

TOWN OF EPSOM
New Hampshire

CAPITAL IMPROVEMENT PROGRAM
2008-2013

Prepared for the:
Epsom Planning Board

Adopted:
December 2007

Prepared by:
Central NH Regional Planning Commission
28 Commercial Street
Concord, NH 03301



Certificate of Adoption

In accordance with New Hampshire RSA 674:5 - 8, Capital Improvement Program, and RSA 675:6, Method of Adoption, the Epsom Planning Board, having held a duly noticed public hearing on _____ hereby adopts and certifies this Capital Improvement Program, 2008-2013, dated _____.

Elizabeth Bosiak, Chair

James Bowen, Vice Chair

Laurence Caraway

Daniel McGuire

Robert McKechnie, Selectmen's Rep

Christopher J. Porter

Alan Quimby

This document was received and recorded by the Town Clerk on _____, 2007.

Signed:

Dawn E. Blackwell
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. Without their help, this plan would not have been possible.

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Overview of Capital Improvements Planning & Implementation Process

The Planning Board appoints a Capital Improvements Committee, which should use the following process as guidance:

1. APPROVAL OF 2001 MASTER PLAN UPDATE

- Epsom Planning Board completes comprehensive update to Town 1982/83 Master Plan. Master Plan is adopted in two separate phases in September 12, 2000 and June 27, 2001 after conducting properly noticed public hearings.

2. AUTHORIZATION FROM ANNUAL MEETING

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

3. APPOINTMENT OF SUBCOMMITTEE

- The Planning Board appoints a Capital Improvement Subcommittee consisting of members from the Planning Board, Board of Selectmen and Budget Committee.

4. SOLICITATION OF PROJECTS FROM ALL MUNICIPAL / SCHOOL DEPARTMENTS

- Town sends information and ranking packet to all Town Department Heads, Epsom Superintendent, School Board, and Water Precinct with assistance from CNHRPC. Department heads submit requests with department priority ranking, and estimated costs as well as identification of how project / purchase is to be funded.
- Town collects and submits all data to CNHRPC who conducts preliminary annual financial impact of requests. Data is then submitted to Subcommittee for discussion.

5. PRIORITIZATION OF PROJECT REQUESTS

- Capital Improvements Subcommittee holds several meetings to discuss requests and prioritize the applications.
- Adjustments in scheduling are negotiated in order to minimize increases in tax rate.
- CIP Subcommittee develops final recommended list of projects, as well as scheduling, and submits to the Planning Board for adoption.

6. PLANNING BOARD REVIEWS

- Planning Board receives recommended draft CIP from Subcommittee.
- Planning Board meets with CIP Subcommittee to discuss draft document.
- Planning Board may adjust scheduling and/or estimated cost of items prior to public hearing.
- Planning Board conducts a public hearing in accordance with NH RSA 675:6.
- Planning Board either votes to adopt the CIP as posted, or revises the document as a result of public testimony.

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- Once adopted, the CIP is filed with the Town Clerk, and copied to all Town Departments, the Budget Committee, Board of Selectmen, School Board, and Water Precinct.

7. ANNUAL UPDATE

- Following annual Town Meeting, the CIP Process is repeated (usually in mid to late summer). Projects are re-evaluated and re-ranked according to criteria approved by the Planning Board or CIP subcommittee. 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.

8. IMPLEMENTATION

- The Selectmen, with consultation from the Budget Committee, shall submit to the voters warrant articles to either create necessary capital reserve funds, to raise necessary funds, to secure authority to enter into lease/purchase agreements or to secure a municipal/school bond. This process is repeated annually as the project schedule dictates in this plan.

Executive Summary

The following is a summary of key findings included within this document:

1. This Capital Improvement Program (CIP) is an advisory document created by the Planning Board with input from all Town Departments, Budget Committee, and Board of Selectmen. The purpose of this document is to help guide future capital expenditures in order to maximize the most efficient use of tax payer resources and to stabilize the tax rate to the greatest possible extent.
2. This document is designed to plan for future capital purchases and items. Operating items such as personnel, computers, office supplies, and other similar items are not capital items, and therefore, are not included within this plan. For the purpose of this document, a capital item is defined as any item which has a cost of greater than \$10,000 and has a useful life of two years or more. Eligible items include: heavy equipment, vehicles, expansion of water and sewer systems, special studies, purchase of land, as well as road and building construction.
3. A total of nine (9) **Municipal** capital projects are anticipated over the next six (6) years. Projects range in expense from \$10,000 to \$3,207,858. The **Epsom School District** has identified a total of eight (8) capital projects, totaling \$865,000 over the next six (6) years.
4. All of the proposed municipal projects and school capital projects are planned to be funded by capital reserve funds, property taxes, and/or user fees (i.e. regular revenue). Grant monies and donations may be used to provide additional funding for the reconstruction of town roads.
5. In total, it is anticipated that the proposed municipal capital expenditures will average approximately \$1,019,643 per year with an average of \$732,310 to be funded by the Town's property tax. The difference between these numbers is due to the fact that some projects will be funded through capital reserve and/or grant monies. Therefore, they will not impact the net tax rate. This will produce an average municipal tax impact of approximately \$1.49 per year, based on an assessed 2006 valuation of \$444,926,575.
 1. Currently, the only outstanding debt is for \$100,000 for the town library.

Introduction

In June 2001, the Planning Board adopted a comprehensive update to the 1982 Master Plan. Adoption of the 2001 Master Plan Update represented the culmination of two and a half years of work completed by over one hundred volunteers and local officials. In addition to in-depth discussion of land use patterns, conservation issues, anticipated population increases, and the economics of the community, this plan included a comprehensive community facilities chapter, which discussed the short and long-term needs of each department. One of the critical recommendations included in that chapter was that the Town create and adhere to, a Capital Improvement Plan (CIP) in accordance with NH RSA 674:5-8 (see appendix).

The CIP, an integral extension of the Master Plan, is a program budget and schedule that outlines a series of planned municipal expenditures for capital improvements. Essentially, the CIP is a plan that identifies when, how, and at what cost Epsom intends to expand or renovate its services and facilities over a 6-year period to accommodate existing and anticipated needs of the community as related to current and projected growth.

To accomplish the task of creating the Town's first CIP, the Planning Board, in collaboration with Budget Committee and department heads, appointed a four-person subcommittee consisting of representatives from a variety of local boards, as well as members of the public. This subcommittee was charged with developing project evaluation criteria and creating a standard definition for a capital improvement specific to the Town. The CIP subcommittee also held meetings with department heads to discuss projects and had the responsibility of projects in a way to accommodate the public need while minimizing significant fluctuations in the tax rate. The CIP is updated through an annual process.

For the purposes of this document, a capital improvement has been defined by two key criteria: (1) the item must have a cost of greater than \$10,000 and; (2) it must have a useful life of two years or more. Eligible items included heavy equipment, vehicles, expansion of water and sewer systems, special studies, purchase of land, as well as construction of roads and buildings. Recurring costs such as personnel and supplies are not capital improvements, and thus are not included within this plan. Some items, such as maintenance or repair, may or may not be included depending upon the cost and the useful life of the repair.

Purpose and Use of the Capital Improvements Plan

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 a Capital Improvements Plan (CIP). With the adoption of the CIP, the Town may be able to regulate the rate of growth, should the need for such control become necessary. In the meantime, the CIP, in conjunction with the Master Plan, will enable the Planning Board to use its power under RSA 674:36 to deny applications for development that are premature due to the lack of sufficient public services and/or infrastructure. 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% of the Town's Assessed Valuation and the School bonded indebtedness is limited to 7% of the Town's Assessed Valuation.
3. **A Management Tool for Town Officials:** The 2001 Master Plan Update contains projections and analyses of the Town's demographic trends and finances which local officials may find useful in planning and delivering public services. A comprehensive, long-term picture of capital needs is created because all capital items are placed in one schedule. By providing a thorough analysis of anticipated expenditures, the Capital Improvements Program can be used by local officials as a valuable financial management tool.
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 cost 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.
5. **Use by the Selectmen and Budget Committee:** Another key function of the CIP is to act as an advisory document to the Board of Selectmen and Budget Committee. The CIP can help those entities more efficiently plan for current and future expenditures. The goal of a CIP is to help minimize sharp fluctuations in the tax rate and plan how to pay for larger projects, thus helping to insure a sound fiscal future for the community. Though the Capital

Improvements Plan is an advisory document without the force of law, a properly prepared CIP will be effective and credible when annual consideration of the budget takes place.

6. **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 Improvement Program. Through adoption of this CIP, as well as the 2001 Master Plan Update, Epsom now has the legal ability to assess impact fees to developers through the zoning ordinance. Such fees are used to construct or acquire necessary public infrastructure in order to accommodate demands created by new growth.

Scope of the Capital Improvements Program

This Capital Improvements Program identifies capital expenditures anticipated over the next six (6) years (2008 – 2013). Within this time frame, however, other projects of high priority might be identified and will warrant inclusion in the Town's capital spending plan. After projects are completed for a particular year, they are removed from the plan and the status of pending projects should be examined and adjustments should be made in their scheduling. New projects should be added at this time and the total annual revision reviewed, preferably in the fall, when the department budgets are prepared.

Financial Analysis

Explanation of Terminology

Equalized valuation, or equalization, is an adjustment of the town's local assessed values, either upward or downward, in order to approximate the full value of the town's property. Each year, the NH Department of Revenue Administration (NH DRA) equalizes the property values for every city and town. This process is due to an imbalance caused by varying local assessment levels. Adjusting these values among towns is the only way for statewide consistency. The total value of all property in town is adjusted based upon the comparison of recent property sales with local property assessments. Once property values have been equalized, public taxes and state revenues shared by towns and cities may be fairly apportioned among them. This includes state education property taxes and county taxes.

As generated statistics, equalization ratios are used when revaluation companies are planning their work and are used by assessing officials to periodically check the validity of assessments. Ratios are computed using properties that have sold during the period: the prices the properties actually sold for are compared to the values listed on the assessment cards. The median ratio in a listing of properties is selected to represent the equalization ratio in a town because it gives equal weight to all properties regardless of selling price. The ratio can help towns judge when revaluation should occur and how the town compares with other towns or cities.

The full value tax rate is the equalized tax rate for a town. Contrary to popular belief, the town's equalization ratio cannot be applied directly to the local assessed rate to equal the full value tax rate since other variables are involved. This full value tax rate permits comparisons to other towns in the state for apportionment purposes.

The state school tax rate, or the State Grant/Cost of an Adequate Education, is the town's share of the statewide cost for an adequate education. Each town is responsible for raising an amount equal to \$2.84 per \$1,000 of the town's share of the statewide cost of an adequate education. In order for the town to raise this amount, the rate must be restated to reflect the equalized value of the town (developed by NH DRA) instead of the local assessed value of the town (developed by the Town). This is why different communities' rates do not exactly match the \$2.84 per \$1,000 in state school taxes. Other factors that influence the rate difference include exemptions to the elderly and any new construction that has taken place in the past year.

The local school tax rate is calculated using the local assessment of a town. The local assessment is apportioned based on the number of students from each town (also called the average daily membership) and the equalized valuation of each town.

Long Term Debt / Bonded Indebtedness

Epsom has the ability to use bonds for the funding of large-scale municipal projects. Bonds typically last from five to twenty years. Low-interest loans and bonds are provided by the NH Municipal Bond Bank and by private organizations. Towns are permitted to carry a certain

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amount of debt, as described below. The Town of Epsom used a \$250,000 bond to fund construction of a new library. There is \$100,000 remaining to be paid.

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). Towns participating in a cooperative school district can incur bonded indebtedness up to 10.0% of its equalized valuation. Water projects, the portion of sewer projects financed by users, and tax anticipation notes are excluded from the calculation of indebtedness. Based on State law, the bonding capacity and amount available for the Town of Epsom is as follows:

Epsom's Bonded Indebtedness, 2007			
	Maximum Bonding Capacity	Existing Debt	Available Bonding Capacity
Town (3%)	\$13,347,797	\$100,000	\$13,247,797
Local School (7%)	\$31,144,860	\$0	\$31,144,860
Equalized Valuation, 2006	\$444,926,575		

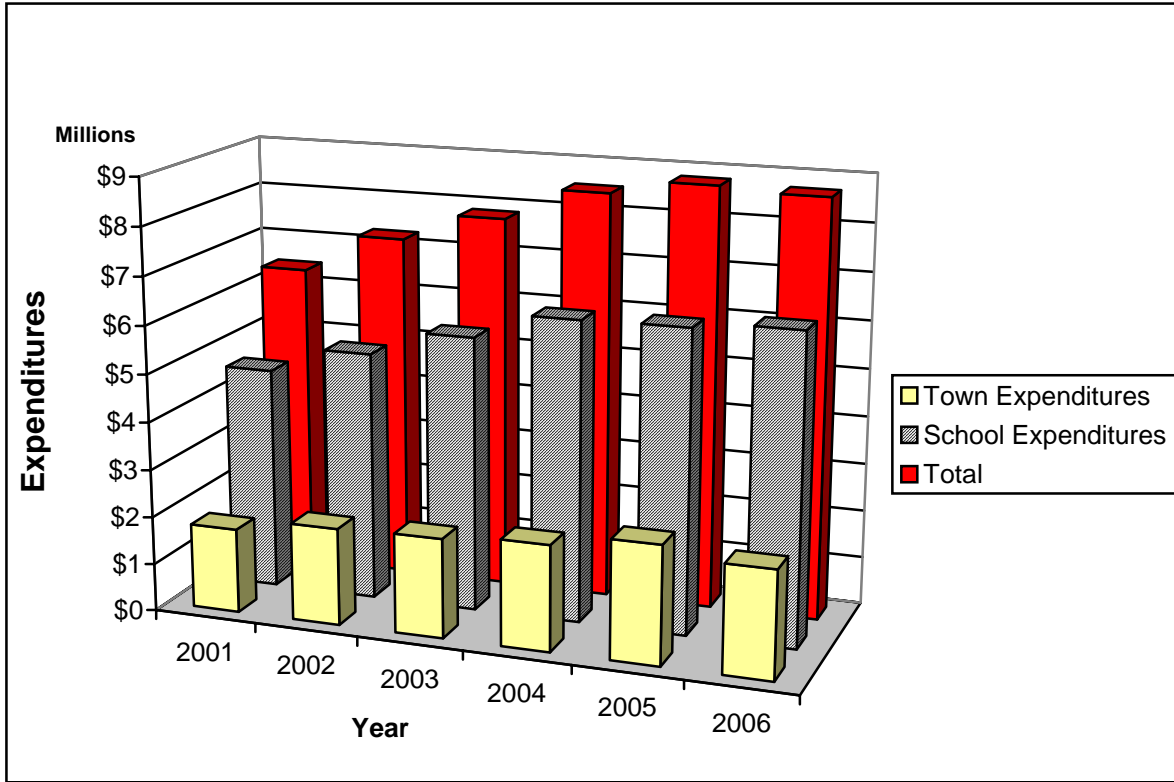
Source: NH DRA 2006 Equalization Survey

In order to create a CIP that is affordable, it is important to understand historical financial trends within Epsom in order to properly plan for future expenditures. The following is a summary of such trends. Note: The Local School bonded indebtedness is calculated for Epsom Central School only.

Expenditures

The cost of operating municipal services and providing school services in the Town of Epsom increased from \$6,422,934 in 2001 to \$8,698,531 in 2006 for a total percentage increase of 35.4% during that six (6) year period (includes Town and School District Budget combined). Municipal operating expenditures increased a total of \$482,394 from \$1,767,929 in 2001 to \$2,250,323 in 2006 for a total percentage increase of 27% during that six (6) year period. Operating school expenditures increased a total of \$1,793,203 from \$4,655,005 in 2001 to \$6,448,208 in 2006, or 38.5%. Payments to other governments, in this case, county taxes, dropped from \$2.80 per \$1,000 in 2001 to \$1.97 per \$1,000 in 2006, or decrease of 29.6%. A five year history of expenditures in Epsom is shown below.

Figure 1: 2001 – 2006 Town Expenditures*



Source: Town of Epsom Annual Reports, 2001 – 2006

Revenues

Epsom has relied on a variety of revenue sources to finance municipal operations. Such sources include fees, licenses, trusts, interest on accounts, intergovernmental transfers (grants), and property taxes.

A 2006 town-wide revaluation for assessed property value has resulted in 100% equalization. The Town’s assessed valuation for 2006 is \$444,926,575. In 2001, assessed valuation was \$165,035,735, marking a total increase of \$279,890,840, or a 170% increase in property valuation revenue.

 * 2004 School Expenditures not available. Approved 2004 School District budget of \$6,284,017 used as an estimate.

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Tax Rates

In order to develop 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.

Figure 2: Annual Assessments

Annual Assessments, 2001 to 2006						
	2001	2002	2003	2004	2005	2006
Valuation before Exemptions	\$165,921,685	\$171,622,922	\$176,002,646	\$180,313,821	\$456,522,527	\$446,228,313
<i>Exemptions (Blind, Elderly)</i>	\$885,950	\$699,100	\$752,700	\$613,200	\$1,391,700	\$1,301,738
Total Property Valuation	\$165,035,735	\$170,923,822	\$175,249,946	\$179,700,621	\$455,130,827	\$444,926,575
Municipal Rate	2.75	2.78	2.91	3.50	2.61	2.20
<i>Town Raised</i>	\$453,848	\$475,168	\$509,977	\$628,952	\$1,187,891	\$976,599
County Rate	2.80	3.18	3.34	3.61	1.80	1.97
<i>Town Raised</i>	\$462,100	\$543,538	\$585,335	\$648,719	\$819,235	\$878,345
School Rate (local)	13.19	15.38	16.09	18.69	8.56	8.69
<i>Town Raised</i>	\$2,176,821	\$2,628,808	\$2,819,722	\$3,358,605	\$3,909,574	\$3,868,236
School Rate (state)	6.41	6.6	6.76	5.34	2.01	2.05
<i>Town Raised</i>	\$1,057,879	\$1,128,097	\$1,184,690	\$959,601	\$914,813	\$898,804
Total Tax Rate	25.15	27.94	29.1	31.14	15.01	14.91
Total Assessments	\$4,150,649	\$4,775,612	\$5,099,773	\$5,595,877	\$6,831,514	\$6,621,984
<i>Equalization ratio (%)</i>	83.0	69.0	59.6	57.8	100.0	100.0

Source: Epsom Annual Town Reports, 2006/NH DRAMunicipal Finance Bureau

The valuation does not include utilities. The NH Department of Revenue Association (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. Exemptions such as elderly, blind, and disabled are removed to reach the Net Property Valuation.

Over the six (6) year period from 2001-2006, the annual property tax assessment increased 59%. Note that some of this increase was due a town-wide reevaluation in 2005.

Summary of Recommended Projects, 2008-2013

This section lists each of the proposed capital projects, its cost and year of investment for the 2008-2013 period. In preparing this document, the CIP Subcommittee surveyed all Town departments as well as the School Board and Water District for information on the current adequacy and needs of their facilities and equipment, and identification of future needs for expansion, improvements and additions.

Using data submitted by department heads for this document, the CIP subcommittee identified nine (9) **Municipal** projects for inclusion in the Capital Improvements Program. All of the identified projects are to be funded out of the Town's annual budget. The **Epsom School District** has identified a total of eight (8) capital projects over the next six years.

Proposed projects are intended to address the needs of the Town as well as to correct deficiencies in the Town's infrastructure, services, and meet the service needs generated by increased population growth and development.

The following is a summary of projects voted by the subcommittee to be included in the CIP 2008-2013. The project priority rating scale used by the committee is as follows:

- 1 **Urgent:** Cannot be delayed; needed immediately for public health and safety.
- 2 **Necessary:** Needed within three years to maintain basic level of community services.
- 3 **Desirable:** Needed within 4-6 years to improve quality or level of services
- 4 **Deferrable:** Can be placed on hold until after 6 year period
- 5 **Premature:** Needs more research, planning and coordination.
- 6 **Inconsistent:** Contrary to land use planning or community development goals.

Projects which are also recommended in the 2001 Master Plan are designated with this symbol:
➔MP.

DEPARTMENT REQUESTS and PROJECT TITLE	Proposed Year (purchase or construction)	Estimated Cost
FIRE DEPARTMENT Requests		
Ambulance Purchase (Project Priority 2)	2010	\$190,000
This purchase would be a second ambulance to expand the fleet.		
New Engine or Ladder Truck (Project Priority 2) ➔MP	2008-2009	\$500,000
Project is to acquire new Engine or Ladder Truck to replace Engine #1. Acquisition of a new Engine or Ladder Truck will help to improve service and meet anticipated future needs. Purchase will relieve pressure on other older vehicles, thus helping to extend the service life of other trucks within the fleet. Lease purchase to own.		

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DEPARTMENT REQUESTS and PROJECT TITLE	Proposed Year (purchase or construction)	Estimated Cost
POLICE DEPARTMENT Request		
Roof replacement of police station (Project Priority 2)	2008	\$10,000
The police station building will be about 15 years old in 2009, and will need old roof shingles to be removed and replaced.		

DEPARTMENT REQUESTS and PROJECT TITLE	Proposed Year (purchase or construction)	Estimated Cost
BOARD OF SELECTMEN Request		
Construction of New Town Offices (Project Priority 2) ➡MP	2009	\$500,000
The existing Town offices / meeting spaces are located in rental property on Blackhall Road. The current rental space is 3,000 SF. The Town will begin a capital reserve fund so that construction may start in FY 2009.		

DEPARTMENT REQUESTS and PROJECT TITLE	Proposed Year (purchase or construction)	Estimated Cost
HIGHWAY DEPARTMENT Requests		
Backhoe Purchase (Project Priority 5) ➡MP	2013	\$95,000
Project is to acquire a back hoe to extend the service capabilities of the road department through a lease purchase.		
Highway Department Property Purchase (Project Priority 3) ➡MP	2010	\$120,000
Project is to purchase additional property at present location or purchase property at a more central location that would have a more safe entrance. At the present location, the town does not own the entrance, only has a right of way.		
Reconstruct Various Town Roads (Project Priority 1)	2008-2013	\$3,207,858
Project is to implement a Road Improvement Plan to upgrade Town roads for safety and to handle increasing traffic.		
Utility Pick-Up Truck Purchase (Project Priority 5) ➡MP	2013	\$25,000
Would replace existing truck.		
6 Wheel Plow/Dump Truck Purchase (Project Priority 3) ➡MP	2011	\$140,000
Truck would also be equipped with an in bed sander spreader, front plow and side plow wing. Would replace existing older truck.		

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DEPARTMENT REQUESTS and PROJECT TITLE	Proposed Year (purchase or construction)	Estimated Cost
EPSOM SCHOOL DISTRICT - EPSOM CENTRAL SCHOOL (ECS)		
Work Truck Purchase (Project Priority 5)	2009	\$40,000
Purchase a work truck for use by the Epsom School District.		
Generator Purchase (Project Priority 5)	2010	\$100,000
A generator is needed so ECS can function as an emergency shelter for the Town under Red Cross requirements. A generator would also assist in helping the school to operate during power outages.		
Reface Old Fiberglass Exterior Wall System (Project Priority 2)	2010	\$50,000
Remove exterior fiberglass panels from 3rd floor areas and replace with block/brick construction and new windows. Some exterior re-facing was completed as part of the 1993/4 addition project. The proposed project would result in a tighter, more energy-efficient building with lower long-range maintenance costs.		
Heating and Ventilation Replacement (Project Priority 2)	2010	\$150,000
Replace the outdated air handler system for the 1950s building.		
Leach Field Replacement (Project Priority 5)	2011	\$150,000
The existing leach field needs to be replaced.		
Exterior Restroom/Concession Stand (Project Priority 5)	2011	\$50,000
Construct a restroom/concession stand area for the athletic fields.		
Re-tarring of Parking Lots and Playground Area (Project Priority 5)	2012	\$250,000
The parking lots and playground area needs to be re-tarred due to deterioration over time.		
Sport Storage Building off Gymnasium (Project Priority 2)	2009	\$75,000
A new building needs to be constructed to store sports equipment. Storage space is very limited. This will give storage to sports equipment, including town leagues.		

The original applications are on file in the Planning Board office. The applications give additional detail on the impacts to the operating budget and which anticipated method will fund each application.

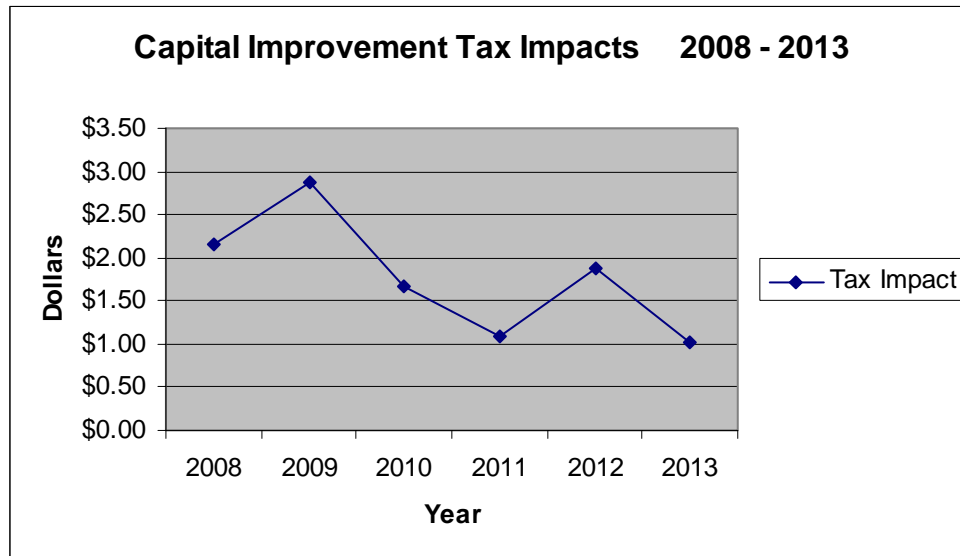
Overall Tax Impact for Capital Improvements Only

From 2008 - 2013, the Town anticipates appropriating an average of approximately \$732,310 per year for municipal capital expenditures (this amount includes only property tax appropriations). It is estimated that this will produce a municipal tax impact of an average of \$1.49 per year based on the *estimated* assessed valuation using an estimated 2.2% increase in the Town net valuation per year. The anticipated tax impact from school capital expenditures is approximately \$0.29 per year. Overall, the total (municipal and school) tax impact would average \$1.78 for 2008-2013. Please see graph below for more detail regarding anticipated annual tax impact.

Anticipated Impacts to Tax Rates, 2008-2013

Capital Improvement Tax Impacts 2008-2013

Year	Municipal	School	Total
2008	\$2.16	\$0.00	\$2.16
2009	\$2.64	\$0.24	\$2.88
2010	\$1.07	\$0.61	\$1.68
2011	\$0.69	\$0.40	\$1.09
2012	\$1.38	\$0.49	\$1.87
2013	\$1.02	\$0.00	\$1.02



Summary and Anticipated Financial Impacts

In summary, this Capital Improvements Plan (CIP) will help the Town better anticipate major future expenditures, thus giving the community the opportunity to plan for such expenses. By planning for future capital purchases and construction of new facilities, the Town will be able to better utilize tax dollars more efficiently while still satisfying community needs and goals.

In total, it is anticipated that the proposed municipal capital expenditures will average approximately \$1,019,643 per year, with an average of \$732,310 to be funded by the Town's property tax per year (the difference between these numbers is due to the fact that some projects will be funded through capital reserve and/or grant monies and will, therefore, not impact the net tax rate). This will produce an average municipal tax impact of approximately \$1.49 per year. To further reduce the financial burden, numerous alternative funding sources and grants are identified within this plan.

By implementing this plan, the Town will achieve level funding of capital purchases, thus not resulting in drastic fluctuations in the tax rate. Furthermore, this CIP, in combination with the Master Plan, also provides the Town the authority to regulate growth.

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 expenditure into a single year, sometimes resulting in higher taxes for the year of the purchase.

2. **General Obligation Bond**: General obligation bonds are used to finance major capital projects. They are issued for a period of time ranging from five (5) to 20 years, during which time principal and interest payments are made. Bonds are secured by the government's power to tax, and are paid for 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 do commit resources over a long period of time, thereby decreasing the flexibility of how yearly revenue can be utilized. NH RSA 33:3 mandates that bonds or notes may only be issued for the following purposes:
 - Acquisition of land;
 - Planning relative to public facilities;
 - Construction, reconstruction, alteration, enlargement or purchase of public buildings;
 - Public works or improvements of a lasting nature;
 - Purchase of equipment of a lasting character;
 - Payment of judgments; and,
 - Revaluation or acquisition of tax maps, RSA 33:3-b.

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

The advantage of a CRF is that the major acquisition or improvement can be made without the need to go into the bond market with the accompanying interest payments. The

disadvantage to present taxpayers is that future residents enjoy the benefits of the improvement(s) without having to pay for them.

4. Special Revenue Sources: Special revenue sources include user fees, payments in lieu of taxes, gifts/donations, trusts, development impact fees, and intergovernmental transfers (i.e. grants) such as NH Shared Revenues and Highway Aid grants. The State of NH Building Aid is available at 30% for School District projects for grades K-6.

Funding Sources for Transportation Improvements

- ❖ Transportation Equity Act for the 21st Century (TEA 21): Enacted in June of 1998, this multi-billion dollar federal legislation authorizes the Federal Surface Transportation Programs for highways, highway safety, and transit for the 6-year period 1998-2003. Essentially, this act served to reauthorize and expand ISTEA, which expired in 1997. TEA-21 is the parent legislation which funds a variety of transportation programs including Congestion Mitigation and Air Quality Improvement Program and Transportation Enhancement Program.
- ❖ 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.
- ❖ 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.

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- ❖ 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 NHDOT municipal highways engineer.
- ❖ 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. Apportionment “B” funds are allocated in the sum of \$117 per mile of Class V road in the community. 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. Currently, Epsom receives approximately \$109,000 per year in highway block grants from the State.
- ❖ State Bridge Aid: This program helps to supplement the cost to communities of bridge construction on Class II and V roads in the State. Funds are allocated by NHDOT in the order in which applications for assistance are received. The amount of aid a community may receive is based upon equalized assessed valuation and varies from two-thirds to seven-eighths of the total cost of the project.
- ❖ 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.
- ❖ 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 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.
- ❖ Impact Fees: Authorized by RSA 674:21, communities can adopt impact fee programs to offset the costs of expanding services and facilities communities must absorb when a new home or commercial unit is constructed in town. Unlike exactions, impact fees are uniform fees administered by the building inspector and are collected for general impacts of the development, as opposed to exaction which are administered by the planning board and are collected for specific impacts unique to new site plans or subdivisions on Town roads. The amount of an impact fee is developed through a series of calculations. Impact fees are charged to new homes or commercial structures at the time a building permit is issued.

When considering implementing an impact fee ordinance, it is important to understand that the impact fee system is adopted by amending the zoning ordinance. The law also requires that communities adopting impact fees must have a Capital Improvements Program (CIP). Lastly, State law also stipulates that all impact fees collect by a community must be used within 6 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.

Funding Sources for Recreational Improvements

- ❖ TEA-21 Recreational Trails Program: A federal program administered in New Hampshire by the Department of Resources and Economic Development, Trails Bureau. Funding for the program is derived from the Federal Gas Tax. Annually, communities submit competitive grant applications for funds. Grant amounts are limited to a maximum of \$20,000 and require an “in-kind” community match of 20% of the grant amount. Acceptable forms of matching contributions include cash, materials, labor, and in-kind services. Projects eligible for this funding include trails for both motorized and non-motorized use. In 1999, New Hampshire received a total of \$472,741 for this program.

Miscellaneous Funding Sources

- ❖ 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 and, in New Hampshire, are administered by the Office of State Planning. 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. In 1999, New Hampshire received over \$10 million in CDBG funds that, through the grant process, were allocated to communities across the State.
- ❖ 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.
- ❖ 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.
- ❖ 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.
- ❖ 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

- ❖ 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).
- ❖ Conservation Fund: This fund is much like a Capital Reserve Fund, where Town Meeting approval needs to be sought to expend the accumulated funds. The primary purpose of the Fund (RSA 36-A:5) is to acquire real estate for conservation purposes.
- ❖ “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.
- ❖ 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

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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.

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(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.



TOWN OF EPSOM
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MEMORANDUM

To: All Epsom Town Department Heads and School District
From: Harvey Harkness, CIP Committee Chair
Date: July 9, 2007
Subject: CAPITAL IMPROVEMENTS PROGRAM 2008-2013
RESPONSES DUE BY July 23, 2007 TO TOWN OFFICES

As an extension of the 2001 Master Plan Update, the Planning Board, in conjunction with the Board of Selectmen and Budget Committee, undertook an effort to develop a Capital Improvements Program (CIP), as authorized by the 2001 Annual Meeting. The Planning Board adopted and certified the most recent Capital Improvements Program for 2006-2011 on August 9, 2006. As part of the Epsom Capital Improvements Planning and Implementation Process, the CIP Process is repeated on an annual basis. Projects are re-evaluated and re-ranked according to criteria approved by the Planning Board or CIP subcommittee. This updated Epsom CIP will make recommendations for 2008-2013.

Attached are four copies of blank Project Applications and an excerpt of the CIP with tables of all projects that were considered for funding between 2006 and 2011.

- 1) For each project you submitted last year: If there are any revisions to the description, cost, funding sources, or year(s), or if the project has been completed or was not completed in 2006, please submit a new application with the revisions clearly stated. *Only the revised details need to be placed into the application.*
- 2) For new projects this year: Complete a new application for any new projects you would like the CIP Committee to consider for inclusion into the 2008-2013 CIP.

Please submit your new and revised Applications for capital purchases to Harvey Harkness (736-4571) no later than JULY 23, 2007. Visit the Town Office if you need more Applications.

We may contact you to attend one of the early CIP Committee meetings to explain your project(s). The Planning Board, Board of Selectmen, and the CIP Committee sincerely appreciate your assistance with this important community project.

PLEASE RETURN APPLICATIONS BY JULY 23, 2007

The back side of this memo contains general information about a CIP and the guidelines for CIP projects.

- Adopted December 2007 -

Information about the CIP

The CIP is a document designed to better-forecast long-range capital needs of all Town departments, boards, and commissions. By creating such a program, it is hoped that sharp fluctuations in the tax rate due to unanticipated capital expenditures will be eliminated. Also, by creating a CIP, the Town will acquire the ability to regulate growth and/or charge development impact fees. New Hampshire RSA 674:7 requires, as part of the CIP process, that all municipal departments and related agencies submit a statement of all capital purchases and projects they intend to undertake during the term of the CIP upon request of the Planning Board. The same statute also requires communication between the Planning Board and School Board.

The CIP is meant to supplement the current budget process. By taking place prior to the regular budget process, the CIP will help guide decisions of the Selectmen, and will help those entities understand the long-term needs of each department so that the Town can make informed and pro-active fiscal decisions. In order to make this project a success, your participation is required.

Please note that the CIP is an advisory document only; the inclusion of any particular project/purchase on your list or its listing in the CIP does not commit the Town to that expenditure. After adoption, the final CIP will be distributed to the Board of Selectmen for consideration during the budget process.

Information about the Eligible Projects

Using the attached Project Applications, please provide recommendations for specific capital projects or purchases your Department or Committee would like to undertake within the next six years (between 2008-2013) and provide costs estimates for each. For the purposes of the CIP, a capital expenditure is defined as a project/purchase outside of the normal operations and maintenance, having the following characteristics:

A gross cost of at least \$10,000; and,

- A useful life of at least two (2) years; and,
- Is non-recurring (i.e. not an annual budget item); or
- Any project requiring bond financing.

Common examples of CIP items include:

- Architectural / Engineering Studies and/or Feasibility Analyses or Plans
- Road and Bridge Reconstruction Projects.
- Installation of traffic signals.
- Construction of sidewalks and bicycle paths.
- Construction of recreational facilities.
- Construction / renovation / expansion of municipal buildings, including town hall, town offices, library, schools, fire / police station, highway department garage, etc.
- Acquisition of conservation land.
- Expansion of schools, school equipment, or school renovations.
- Acquisition of historic structures and sites.
- Installation / renovation / expansion of waterlines.
- Property revaluation.
- Creation of Master Plans.
- Lease and/or purchase of heavy equipment and vehicles such as police cruisers, fire equipment, and highway department equipment.

Epsom Capital Improvement Program 2008-2013

If the project or purchase is eligible for any federal or state grants, matching funds, or loans, please indicate on the Application for each project / purchase. One Application should be completed for each capital request. When necessary, please attach additional pages to each Application for further explanation of each project. If you have detailed cost estimates as provided from contractors, architects, engineers, and/or sales representatives, they should be attached.