funds are available for the replacement or rehabilitation of town-owned bridges over 20 feet in length. Matching funds are required and applications for funding are processed through the NH DOT municipal highways engineer.
 4. State Highway Block Grants: Annually, the State apportions funds to all cities and towns for the construction and maintenance of Class IV and V roadways. Apportionment "A" funds comprise not less than 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 ranking 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 New Hampshire Office of Energy and Planning. 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. In 2012, 19 communities received funding from Apportionment "B."

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. In State FY-2012, Epsom received **\$131,000** in highway block grants from the State from Apportionment "A" funds.

5. 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 NH DOT 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.
6. 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.
7. Local Option Fee for Transportation Improvements: NH RSA 261:153 VI (a) grants municipalities the ability to institute a surcharge on all motor vehicle registrations for the purpose of a funding the construction or reconstruction of roads, bridges, public parking areas, sidewalks, and bicycle paths. Funds generated under this law may also be used as matching funds for state projects. The maximum amount of the surcharge permitted by law

is \$5. Base upon the number of motor vehicles registered in Epsom, this method could yield additional monies annually if so allocated without increasing property taxes.

8. 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 collected 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.

MISCELLANEOUS FUNDING SOURCES

1. 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. An example of a local project funded by CDBG is the Town of Pittsfield's Community Center. Each year, New Hampshire receives about \$10 million in CDBG funds that, through the grant process, were allocated to communities across the State.
2. 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.
3. 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.
4. 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.

5. 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.

FUNDING RESOURCES FOR CONSERVATION

1. 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).
2. Conservation Fund: This fund is much like a Capital Reserve Fund, where Town Meeting (Town Voting Session) 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.
3. “Municipal Bill Round-Up”: An additional funding source for a variety of activities, such as greenway acquisition, easement acquisition, and creating bike trails and sidewalks, is the use of a “round up” program for tax bills, utility bills, and registration fees. Under such a program, the taxpayer could voluntarily round his/her bill payment up to a designated amount above the actual bill and designate it to any of the desired programs listed.
4. Land and Community Heritage Investment Program (LCHIP): This State fund is designed to assist communities that want to conserve outstanding natural, historic, and cultural resources. There will be the requirement that the Towns match the State money from this fund with a 50% match from other sources, some of which can be an in-kind match, as well as funds from other sources.

RELEVANT STATE STATUTES FOR CAPITAL IMPROVEMENTS

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.

TITLE XV EDUCATION
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

674:21 Innovative Land Use Controls. –

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

- (a) Timing incentives.
- (b) Phased development.
- (c) Intensity and use incentive.
- (d) Transfer of density and development rights.
- (e) Planned unit development.
- (f) Cluster development.
- (g) Impact zoning.
- (h) Performance standards.
- (i) Flexible and discretionary zoning.
- (j) Environmental characteristics zoning.
- (k) Inclusionary zoning.
- (l) Accessory dwelling unit standards.
- (m) Impact fees.
- (n) Village plan alternative subdivision.

II. An innovative land use control adopted under RSA 674:16 may be required when supported by the master plan and shall contain within it the standards which shall guide the person or board which administers the ordinance. An innovative land use control ordinance may provide for administration, including the granting of conditional or special use permits, by the planning board, board of selectmen, zoning board of adjustment, or such other person or board as the ordinance may designate. If the administration of the innovative provisions of the ordinance is not vested in the planning board, any proposal submitted under this section shall be reviewed by the planning board prior to final consideration by the administrator. In such a case, the planning board shall set forth its comments on the proposal in writing and the administrator shall, to the extent that the planning board's comments

are not directly incorporated into its decision, set forth its findings and decisions on the planning board's comments.

III. Innovative land use controls must be adopted in accordance with RSA 675:1, II.

IV. As used in this section:

(a) "Inclusionary zoning" means land use control regulations which provide a voluntary incentive or benefit to a property owner in order to induce the property owner to produce housing units which are affordable to persons or families of low and moderate income. Inclusionary zoning includes, but is not limited to, density bonuses, growth control exemptions, and a streamlined application process.

(b) "Accessory dwelling unit" means a second dwelling unit, attached or detached, which is permitted by a land use control regulation to be located on the same lot, plat, site, or other division of land as the permitted principal dwelling unit.

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.

VI. (a) In this section, "village plan alternative" means an optional land use control and subdivision regulation to provide a means of promoting a more efficient and cost effective method of land development. The village plan alternative's purpose is to encourage the preservation of open space wherever possible. The village plan alternative subdivision is meant to encourage beneficial consolidation of land development to permit the efficient layout of less costly to maintain roads, utilities, and other public and private infrastructures; to improve the ability of political subdivisions to provide more rapid and efficient delivery of public safety and school transportation services as community growth occurs; and finally, to provide owners of private property with a method for realizing

the inherent development value of their real property in a manner conducive to the creation of substantial benefit to the environment and to the political subdivision's property tax base.

(b) An owner of record wishing to utilize the village plan alternative in the subdivision and development of a parcel of land, by locating the entire density permitted by the existing land use regulations of the political subdivision within which the property is located, on 20 percent or less of the entire parcel available for development, shall provide to the political subdivision within which the property is located, as a condition of approval, a recorded easement reserving the remaining land area of the entire, original lot, solely for agriculture, forestry, and conservation, or for public recreation. The recorded easement shall limit any new construction on the remainder lot to structures associated with farming operations, forest management operations, and conservation uses. Public recreational uses shall be subject to the written approval of those abutters whose property lies within the village plan alternative subdivision portion of the project at the time when such a public use is proposed.

(c) The village plan alternative shall permit the developer or owner to have an expedited subdivision application and approval process wherever land use and subdivision regulations may apply. The submission and approval procedure for a village plan alternative subdivision shall be the same as that for a conventional subdivision. Existing zoning and subdivision regulations relating to emergency access, fire prevention, and public health and safety concerns including any setback requirement for wells, septic systems, or wetland requirement imposed by the department of environmental services shall apply to the developed portion of a village plan alternative subdivision, but lot size regulations and dimensional requirements having to do with frontage and setbacks measured from all new property lot lines, and lot size regulations, as well as density regulations, shall not apply. The total density of development within a village plan alternate subdivision shall not exceed the total potential development density permitted a conventional subdivision of the entire original lot unless provisions contained within the political subdivision's land use regulations provide a basis for increasing the permitted density of development within a village plan alternative subdivision. In no case shall a political subdivision impose lesser density requirements upon a village plan alternative subdivision than the density requirements imposed on a conventional subdivision.

(d) Within a village plan alternative subdivision, the exterior wall construction of buildings shall meet or exceed the requirements for fire-rated construction described by the fire prevention and building codes being enforced by the state of New Hampshire at the date and time the property owner of record files a formal application for subdivision approval with the political subdivision having jurisdiction of the project. Exterior walls and openings of new buildings shall also conform to fire protective provisions of all other building codes in force in the political subdivision. Wherever building code or fire prevention code requirements for exterior wall construction appear to be in conflict, the more stringent building or fire prevention code requirements shall apply.

(e) If the total area of a proposed village plan alternative subdivision including all roadways and improvements does not exceed 20 percent of the total land area of the undeveloped lot, and if the proposed subdivision incorporates the total sum of all proposed development as permitted by local regulation on the undeveloped lot, all existing and future dimensional requirements imposed by local regulation, including lot size, shall not apply to the development.

Section 674:22

674:22 Growth Management; Timing of Development. – 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.

Subdivision Regulations

Section 674:36

674:36 Subdivision Regulations. –

I. Before the planning board exercises its powers under RSA 674:35, the planning board shall adopt subdivision regulations according to the procedures required by RSA 675:6.

II. The subdivision regulations which the planning board adopts may:

(a) Provide against such scattered or premature subdivision of land as would involve danger or injury to health, safety, or prosperity by reason of the lack of water supply, drainage, transportation, schools, fire protection, or other public services, or necessitate the excessive expenditure of public funds for the supply of such services;

(b) Provide for the harmonious development of the municipality and its environs;

(c) Require the proper arrangement and coordination of streets within subdivisions in relation to other existing or planned streets or with features of the official map of the municipality;

(d) Provide for open spaces of adequate proportions;

(e) Require suitably located streets of sufficient width to accommodate existing and prospective traffic and to afford adequate light, air, and access for firefighting apparatus and equipment to buildings, and be coordinated so as to compose a convenient system;

(f) Require, in proper cases, that plats showing new streets or narrowing or widening of such streets submitted to the planning board for approval shall show a park or parks suitably located for playground or other recreational purposes;

(g) Require that proposed parks shall be of reasonable size for neighborhood playgrounds or other recreational uses;

(h) Require that the land indicated on plats submitted to the planning board shall be of such character that it can be used for building purposes without danger to health;

(i) Prescribe minimum areas of lots so as to assure conformance with local zoning ordinances and to assure such additional areas as may be needed for each lot for on-site sanitary facilities;

(j) Include provisions which will tend to create conditions favorable to health, safety, convenience, or prosperity; and

(k) Encourage the installation and use of solar, wind, or other renewable energy systems and protect access to energy sources by the regulation of orientation of streets, lots, and buildings; establishment of maximum building height, minimum set back requirements, and limitations on type, height, and placement of vegetation; and encouragement of the use of solar skyspace easements under RSA 477.

(l) Provide for efficient and compact subdivision development which promotes retention and public usage of open space and wildlife habitat, by allowing for village plan alternative subdivision as defined in RSA 674:21, VI.

(m) Require innovative land use controls on lands when supported by the master plan.

(n) Include provision for waiver of any portion of the regulations. The basis for any waiver granted by the planning board shall be recorded in the minutes of the board. The planning board may only grant a waiver if the board finds, by majority vote, that:

(1) Strict conformity would pose an unnecessary hardship to the applicant and waiver would not be contrary to the spirit and intent of the regulations; or

(2) Specific circumstances relative to the subdivision, or conditions of the land in such subdivision,

indicate that the waiver will properly carry out the spirit and intent of the regulations.

III. The subdivision regulations of the planning board may stipulate, as a condition precedent to the approval of the plat, the extent to which and the manner in which streets shall be graded and improved and to which water, sewer, and other utility mains, piping, connections, or other facilities shall be installed. The regulations or practice of the planning board:

(a) May provide for the conditional approval of the plat before such improvements and installations have been constructed, but any such conditional approval shall not be entered upon the plat.

(b) Shall provide that, in lieu of the completion of street work and utility installations prior to the final approval of a plat, the planning board shall accept a performance bond, irrevocable letter of credit, or other type or types of security as shall be specified in the subdivision regulations; provided that in no event shall the exclusive form of security required by the planning board be in the form of cash or a passbook. As phases or portions of the secured improvements or installations are completed and approved by the planning board or its designee, the municipality shall partially release said security to the extent reasonably calculated to reflect the value of such completed improvements or installations. Cost escalation factors that are applied by the planning board to any bond or other security required under this section shall not exceed 10 percent per year. The planning board shall, within the limitations provided in this subparagraph, have the discretion to prescribe the type and amount of security, and specify a period for completion of the improvements and utilities to be expressed in the bond or other security, in order to secure to the municipality the actual construction and installation of such improvements and utilities. The municipality shall have the power to enforce such bonds or other securities by all appropriate legal and equitable remedies.

(c) May provide that in lieu of the completion of street work and utility installations prior to the final approval of the plat, the subdivision regulations may provide for an assessment or other method by which the municipality is put in an assured position to do said work and to make said alterations at the cost of the owners of the property within the subdivision.

Town of Epsom Planning Board
Capital Improvements Program Committee

940 Suncook Valley Road, Epsom, NH 03234
603-736-9002

For Applicant Completion

- New** Application not yet in the CIP
- Existing** Application from last CIP

If Existing, Application #:

**Epsom Capital Improvements
Program 2016-2021
Capital Expenditure
Request Application**

For Committee Completion

Application #:

_____ - _____ - 2016

INSTRUCTIONS:

Each department will be invited to attend an upcoming CIP Committee meeting, where they will be asked to explain their project(s) and/or purchase request(s) anticipated in the next six years. This discussion between the applicant and the Committee will allow this application to be completed for each project or purchase request and to be incorporated into the upcoming CIP.

Important Notes:

- One application will be completed 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.
- Use one application for each existing project your department had listed in the last 2013-2018 CIP. The years of expenditure, cost, funding, and description may need to be updated from the original application.
- CNHRPC will complete all applications after each department interview. A follow-up email and/or phone call may be needed between CNHRPC and the applicant.

Basic Information

Department: _____

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

Desired Start Year of Expenditure (Payment):	20 _____
Expenditure (Payment) Ends in Year:	20 _____

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

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: _____

Capital Expenditure Request Application

Epsom Capital Improvements Program 2016-2021

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.*

<u>Number of:</u> Total paid staff hours per year: _____	<u>Number of:</u> F/T staff: _____	<u>Number of:</u> P/T staff: _____
Total non-paid/volunteer/stipend hours per year: _____	F/T non-pd/vol/stip: _____	P/T non-pd/vol/stip: _____
<u>Approximate:</u> Usable sq. ft. of building #1: _____	<u>Approximate:</u> 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>):
\$	Total Dollar Amount of Project/Purchase

Capital Expenditure Request Application

Epsom 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):
\$	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: Each department will be contacted to schedule their interview.

Department Contact Information

Department Representative: _____ Title: _____
 Phone: _____ Email: _____

<i>To be completed at time of form completion</i>	
Form Prepared By: _____	Organization/Department: _____
Phone: _____	Email: _____
Date: _____	