

CAPITAL IMPROVEMENT PLAN

2007 TO 2012

TOWN OF RAYMOND, NH

BOARD OF SELECTMEN

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TOWN OF RAYMOND, NH

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Board of Selectmen
Town of Raymond, NH
4 Epping Street
Raymond, NH 03077

and

School Board
SAU 33
Harriman Hill Road
Raymond, NH 03077

The Planning Board is pleased to submit its 2007 – 2012 Capital Improvement Plan for Town of Raymond, NH. It presents the Planning Board’s recommendations, which are the result of many meetings with the Board’s Capital Improvement Plan Committee and Town and School Management. It identifies and schedules the Town’s short and long-term improvements and infrastructure needs over a six-year time frame.

The Board has retained a format allowing for a comparison with previous plans. In using this approach, the Board acknowledges that a relatively stable amount of the Town’s taxing revenues, should be devoted to funding improvements, as the non-funding of these, in the Board’s opinion, will not save money. Over time, each item needs to be addressed. The Board recommends, therefore that approximately \$700,000 to \$1,200,000 should be annually appropriated from the General Fund for capital projects. This recommended amount, combined with grants, matching funds and other programs, is sufficient to support on-going projects and to initiate those that are most needed.

The Board has provided a recommended start date for each project. This schedule is dependent on the resident’s action at Deliberative Sessions and Election Day in regard to this overall plan.

With this plan, the Board provides a comprehensive picture of the Town for presentation to the Public and the Board of Selectmen. It will be used as a constructive guide for making improvements in an orderly and scheduled basis, in the budgeting process, and for setting Impact Fees.

Respectfully submitted,

John F. Page, Sr., Chairman

Planning Board Members

- Frank Bourque, Vice Chair
- William “Bill” Cantwell, Secretary
- Peter Buckingham
- Robert “Bob” Carlberg
- Gregory Bemis, Board of Selectmen Representative
- Frank Bishop, Board of Selectmen Alt., Representative
- Wayne Welch, Alternate
- Jonathan Wood
- Maurice Titcomb, Alternate
- Gretchen Gott, Alternate

INTRODUCTION

The Capital Improvement Plan, as a timetable for accomplishing needed improvements on a scheduled basis, is one of the most important documents considered by the Board of Selectmen. It is important because it has a major impact on the allocation of fiscal resources, and it contributes to setting Town expenditures for many years to come. When the Plan is adopted and fully utilized, it ensures that needed facilities are provided within the Town's financial capability. The Plan's purposes are to:

1. Provide a complete picture of the Town's major development needs
2. Establish fiscal priorities for and between various projects
3. Schedule major projects so as to reduce fluctuations in the tax rate
4. Balance the use of funding sources in the most beneficial manner
5. Discourage piecemeal improvements and duplication of expenditures
6. Coordinate the activities of various Town departments and agencies
7. Assist in implementing recommendations of the Town's Master Plan
8. Inform the taxpayers of anticipated future improvements
9. Arrange opportunities for the Public to offer comments on the Plan

After Town and School management submit their particular capital improvement requests, a Sub-committee of the Planning Board convenes meetings where Department representatives explain their requests. The Sub-committee then evaluates each request and makes recommendations to the Planning Board. After consideration by the Board, a Capital Improvement Plan is adopted as part of the Town's Master Plan. The Plan is next conveyed to the Board of Selectmen for Public Hearing and adoption in accordance with Town requirements. In the Plan, while some proposed projects are desirable and deferrable, others have reached a critical stage and therefore are scheduled in the early years of the Plan. These improvements are particularly needed, if the Town is going to provide adequate services, and meet anticipated needs. A Town, which seeks balanced commercial, industrial, and residential growth, must itself act to provide those services that allow for such growth, and that requires a substantial and sustainable fiscal commitment to the expansion and improvement of the Town's physical infrastructure.

DEFINITION OF A CAPITAL IMPROVEMENT

As used in the Capital Improvement Plan, as capital improvement project is defined as a major fiscal expenditure which is made infrequently or which is non-recurring and includes one or more of the following:

1. Acquisition of land
2. Construction or expansion of public facility, street, or utility lines
3. Non-recurring rehabilitation of a facility
4. Design work or planning study related to an individual project
5. Any item that costs more than \$15,000 and has a useful life of 5 or more years
6. Replacement and purchase of vehicles
7. Or as deemed appropriate and necessary by the Planning Board

#1 GOAL OF THE 2007 CIP

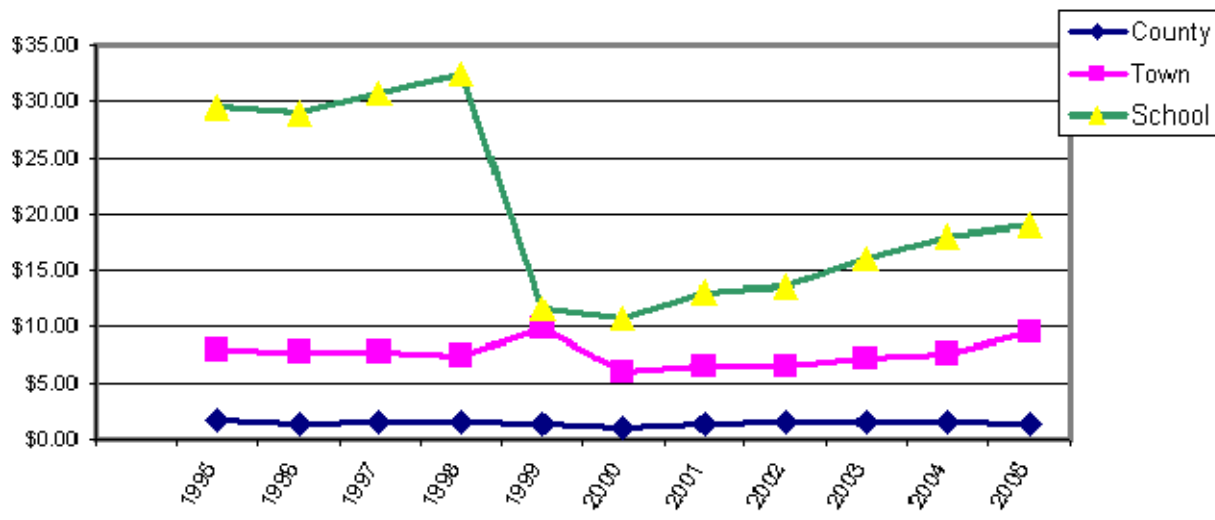
To Use This Plan as a Tool To Level the Tax effect of Major Purchases

Town of Raymond, NH

Ten Year Tax Rate Comparison

Year	Ratio	County (Equalized)		Town (Equalized)		School (Equalized)		State Ed (Equalized)		Total (Equalized)	
1995	89%	\$1.68	\$1.50	\$7.99	\$7.11	\$29.50	\$26.26			\$39.17	\$34.86
1996	88%	1.48	1.30	7.73	6.80	29.04	25.56			38.25	33.66
1997	80%	1.60	1.28	7.72	6.18	30.68	24.54			40.00	32.00
1998	76%	1.54	1.17	7.44	5.65	32.45	24.66			41.43	31.49
1999	71%	1.49	1.06	9.93	7.05	11.73	8.33	9.56	6.60	32.71	23.04
2000	100%	1.04	1.04	6.03	6.03	10.84	10.84	5.61	5.61	23.52	23.52
2001	94%	1.45	1.36	6.47	6.08	13.05	12.27	6.11	6.11	27.08	25.82
2002	78%	1.51	1.18	6.60	5.15	13.57	10.58	6.13	6.13	27.81	23.04
2003	68%	1.56	1.06	7.19	4.89	16	10.88	6.13	6.13	30.88	22.96
2004	60%	1.60	0.96	7.62	4.59	17.99	10.83	4.70	6.13	31.91	22.51
2005	59.3%	1.47	0.87	9.50	5.63	19.17	11.37	4.42	6.13	34.56	24.00

Actual Tax Rate 1994-2004

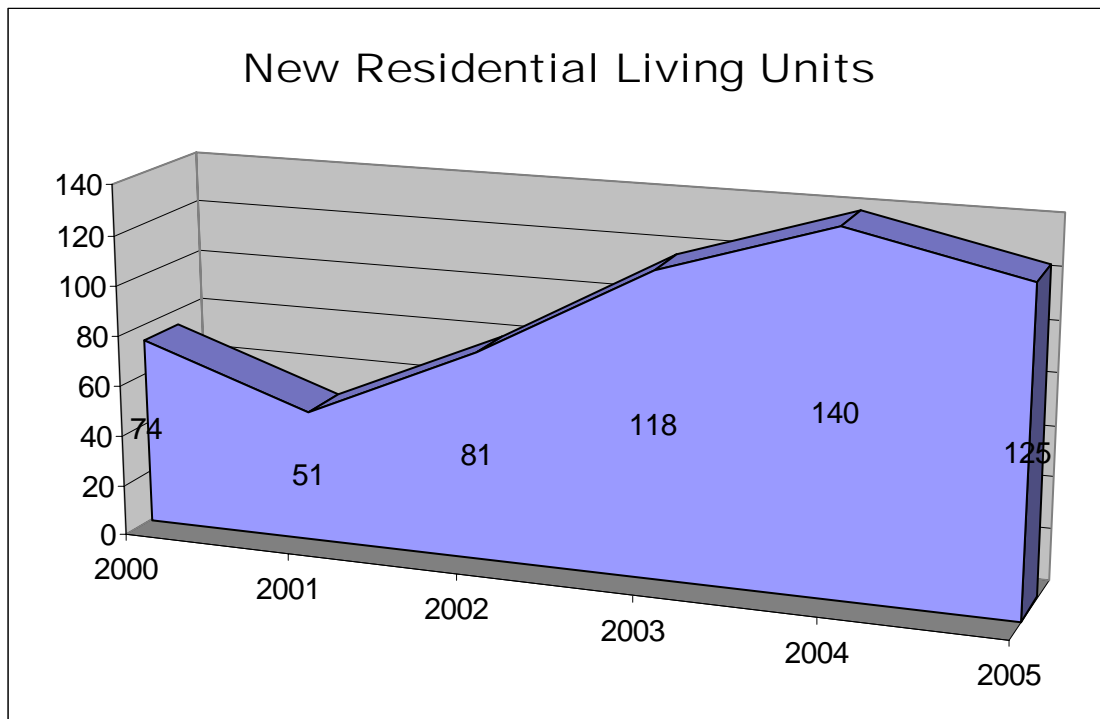


Note: Equalized tax rates are rates with assessments of property at market value

#2 GOAL OF THE 2007 CIP

Define Costs for Establishing Impact Fee Rates

- We currently have an average of 348 people per square mile
- We are expected to have a maximum of 1000 people per square mile within the next 20 years
- We are averaging 100 new single family homes per year
- Impact fees will help the increase in town services to be paid by the new residents, instead of increasing the tax rate for the current residents



METHODS OF FINANCING

The Capital Improvement Plan projects are funded from a variety of sources (note the abbreviations). These include: General Fund (GF); Federal and State grants (G); General Obligation bonds (B); Water or Sewer User Fees (U); Revenue bonds (R); Tax Increment Financing (TIF), Capital Reserve Funds (CRF), and Impact Fees (IF).

General Fund (GF) – The most commonly used method of financing capital projects is through the use of the General Fund. The General Fund includes the money raised by local property tax for a given year. When a project is funded with General Fund revenues, the entire cost is paid off within one year. The intent is to budget annually a certain amount from the General Fund to address Town needs. If the Town has the financial capacity to pay for a project in a given year, the cost to the taxpayer will generally be less than if bonded because there are no interest payments to be made. However, it does have the possibility of causing spikes and valleys in the tax rate.

Grants (G) – Grants from other levels of government may cover the full cost of a project, or provide matching funds to go with some locally raised funds.

General Obligation Bonds (B) – Bonds may be used to finance major municipal capital projects. These are issued for a period of time generally extending from ten to twenty years during which time principal and interest payments are made. They are secured by the power of general taxation. The time payment has the advantage of allowing the costs to be amortized over the life of the project, and of allowing taxpayers to pay a smaller amount of the project's cost at a time. Money raised for interest payments supplies no goods or services, but the people paying for the project are the same people who can use it. Bonds do commit the Town's resources over a long period of time and they do decrease the flexibility of how annual revenues can be utilized. The Town's bonding capacity is a limited resource. All bonded projects should meet minimum criteria to determine their eligibility and must have a life span at least equal to the bond life. The use on bonding helps to level the tax rate.

Water or Sewer User Fees (U) – The needs of the departments are met through the revenues raised from providing services. These costs are reflected in the user rates.

Revenue type Bonds (R) – These are issued to finance a revenue producing facility, such as a Water or Sewer facility. Water or Sewer user fees are used to pay the bond payments, so there is no local property tax effect.

Tax Increment Financing (TIF) – The cost of infrastructure improvements, in a defined area, are repaid from the increase in future property tax revenues.

Capital Reserve Funds (CRF) – Municipalities may set aside money in a reserve fund for public purposes. The money may come from taxation or surplus. There is a limit to the amount of money that may be placed into a reserve fund in any one year. For towns, the limit is one half of one percent (.5% or .005) of the base valuation for debt limit, computed annually by the Department of Revenue Administration. One of the problems with using reserve funds, is that

the persons paying for them are not receiving any benefit from their monies, but the use of reserve funds does help to level the tax rate. It also helps to lower the tax rate as interest income is received on these investments.

Impact Fees (IF) – Fees are charged with Occupancy Permits for new homes for related school and road expansion and improvements.

Deciding on which method of financing should be selected for a given project is dependent on a number of factors. These include – the cost of the project, its useful life, the eligibility of the project to receive funds from other than local tax sources, the current assessment, long-term and short-term financial obligations of the Town and the project's relative priority. The Plan seeks to maximize the potential benefits from all revenue sources.

Town of Raymond, NH Capital Improvement Plan & Budget Time-line

May – Departments submit CIP to the Town Finance Department

June – CIP reviewed by CIP Committee & Planning Board

July – Dept Head Budgets are submitted to the Town Finance Department

August – Town Manager finalizes his budget

September – Selectmen finalize their budget

October – Budget goes to Budget Committee