
CAPITAL IMPROVEMENTS PLAN
2006 - 2012

Adopted by the Pelham Planning Board on September 19, 2005

Prepared by the Pelham Capital Improvements Plan Committee:

Bill Scanzani, Chairman
Larry Hall, Vice-Chairman
Tom Domenico, Board of Selectmen Representative
Doug Viger, Budget Committee Representative
Linda Mahoney, School Board Representative
Steve Caruso, Member
Doug Fyfe, Member
Jeff Gowan, Member
Bob Haverty, Member
Eleanor Burton, Member

Pelham Planning Board

Bill Scanzani, Chairman
Peter McNamara, Vice Chairman
Gael Ouellette, Secretary
Victor Danevich, Selectmen's Representative
Robin Bousa, Member
Paddy Culbert, Member
Christine Medeiros, Member

Bob Yarmo, Alternate
Kenneth Dunne, Alternate
William D'Andrea, Planning Director

Charity Willis, Recording Secretary

With Assistance from:



Nashua Regional Planning Commission

TABLE OF CONTENTS

A.	INTRODUCTION	1
B.	FINANCING METHODS.....	5
C.	IDENTIFICATION OF DEPARTMENT CAPITAL REQUESTS	5
D.	PRIORITY SYSTEM.....	6
E.	LISTING AND DISCUSSION OF PROJECTS BY RECOMMENDED PRIORITY	10
F.	SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS AND SCHEDULE OF NON-PROPERTY TAX REVENUES.....	25
G.	CONCLUSIONS.....	27
H.	RECOMMENDATIONS	28

LIST OF TABLES

TABLE 1	PELHAM POPULATION, 1990-2025	2
TABLE 2	MUNICIPAL AND SCHOOL CAPITAL OUTLAY AND DEBT SERVICE, 1988-2004.....	2
TABLE 3	SUMMARY OF PROJECTS REQUESTED	7
TABLE 4	NET TAXABLE VALUE, 1990-2004.....	25
TABLE 5	2005-11 CIP PROJECTS UNFUNDED IN FY05 AND NOT RESUBMITTED IN 2006-12 CIP	26

LIST OF FIGURES

FIGURE 1	PELHAM HISTORICAL AND PROJECTED POPULATION	1
-----------------	---	----------

LIST OF APPENDICIES

APPENDIX ANH REVISED STATUTES ANNOTATED, CHAPTERS 674:5-8 & 674:21

APPENDIX B.....MASTER PLAN – SUMMARY OF RECOMMENDATIONS, 2002 MASTER PLAN

APPENDIX C CAPITAL PROJECT WORKSHEET AND SUBMISSION FORM

APPENDIX DSCHEDULE OF CIP PROJECTS, 2006-2012, ANNUAL COSTS AND REVENUES

APPENDIX E.....PELHAM SCHOOL DIST. 10 YR. BOND SCHEDULE – NEW ELEMENTARY SCHOOL

APPENDIX F PELHAM MUNICIPAL FACILITIES 20 YEAR BOND SCHEDULE

APPENDIX G.....PROPOSED COMBINATION CAPITAL PROJECTS 20 YEAR BOND SCHEDULE

PELHAM CAPITAL IMPROVEMENTS PLAN 2006-2012

A. INTRODUCTION

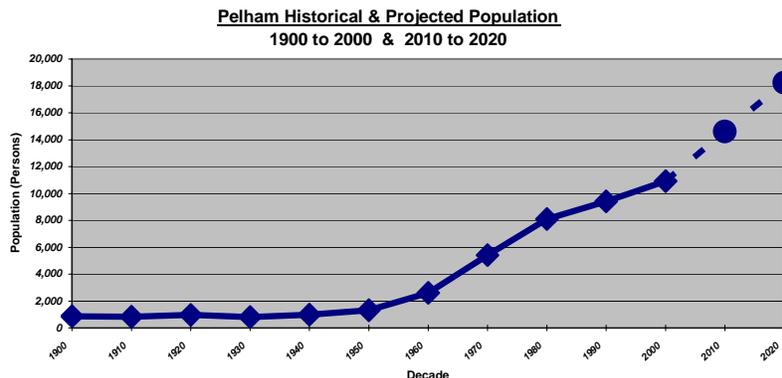
The preparation and adoption of a Capital Improvements Plan (CIP) is an important part of Pelham's planning process. A CIP aims to identify and resolve deficiencies in existing public facilities and to anticipate and meet future demand for capital facilities. A CIP is a multi-year schedule that programs a series of municipal projects and their associated costs. Over the seven-year period considered by the CIP, the plan shows how the Town should maintain, expand or renovate facilities and services as needed to meet the demands of existing and new residents and businesses.

A CIP is an advisory document that can serve a number of purposes, among them:

- To provide the Town of Pelham with a guide to be used by the Budget Committee, Board of Selectman, and School Board for their annual budgeting process (RSA 674:5-8);
- To provide a forward looking planning tool for the purpose of contributing to the creation of a stable real property tax rate;
- To aid the Town's elected officials, appointed committees, and department heads in the prioritization, coordination, and sequencing of various municipal and school improvements;
- To inform residents, business owners and developers of needed and planned improvements;
- To provide a necessary legal basis for the development and proper administration of the Town's impact fee system (RSA 674:21.V.(b)).

US Census figures show that Pelham's population experienced rapid growth between 1960 (pop. 2,605) and 1980 (pop. 8,090) and the most recent 2000 Census lists Pelham's population at 10,914. (Table 1, Figure 1). From 1980 to 2000, the rate of growth has abated slightly. The new 2005 NH Office of Energy and Planning (NHOEP) "Municipal Population Projections 2005 to 2025" forecasts similar growth rates to its previous 2003 projections. Current NHOEP projections show that Pelham continues to grow at a regular and consistent rate, from 12,860 in 2005 to 20,360 in 2025, at an average of 375 persons per year over the 20-year period. From 2000 to 2010, the change in population is estimated at 33.8%. No change in this trend is indicated, barring zoning changes. One exception to the NHOEP growth trends projected is the projections done for the proposed widening of Interstate 93 (I-93). According to the "I-93 Manchester to Salem Expert Panel Analysis," revised January 22, 2002 by Parsons Brinkerhoff Quade and Douglas, Inc.," Pelham's median population estimate is 18,650 in 2010, which is about 410 more than the 2005 NHOEP study and a total of 1,900 to 2,000 more people than in the Pelham Build-Out Analysis done by NRPC in 2002.

Figure 1



Sources: U.S. Census and New Hampshire Office of State Planning

Town of Pelham
Capital Improvements Plan
2006-2012

Table 1: Pelham Population, 1900-2025

Historical U.S. Census Population			NHOSP Proj		
Year	Population	% Change	Year	Population	% Change
1900	875	-	2005	12,860	17.8%
1910	826	-5.6%	2010	14,600	13.5%
1920	974	17.9%	2015	16,470	12.8%
1930	814	-16.4%	2020	18,240	10.7%
1940	979	20.3%	2025	20,360	11.6%
1950	1,317	34.5%			
1960	2,605	97.8%			
1970	5,408	107.6%			
1980	8,090	49.6%			
1990	9,408	16.3%			
2000	10,914	16.0%			

Sources: U.S. Census for 1900 to 2000.

New Hampshire Office of Energy and Planning (NHOEP) population projections January 2005.

A comparison of the Town's annual operating costs over the last ten years with capital outlay and debt suggests that while the overall budget of the Town has been increasing regularly, the municipal portion devoted to capital outlay and debt service has been somewhat irregular (Table 2). The Pelham School Districts routine capital expenditures had come to represent a smaller portion of the overall budget allocation, although the elementary school expenditure authorized in the year 2000 offset this trend somewhat, as seen in the increase from 2000 to 2001 school figures in the table below. It is a principal goal of the CIP to increase the predictability and regularity of the Town's budget for Capital improvement items by planning for routine and anticipated major purchases of durable capital equipment and determining appropriate methods for meeting the Town's capital facility needs. This schedule, if followed, will substantially reduce future tax increases if projects are funded when needed rather than long after they are overdue. Unfortunately, Pelham has often failed to follow its CIP schedule resulting in escalating costs for projects that would have been far less expensive to fund had they been completed as scheduled.

Table 2: Municipal & School Capital Outlay And Debt Service, 1990-2004

Year	Municipal Expenditures					School District Expenditures*					Total Expenditures				
	CAPITAL OUTLAY & DEBT (\$)	% CHANGE	OPERATING COSTS (\$)	% CHANGE	CAPITAL % OF TOTAL	CAPITAL OUTLAY & DEBT (\$)	% CHANGE	OPERATING COSTS (\$)	% CHANGE	CAPITAL % OF TOTAL	CAPITAL OUTLAY & DEBT (\$)	% CHANGE	OPERATING COSTS (\$)	% CHANGE	CAPITAL % OF TOTAL
1990	124,091	15.5%	2,871,669	2.5%	4.1%	151,243	-3.9%	7,384,674	9.1%	2.0%	275,334	4.0%	10,256,343	7.2%	2.6%
1991	86,189	-30.5%	2,739,636	-4.6%	3.1%	145,138	-4.0%	8,050,693	9.0%	1.8%	231,327	-16.0%	10,790,329	5.2%	2.1%
1992	55,744	-35.3%	3,414,790	24.6%	1.6%	139,033	-4.2%	7,611,446	-5.5%	1.8%	194,777	-15.8%	11,026,236	2.2%	1.7%
1993	232,858	317.7%	3,302,686	-3.3%	6.6%	127,928	-8.0%	8,461,182	11.2%	1.5%	360,786	85.2%	11,763,868	6.7%	3.0%
1994	1,063,849	356.9%	3,311,148	0.3%	24.3%	0	-100.0%	8,825,333	4.3%	0.0%	1,063,849	194.9%	12,136,481	3.2%	8.1%
1995	710,518	-33.2%	3,436,054	3.8%	17.1%	71,619	N/A.	9,217,060	4.4%	0.8%	782,137	-26.5%	12,653,114	4.3%	5.8%
1996	598,352	-15.8%	3,548,220	3.2%	14.4%	71,619	0.0%	9,768,371	6.0%	0.7%	669,971	-14.3%	13,316,591	5.2%	4.8%
1997	618,401	37.2%	3,224,184	-9.1%	16.1%	93,900	31.1%	10,002,740	7.6%	0.9%	712,301	6.3%	13,736,800	3.2%	4.9%
1998	506,149	-18.2%	3,416,705	6.0%	12.9%	81,021	-13.7%	9,964,651	-0.4%	0.8%	587,170	-17.6%	13,381,356	-2.6%	4.4%
1999	470,010	-7.1%	3,355,745	-1.8%	12.3%	61,048	-24.7%	11,986,818	19.3%	0.5%	531,058	-10.6%	15,342,563	14.7%	3.3%
2000	569,909	21.3%	3,719,699	10.8%	13.3%	79,894	30.9%	12,355,949	3.1%	0.6%	649,803	22.4%	16,075,648	4.8%	3.9%
2001**	519,149	-8.9%	4,050,482	8.9%	11.4%	394,335	393.6%	13,468,687	9.0%	2.8%	913,484	40.6%	17,519,169	9.0%	5.0%
2002	619,434	19.3%	4,772,009	17.8%	11.5%	1,610,919	308.5%	14,170,562	5.2%	10.2%	2,230,353	144.2%	19,562,005	11.7%	10.2%
2003	554,588	-10.5%	5,130,836	7.5%	9.8%	1,558,482	-3.3%	16,242,095	14.6%	8.8%	2,143,070	-3.9%	21,372,931	9.3%	9.1%
2004	590,469	6.5%	6,847,235	33.5%	8.6%	1,377,788	-11.6%	18,148,670	11.7%	7.6%	2,113,070	-1.2%	24,995,905	17.0%	8.5%

Sources: Town of Pelham, NH Annual Town Reports; Town and School Budget, (Actual Expenditures, Previous Year)

*School district figures are for the school year (e.g. 2004 = 03/04).

**Bond for New Elementary School accounts for large rise in School District Capital Outlay and Percentages from 2000 to 2001.

The Pelham Capital Improvements Plan Committee (the Committee) has prepared this report under the authority of the Planning Board and RSA 674:5-8 (Appendix A). It is the Committee's intention that this report reflects the capital needs of the Town of Pelham for the years 2006 to 2012 and offers critical guidance and practical recommendations to the Board of Selectmen, Budget Committee, School Board, Department Heads and residents of the Town as an integral part of the annual budgeting process.

Information was submitted to the Committee from all Town Departments, Boards and Committees, which helped form the basis of this document. Although this CIP spans a seven (7) year period, the CIP should be updated every year to reflect changing demands, new needs, and routine assessment of priorities and costs. This document contains those elements required by law to be included in a Capital Improvements Plan.

As indicated, the adoption of a CIP by the Planning Board is a statutory prerequisite to the application of impact fees. The adoption of an impact fee ordinance occurred in 1999, when in October of that year an impact fee schedule was approved to fund a portion of the cost to construct a new elementary school.

Impact fees, however, have significant limitations. They can only be used to offset the proportion of capital expenses attributed to new development. They may not be used to meet existing capital deficiencies. In addition, impact fees collected must be properly used within six years, or the Town must refund unused funds and accrued interest to the developer(s) who paid them. Despite these constraints, which are more clearly delineated in the statute in Appendix A, it has been a strong recommendation of the CIP Committee that the Town of Pelham use impact fees as a method to manage and reduce the future cost of capital improvements. Furthermore, many capital improvements recommended in this CIP are consistent with the long-term goals of the Pelham Master Plan as summarized in Appendix B.

After a detailed analysis of the Fire Department's needs for new facilities and the associated cost, the CIP Committee recommended and the Planning Board and Board of Selectman adopted a Fire department impact fee schedule in 2002. The CIP Committee has requested NRPC to update and the Planning Board to adopt an updated impact fee schedule for the fire department based on new information on the cost to build two (2) sub fire stations and a new central station as provided by the fire chief. The impact fees collected will aid in funding new facilities needed to accommodate growth and improve response times to outlying neighborhoods as the pressures of rapid growth continue in Pelham.

The CIP Committee has been hampered in its work on an impact fee for a new Pelham only High School due to the lack of a firm commitment and definitive plan submission with valid costs by the Pelham School Board. Since this is the largest single project scheduled in the CIP plan, the Pelham School Board's ultimate decision on exactly how they plan to solve their ever-increasing High School education needs is critical to establishing an accurate and definable impact fee schedule for adoption as soon as the properly researched information is provided by the Pelham School Board. The CIP Committee is committed to recommending a definitive impact fee for adoption as soon as the proper information is provided by the Pelham School Board. As stated above, the impact fee may only be assessed for capital expenses that are attributed to new development and cannot be used to resolve existing deficiencies clearly identified in the Team Design assessment of the current High School and by other professionals who have investigated the site.

The CIP Committee is also committed to establishing an impact fee for future Park and Recreational needs. The newly hired Parks and Recreation Director is working with the Board of Selectman and NRPC to develop a comprehensive seven (7) year plan to define the recreational needs of the Town in the years ahead. Once this plan is completed, which is expected in late 2005, the CIP Committee will work with the Town to recommend an impact fee to fund the future recreational needs that are anticipated as the town grows.

For the purposes of this document, a capital improvement is defined by its cost and its useful life. Items included have a cost of at least \$20,000 and generally have a useful life of at least three

years. Eligible items include new buildings or additions, land purchases, some studies, substantial road improvements and purchases of major vehicles and equipment. Operating expenditures for personnel and other general costs are not capital items and therefore are not included. Expenditures for maintenance or repair are generally not included unless the cost or scope of a project is substantial enough to increase the capacity of a facility, or an improvement is a major long-term repair that maintains the useful life a capital facility.

A brief description of each project prioritized by the CIP Committee and included in the 2006 to 2012 CIP schedule is provided below. Starting dates are not provided for deferred projects or those categorized as needing research. Typically deferred projects are not placed on the seven (7) year schedule because of the following:

- 1) There is insufficient information to determine the relative need for a capital improvement and additional research may be required before the Committee would consider allocating the project within the CIP schedule; or
- 2) Based on information available, the Committee has determined there is not a demonstrated need for a project in the next seven years.

The terrorist attacks of September 11, 2001 prompted the funding of a new Homeland Security Department. One of the directives of this department was to help communities with the funding of equipment in order to be better prepared for both terrorist and natural disasters. The Town of Pelham has benefited from the funding of the Homeland Security Department. Coordination of needs between the Pelham Fire and Police Departments have resulted in the town receiving almost \$350,000 to date in federal, state and county grants in order to fund equipment needs, certifications, and training. These funds, used for equipment have either eliminated certain previously scheduled items in the CIP or have allowed other planned items to remain unscheduled in future CIP plans. The town has already purchased a new 16' equipment trailer, a new portable electric generator, a cascade air-compression system to fill air tanks for the fire department, 14 new communication radios for the fire department, a thermal imager, air masks, and a multi-gas detection meter. All of this equipment is mobile enough to be reconnected or transferred to any addition/ relocation of primary safety buildings or vehicles. The police and fire departments continue to seek additional grant funds to reduce the need for property taxes to fund needs. Some of these grants require the safety departments to have newer equipment and vehicles. Not having this equipment may force the town to forego grants that will go instead to other communities who have funded their safety related CIP needs.

In some cases, a municipal department head articulated a request for a project, but the project was beyond the seven-year scope of the CIP schedule. In these cases, the projects were included in the CIP but left unprogrammed waiting for more info.

The CIP Plan, is required by state statute to identify the needs, costs, and scheduling of capital projects, in the most efficient way possible, for the stakeholders in Pelham's future - the taxpayers and citizens of the community. Pelham is faced with the need to address several important facilities improvements in the next few years. These include a new sub fire station and a central fire station, land purchases for new schools, a new high school, additions and/or renovations to the Memorial School and possibly the High School, and the anticipated requirement for kindergarten and as senior center expansion all within the scope of this seven (7)-year Capital Improvement Plan. All of these items will require bond payments. Rapidly escalating construction costs, increases in bond interest rates, and exactly when voters decide to appropriate the funding for these projects will greatly affect the final costs. Accurately projecting the impacts of so many important and costly items makes the actual impact of these projects a "best guess" scenario until final voter approval is forthcoming. The CIP Committee has tried to estimate, as closely as possible, what these impacts will be if funded in the year scheduled. One thing is certain, the longer the Town waits to fund needed capital projects, the higher the cost will be for everyone. Based on the need to lock-in the cost of important projects, and reduce the substantial tax burden of continuing to delay important projects, the CIP Committee recommends funding all of the known Town projects this year with a long-term bond. This approach will not only solve all capital

needs on the Town side, other than normal vehicle replacements, for the scope of this CIP Plan, it will reduce the long-term tax burden of important projects considerably for voters. This will also allow the Pelham School District to focus on very critical current and future space needs without the need to compete with the Town for funds on projects that are clearly important from a community development standpoint.

B. FINANCING METHODS

In the project summaries below, there are a number of different local financing methods referenced. Four of these methods require appropriations; either as part of the Town's annual operating budget or as independent warrant articles at Town Meeting. The *1-Year Appropriation* is most common, and refers to those proposed projects that are to be funded by real property tax revenues within a single fiscal year. The *Capital Reserve* method requires appropriations over more than one year, with the actual project being accomplished only when the total appropriations meet the project cost. The *Lease/Purchase* method has been used by the fire and highway department for vehicle purchases. *Bonds* are generally limited to the most expensive capital projects, such as major renovations, additions, or new construction of buildings or infrastructure, and allow capital facilities requests to be met immediately while spreading out the cost over many years in the future. *Impact fees* are collected from new development to pay for new facility capacity and placed in a fund until either they are expended within six years as part of project financing or they are returned to the party from whom they were collected.

In addition, if there are instances where fiscal resources from outside the community have been committed to help finance a local capital project, the offsetting revenues are shown in association with the proposed capital project. Typical examples are grants, such as for new education buildings or State Transportation Improvement Plan (TIP) matches.

C. IDENTIFICATION OF DEPARTMENT CAPITAL REQUESTS

The Pelham CIP Committee uses worksheet forms that are completed annually and submitted by department heads, committee chairs and residents, to identify and explain project requests. Forms are tailored by the CIP Committee and the Planning Department to prompt information that defines the relative need and urgency for projects and which enables long-term monitoring of the useful life and value to the community for these projects. The CIP worksheet includes a project description; the departmental priority if more than one project is submitted; the facility service area; the rationale for a project; a cost estimate; and potential sources of funding. The form is included in Appendix C. Following submission of written worksheets and supporting documentation for proposed capital projects, department heads or committee chairs are asked to come before the CIP Committee to answer questions and provide any additional information necessary to explain their capital requests and priority ranking. This "one-on-one" discussion provides an opportunity to explain how capital requests meet community development goals. It also provides department heads, committee chairs and the CIP Committee an opportunity to look at alternative approaches available to fund or meet capital needs that will maximize the value of the Town's expenditures for capital improvements while maintaining as level a tax rate as possible over the seven (7) year CIP period.

D. PRIORITY SYSTEM

The Committee established a system to assess the relative priority of projects requested by the various departments, boards, and committees. Each project proposed is considered individually by the Committee and assessed a priority rank based on the descriptions below:

"U" -- Urgent	Cannot be delayed. Needed for health or safety.
"C" -- Committed	Part of an existing contractual agreement or otherwise legally required.
"N" -- Necessary	Needed to maintain existing level and quality of community services.
"D" -- Desirable	Needed to improve quality or level of services.
"F" -- Deferrable	Can be placed on hold until after 7-year period, but supports community development goals.
"R" -- Research	Pending results of ongoing research, planning, and coordination. The project may be important, but the CIP Committee lacks all the information to make a definitive decision.
"I" -- Inconsistent	Conflicts with an alternative project/solution recommended by the CIP. The project is contrary to land use planning or established community development goals.

Table 3 contains the projects considered by the Committee, by Town Department. The information in Table 3 represents all requests for capital projects submitted by each municipal division to the CIP Committee. The 'CIP Committee Priority Recommendations' in the column to the far right describes the rank assigned by the CIP Committee to each of these projects within the seven categories of relative project priority.

Town of Pelham
Capital Improvements Plan
2006-2012

TABLE 3: SUMMARY OF PROJECTS REQUESTED

ID	Department/Project	Cost Without Debt/Revenue	Starting Year	Financing Method Recommended	CIP Committee Priority Recommendations							
					U	C	N	D	F	R	I	
	<i>Starting Year and Priority Recommendations based on Dept. & C.I.P. Committee Review Process</i>											
I.	ADMIN./GEN. GOVERNMENT											
A	Municipal Building & Library			Appropriation - Ballot		C						
B	• 20-Year Bond (Issued 2003)	\$3,080,980	2006-2012	App. F Bond Schedule		C						
C	• Town Emergency Reserve - 5/31/05	\$74,000	Existing	Capital Reserve Warrant		C						
D	Municipal Building Improvements	\$0	Unscheduled								R	
II.	POLICE DEPARTMENT											
A	Cruiser Replacement (3)	\$89,000	2006	1-Year Appropriation	U							
B	Cruiser Replacement (2)	\$64,371	2007	1-Year Appropriation			N					
C	Cruiser Replacement (2)	\$65,980	2008	1-Year Appropriation			N					
D	Cruiser Replacement (3)	\$101,445	2009	1-Year Appropriation			N					
E	Cruiser Replacement (2)	\$69,321	2010	1-Year Appropriation			N					
F	Cruiser Replacement (2)	\$71,054	2011	1-Year Appropriation			N					
G	Cruiser Replacement (3)	\$109,245	2012	1-Year Appropriation			N					
H	Animal Control Vehicle	\$35,887	2009	1-Year Appropriation			N					
I	Mobile Communications Interface	\$30,000	2006	1-Year Appropriation				D				
	• Federal Grant	(\$30,000)	2006	Offsetting Grant								
III.	FIRE DEPARTMENT											
A	Ambulance Fund	\$70,000	2006	Annual Appropriation \$10,000 per year			N					
	User Fee Balance - 5/31/05	(\$80,000)	2006	Withdrawal (\$10,000 per year)								
B	First Fire Sub-station and Equipment	SEE BELOW	2006	Bond	U							
	• 5-Year Bond - 4.5% Interest	\$2,942,023										
	• Impact Fees - 5/31/05	(\$354,967)										
C	Central Station and Equipment	SEE BELOW	2009	Bond			N	D				
	• 10-Year Bond - 4.5% Interest	\$6,720,000										
	• Impact Fees -											
D	2007 Replacement Fire Truck	\$350,000	2007	5-Year Lease Purchase \$70,000 per Year			N					
E	Fire Hose Replacement	\$27,000	2006	1-Year Appropriation			N					
F	Ambulance Chassis	\$100,000	2010	1-Year Appropriation			N					
	• Ambulance Fund Withdrawal	(\$100,000)	2010	Withdrawal to Offset Appropriation								
G	Second Fire Sub-station	\$3,587,000	Unscheduled	Bond							R	
	• 5-Year Bond - 4.5% Interest											
	• Impact Fees -											
IV.	HIGHWAY DEPARTMENT											
A	Bridge Repair Capital Reserve	\$630,000	2006	Annual Appropriation \$90,000 per Year			N					
	• Capital Reserve Balance - 5/31/05	(\$96,700)										
B	1.5 Ton Dump Truck w/Plow	\$53,488	2006	1-Year Appropriation			N					

Town of Pelham
Capital Improvements Plan
2006-2012

ID	Department/Project	Cost Without Debt/Revenue	Starting Year	Financing Method Recommended	CIP Committee Priority Recommendations							
					U	C	N	D	F	R	I	
	<i>Starting Year and Priority Recommendations based on Dept. & C.I.P. Committee Review Process</i>											
C	Castle Hill Road Bridge	\$609,000	2007	1-Year Appropriation	U							
	• State Bridge Aid - 80%	(\$487,200)		Offset Appropriation								
	• Pelham Capital Reserve - 10%	(\$60,600)		Withdrawal to Offset Appropriation								
	• Windham Capital Reserve - 10%	(\$60,600)		Withdrawal to Offset Appropriation								
D	90 HP Tractor w/ Boom-Mower	\$56,560	2008	1-Year Appropriation				D				
E	2006 Replacement Dump Truck w/Plow	\$110,000	2006	1-Year Appropriation			N					
F	Maintenance and Storage Garage	\$655,000	2006	1-Year Appropriation								
G	Willow Street Bridge	\$1,076,592	2008	1-Year Appropriation	U							
	• State Bridge Aid - 80%	(\$861,273)		Offset Appropriation								
	• Pelham Capital Reserve - 20%	(\$215,320)		Withdrawal to Offset Appropriation								
H	2006 Dump Truck w/Plow & Sander	\$120,000	2006	1-Year Appropriation			N					
I	1-Ton Pickup w/Plow	\$39,580	2008	1-Year Appropriation			N					
J	2010 Dump Truck w/Plow & Sander	\$145,860	2010	1-Year Appropriation			N					
K	4-WD Backhoe (Replaces 1997 Model)	\$96,490	2012	1-Year Appropriation			N					
L	2012 Dump Truck w/Plow & Sander	\$160,812	2012	1-Year Appropriation				D				
M	Hinds Lane Reconstruction	\$577,142	Unscheduled						F			
N	Bridge and Stone Culvert - Gumpus Hill Road	Unknown	Unscheduled								R	
O	Major Road Improvements Bond	Unknown	Unscheduled	Bond							R	
P	Road Improvement Capital Reserve	\$0	Unscheduled				N					
V.	SOLID WASTE DISPOSAL											
A	4-WD Truck w/Plow	\$33,450	2008	1-Year Appropriation			N					
VI.	PARKS AND RECREATION											
A	Recreation Center	\$4,000,000	Unscheduled	Bond							R	
B	Town Pool, Tennis Courts, Ice Skating Rink	\$1,350,000	Unscheduled	Bond							R	
C	Basketball Gym Facility	\$985,000	2008	1-Year Appropriation				D				
D	Building Replacement at PVMP	\$115,000	2007	1-Year Appropriation			N					
E	Playground at Lyon's Memorial Park	\$40,000	2007	1-Year Appropriation				D				
F	Village Green Gazebo	\$25,000	2007	1-Year Appropriation				D				
G	Multi Purpose Field at Raymond Park	\$100,000	2006	1-Year Appropriation				N				
	• Grant & Gas Pipeline Money	(\$100,000)		Offset Appropriation								
H	Parks & Recreation Capital Reserve	(\$25,000)		Offset Appropriation								
VII.	LIBRARY											
A	No CIP Needs At This Time											
VIII.	TOWN CLERK/TAX COLLECTOR											
A	No CIP Needs At This Time											
IX.	CEMETERY											
A	30' x 50' Garage	\$156,156	2007	1-Year Appropriation			N					
B	Purchase 10 Acres of Land	\$1,000,000	2008	2-Year - \$500,000/Yr.							R	
C	Cemetery Truck	\$68,940	2010	1-Year Appropriation			N					
X.	SENIORS											
A	Senior Citizen Bus	\$70,000	2006	1-Year Appropriation			N					

E. LISTING AND DISCUSSION OF PROJECTS BY RECOMMENDED PRIORITY

"U"--Urgent: Cannot be delayed. Needed for health or safety.

II.A. **Cruiser Replacement - 2006.** Replacement of two police cruisers per year has been recommended by the Police Chief and supported by the CIP and Budget Committee. Three cruisers are proposed for replacement in 2006 since voters did not approve the CIP request in 2005. In subsequent years, replacement of two (2) or three (3) high mileage cruisers is based on the rationale that replacements will provide enhanced safety of officers and the public, improve service, and reduce high operating costs associated with the older high mileage vehicles. The Chief has maintained a detailed and active inventory and maintenance schedule for cruisers for several years and had reduced the maintenance costs for cruiser upkeep considerably with this schedule. Failure to fund the two (2) vehicle replacement schedule in 2005 decimated this long-term plan and will result in higher operating costs in the future. The Police Chief anticipates it will be 7 to 10 years before the department can get back to the lower maintenance figures.

III.B. **1st Sub Fire Station and Equipment - 2006.** The CIP Committee ranks this proposal as "Urgent. The first sub-fire substation is considered "Urgent," while the second sub-fire station is rated "Needs Research." The Fire Chief has been working with other area fire departments to provide line box coverage for first and most critical response times. Pelham, along with other area fire departments, will respond to all calls within or immediately outside their Town borders. Whichever department arrives first will start providing the necessary emergency service. In addition, this new first-call response method, in conjunction with the existing and additional planned sub-fire stations in other towns, will allow the Town of Pelham more flexibility in the location of a second sub-fire station and the new Central Fire station. This flexibility does not change or eliminate the immediate need for the first substation in the Spring Street area in order to work towards the goal of meeting the 4-minute response time standard of the NFPA (National Fire Protection Agency). It is important to be able to respond more quickly to this under-served region in the Easterly part of Pelham. There is an existing life safety issue with response times well over 4 minutes.

The CIP Committee has watched the costs of fire station construction increase dramatically in the last 2 years and recommends to the Fire Chief, Board of Selectmen and Budget Committee to move forward this year with plans to ask voters to approve funding to build and finance the first substation and the new Central station. A 5-year bond coupled with a reduction in the cost of existing bonds and collected impact fees would give voters two substations and a central station for approximately \$9.2 Million less impact fees. Since originally proposed in 1995, the costs of these important projects have increased substantially with the increase in the last year being dramatic. The current impact fee schedule does not adequately reflect the full and updated costs to build these stations and the CIP Committee will present to the Planning Board a new schedule for all new subdivision plans beginning with those submitted in the fall of 2005. There is almost one half (1/2) a Million dollars in the Impact fee account that must be used by the end of 2007 or the money must be returned to developers with interest.

The recent discussions to improve traffic flow and install either traffic lights or a roundabout and interest in a Town Center green space have created competing interests for land, including the current fire station location.

"U"--Urgent: Cannot be delayed. Needed for health or safety.

- IV. C. **Castle Hill Road Bridge - 2006.** This is a wooden deck bridge currently on the NHDOT Municipal Bridge "Red List." Rehabilitation of this structure is urgently needed. Rehabilitating this bridge would have allowed this route to serve as an alternate detour during the rehabilitation of the Tallant Road Bridge. Windham showed a willingness to share in the cost of rehabilitating this bridge, since its closing would have an adverse affect on their residents by appropriating ½ the cost of the engineering studies and agreeing to pay for half (½) the Town's portion of costs. Rehabilitation would be funded through a combination of anticipated state aid and a Bridge Repair Capital Reserve account and half (½) the cost of the 20% in Pelham's portion coming from the Town of Windham as negotiated by the Board of Selectman. The 20 percent match or roughly \$121,800 is required to receive State bridge aid, which would be applied for in conjunction with the next 10-Year State Transportation Improvement Plan (TIP), completed in 2004 and scheduled for update in 2007. Funding must be approved before a bridge may be scheduled with NHDOT. The CIP committee had originally scheduled the Castle Hill Bridge replacement for FY 2003, but the CIP Committee moved this project into 2004 before the replacement of the Tallant Road Bridge for safety and access reasons during the reconstruction of the Tallant Road Bridge. The Budget Committee did not agree with the Board of Selectman and did not sanction the funding necessary to fix this bridge, nor did the voters approve it at last year's town meeting. It would have been more prudent to act on the Castle Hill Bridge prior to the Tallant Road Bridge. Now the failure to raise our 10% jeopardizes the use of this bridge altogether. Failure to act quickly to fix this bridge will require the closing of this bridge for safety reasons.
- IV. G. **Willow Street Bridge - 2007.** This bridge replacement is scheduled for 2007. This bridge is too narrow for today's standards. It is to be funded through combination of anticipated state aid and a Bridge Repair Capital Reserve. Funding must be approved before a bridge may be scheduled with NHDOT.

"C"--Committed Part of an existing contractual agreement or otherwise legally required.

- I. A. **Municipal Building / Police, Fire and Library - Appropriation by Ballot.** Voters approved a bond for conversion of the Ernest G. Sherburne School into a combined municipal facility. Town Offices and Police Headquarters are located at the former Ernest G. Sherburne School. The new Library, built on the Mills property, is overlooking a new three (3) acre Town Green.
- I. B. **Bond Bank Note (Private) - 2003.** Voters approved a bond for conversion of the Ernest G. Sherburne School into a combined municipal facility. A new library was built on the Mills property. The town opted for a private institution for favorable rates. (Please see the "Pelham Municipal Facilities 20-Year Bond Schedule in Appendix F")
- I. C. **Town Buildings Emergency Repair Capital Reserve.** The voters approved starting this Capital Reserve Account in 2004 in order to fund necessary repairs to all of the town buildings. This fund will be used to stabilize the tax rate when funding future repairs and additions to Town facilities.
- XI. D. **New Elementary School (10-year bond) - 2006.** In 2000, the community approved \$10,373,000 in bond principal to enable elementary school construction. Based on current finance and revenue assumptions this project is committed through 2011. (Please see the "Pelham School District 10-Year Bond Schedule - New Elementary School" located in Appendix E)

"N"--Necessary: Needed to maintain basic level and quality of community services.

- II. B. - G. **Cruiser Replacement - 2007-2012.** The Police Chief has recommended the replacement 2 to 3 cruisers, alternating annually, in order to maintain the safety of officers and the public improve service and reduce the high operating costs associated with older high mileage vehicles. This means that every year at least two existing police cruisers will be replaced with new vehicles.
- II. H. **Animal Control Vehicle - 2009.** - The Police Department purchase of this vehicle will replace the existing Animal Control pick-up truck and provide the continued ability to pick up and transport animals. The current ACO vehicle is expected to last through 2009 at which time a replacement pick-up truck will be needed.
- III. A. **Ambulance Fund - 2006.** The continuation of the ambulance capital-reserve account for ongoing funding of ambulance upgrades and enhancements, and new purchases is recommended by the CIP Committee in order to stabilize spending for this item and eliminate taxpayer costs for these vehicles. The Ambulance Fund is funded by user fees. The fund should also be used for additional equipment needed at the new sub fire stations.
- III. C. **Central Fire Station and Equipment- 2006.** The CIP Committee understands that the current station is too small to serve our growing Town adequately. The Committee rates this project as both "Necessary and Desirable" as several deficiencies in the existing station cannot be rectified on the existing site. It is also desirable to relocate the station in order to have enough land to build a station large enough to garage all of the existing equipment and to provide for the future needs of a growing town.
- III. D. **Fire Truck - 2007.** The Fire Department requests replacement of a 1972 Ford 3-D, 1,500-gallon (1,500-gpm) mid-ship pump truck. This truck will be over 30 years old and will need to be retired. The cost will be distributed over a five (5) year lease/purchase.
- III.E. **Fire Hose Replacement-2006.** The fire department seeks to replace some older 4" hose with newer 5" hose in order to take advantage of the upgraded pumping capacity of the newer pumper trucks.
- III. F. **Ambulance Chassis - 2010.** The Fire department anticipates that it will need to replace another ambulance chassis around 2010. The funds for this chassis would come from the Ambulance Fund that is funded by user fees.
- IV. A. **Bridge Repair Capital Reserve - 2006.** The CIP Committee endorsed the establishment of a bridge repair capital-reserve account. Beginning in 2002, annual funding of the account at the proposed \$75,000 or more per year is necessary to fund the repair of three bridges on the state bridge repair list that are in critical need of repair or replacement, and to stabilize the tax rate. The Town's matching funds must be available prior to the NHDOT scheduling the project. With the State's financial woes, the CIP believes raising our 20% in order to commit the State to their 80% before these funds are either reduced or eliminated is a priority. The \$75,000 was not appropriated last year, so this year \$150,000 is recommended for appropriation in order to keep the Willow Street bridge replacement on schedule.

"N"--Necessary: Needed to maintain basic level and quality of community services.

- IV. B. **1.5 Ton Dump truck - 2006.** The Highway Department had requested a 1.5-ton dump truck with a 9-foot plow attachment to replace a 1994 1-ton pickup with 108,419 miles on it in 2005. It was anticipated that the new vehicle would reduce operating and maintenance costs. The Board of Selectman did not seek funding originally for this in 2005 and subsequently the vehicle broke down requiring over \$20,000 in repair. The Board decided repair was inconsistent with good planning and economic sense. The Board has decided to seek funds for this vehicle in a special town meeting later this year. If not funded then, it will cost voters additional money to plow roads this winter and this item will be necessary in 2006.
- IV.E. **Replacement Dump/Truck Plow- 2006.** The Board of Selectmen will prudently request a special town meeting in September 2005 to replace a highway department front-line truck that has broken down and requires replacement. Should the voters not support the special town meeting request to replace this truck prior to the 2005 winter; the Town will need to hire a private contractor, at additional cost, to plow the same miles of road that would have been maintained by the broken down truck. Additionally, a delay will likely result in a higher cost to voters in 2006 for a replacement truck because of rising manufacturing costs, associated with the sharp increase in the price of oil.
- IV. H. **Dump Truck/Plow/Sander-2006.** This new 36,000 GVW truck is proposed for 2006 through a lease-purchase over a four-year period and would eliminate two hired trucks for plowing and sanding in the winter months and one larger truck for construction work in the summer months. The lack of availability of reliable contract plows necessitates the need for Town owned equipment. This will enhance the level of service provided to the town.
- IV. I. **1-Ton Pickup Truck with Plow - 2008.** Request to replace a 1997 1-ton diesel pickup with an 8-foot plow and over 87,910 miles with a new truck and plow. This will reduce long term operating costs.
- IV. J. **Dump Truck/Plow/Sander- 2010.** This is a scheduled replacement of a 1991 vehicle currently being used to plow roads. This vehicle will need replacing in 2010 and the stainless steel sander off the 1991 truck will be transferred to the new truck.
- IV.K. **4- WD Backhoe-2010.** This will replace a 1997 model that will have excessive hours on it by the scheduled replacement date.
- IV.P. **Road Improvement Capital Reserve-2006.** The CIP Committee recommends a road improvement capital-reserve account in order to place money from new developments for necessary new road improvement projects to update roads and intersections that will be necessary as the Town grows and the current road system handles more traffic. NRPC is updating road impacts in the new full build out analysis being completed.
- V. A. **New 4x4 with Plow-2008.** This is a planned replacement vehicle for the transfer station's 1988 vehicle used to plow the transfer station and move equipment and other items around the yard. While the CIP Committee does not question the need to maintain the transfer station and provide transportation, it feels that the Board of Selectman should look at a complete vehicle management program. There may be an

"N"--Necessary: Needed to maintain basic level and quality of community services.

existing Town owned vehicle that can do this work or a newer used vehicle may meet this need instead of purchasing a new piece of equipment at this time.

- VI. D **Building Replacement at PMVP-2008.** This building is old and in poor condition and is not large enough for the Parks and Recreation programs at Pelham Veteran's Memorial Park. The current building has significant safety and security issues and proper maintenance of the building is not possible. Since the building is not safe and too small for current programs, inclement weather cancels programs at this park in the summer. The CIP Committee believes that this building should be replaced in conjunction with the new proposed gym. A combined facility of proper size will not only allow for proper scheduling of current programs, but can also represent a revenue generating opportunity for the town as well as have significant annual operating and maintenance cost savings.
- VI. G. **Multi purpose field at Raymond Park-2006.** With the projected population growth, additional playing fields are needed. Clearing and construction of two fields was to be funded with monies received from Tenneco Gas Company during the pipeline installation, per negotiation with the Board of Selectman. The new multipurpose fields at Raymond Park would provide much-needed fields, relieve some parking demands on the Muldoon parking lot, and go a long way in meeting current and future needs. The CIP Committee recommends funding this project this year with grant money. Recent problems at Raymond Park are being resolved. The discovery of a tire dump may not hinder the short-term goal of fields, encroachment by the abutting junk yard has been resolved, and the second egress issue onto Mammoth Rd may not be an important issue. The wetland violations and DES issues are being resolved. While the need for ball fields has not diminished, the CIP Committee agrees that better planning will save money over the long term.
- VI. H. **Parks and Recreation Capital Reserve Account-2006.** The Town is working with NRPC to establish a 7-year parks and recreation master plan. The initial findings of this study support the objectives and community development goals as outlined in the 2002 Pelham Master Plan. The Town will need significant improvements for current programs as well as for future growth. The CIP Committee believes that creating and funding this capital reserve fund will allow for the proper funding of needed improvements. This Capital reserve will also be needed in order to hold future impact fees for some of the Parks and Recreation improvements.
- IX. A. **30' x 50' Garage - 2006.** The Cemetery Trustees have requested funds for the construction of a 30' x 50' Butler Building metal garage to allow for the consolidation and storage of equipment in one location and provide a bathroom, meeting room and small office for staff. Currently, equipment is divided between 3 small garages in 3 different locations. The cost includes the septic system and well. The Cemetery department needs to replace the garage storage lost because of planned demolition of an old garage on the Mills property.
- IX. C. **Cemetery Truck - 2010.** The Cemetery department anticipates that the existing 1996 Cemetery truck will need replacement in 2010.

"N"--Necessary: Needed to maintain basic level and quality of community services.

- X. A. **Senior Center Bus- 2006.** The Senior Center Bus is rusted, in need of repairs as it is getting worn out. The voters approved putting aside \$25,000 last year and the year before towards a new one. The seniors anticipate putting forth a warrant article for \$30,000 or less this year so a new bus can be purchased.
- X. B. **Senior Center Expansion/Renovation Engineering Study - 2006.** The Senior Center is in need of more space. Based on the age of the existing facility and the expertise necessary to upgrade and expand the use on the existing 4-acre site, engineering studies are needed. The sooner the Town knows what can and cannot be done with the existing facility the better able we will be to plan and budget for the needed space.
- X. D. **Senior Building Capital Reserve Fund-2006.** With the enactment of 55 and older housing zoning in 2005, the demand for senior programs and space for those programs will grow. The opportunity exists to build up some needed capital reserve funds for future building needs through the development of 55 and older housing. The CIP recommends that a building capital reserve be started in order to collect funds for this purpose.
- XI. A. **Technology Program - 2006.** The School Board revised the District's technology plan in 2003. This plan is used to outline the need for purchasing computers and audiovisual accessories and the sequencing of upgrades and purchases. The Technology Plan is the overall technology plan for the school. This District began implementation of the plan in 2001 in order to maintain and improve the technology available to Pelham students and faculty. A cost/benefit study is warranted in determining if it is better to lease computers vs. direct purchase. Leases may allow for staying current with technology, due to automatic replacement on a fixed schedule where purchased equipment tends to be replaced less frequently and becomes dated.
- XI. B. **School Building Maintenance Capital Reserve - 2006.** The reserve fund is used to complete necessary school repairs, and to stabilize the tax rate. This capital reserve was established in the year 1999 at the recommendation of the CIP committee. Instead of having to appropriate funds all at once for a repair, the cost is spread out over time, which stabilizes the tax rate. It also can cushion the impact of from unexpected repair expenses. Currently the fund has been depleted to pay for previously approved items. The CIP recommends that the school district continue to request \$100,000 annually for this fund although voters rejected this spending last year.
- XI.C. **School District Building Capital Reserve Fund-2006.** The School district has an existing building capital-reserve fund that was used when the elementary school was built. Based on the need for new and future expansion of facilities, the CIP Committee recommends that this fund be maintained for the purpose of collecting and dispensing funds as projects progress.
- XI. E. **High School Land Purchase - 2006** The CIP Committee rates this request as "Necessary" for the Pelham School District to have monies available to purchase land for a new Pelham High School and to be able to act quickly if this becomes a reality. For this reason, the Committee recommends spreading the cost of this land purchase over a 5-year period to stabilize the tax rate.

"N"--Necessary: Needed to maintain basic level and quality of community services.

- XI. G. **Tractor/Mower - 2006.** The School Board requests the purchase of two easy turn lawn tractors. Due to the increase in parking and grass area at the new school, there are 11 acres of lawn and walkways creating a need for additional mowing and snow removal capability. The overuse of the existing tractor is causing excessive wear and tear on this vehicle and the time to mow fields would be reduced substantially with this purchase.
- XI. H. **Repave Memorial Parking Lot - 2006.** The School Board requests funds for the repair and repaving of portions of the school parking lot and driveway. Cracks and gaps in the walkways and parking lot require repair. Catch basins and drainage basins need improvement due to damage and wear. Putting these repairs off any longer will significantly increase the cost to correct the problems. The CIP has requested that some of the overhead utilities be relocated underground when this project is done for safety reasons.
- XI. J. **Addition/Renovation to Memorial School Study- 2006.** In light of the School Board's request for a modular classroom for Memorial School in 2006 and the fact that any Middle School expansion will be needed within the 7 year scope of the CIP Plan, the CIP Committee feels that some kind of engineering study or review of the Middle School is "Necessary" sooner rather than later. Then the actual cost of such a large project can be known. Since school projects, by their nature, are the most costly CIP projects needing scheduling within a CIP plan, it is difficult enough for voters to fund the permanent solutions never mind temporary solutions while the cost of the permanent solutions increase as time passes.

"D"--Desirable: Needed to improve quality or level of services.

- II. I. **Mobile Communications Interface - 2006.** In order to increase the efficiency of police officers in the field and provide additional communications capability, the Police Department is proposing the addition of a new Mobile Communications System in police vehicles. Grant monies covering 100% of the cost are available for this project. The town of Pelham is scheduled for this grant in 2006 and has been authorized for five (5) police vehicles. One of the stipulations of the grant is that no Mobile Communication Interface can be placed in a police cruiser more than 1 year old. Since the police department did not get funding for any cruisers in 2005, the only vehicles eligible for this grant would be the three (3) police cruisers requested in 2006, assuming they are funded. Failure to fund "Urgent" police cruisers in 2005 not only will result in higher fleet maintenance costs, but a loss of over \$20,000 in grant money for police vehicle improvements.
- IV. D. **90 Horsepower Tractor with Rotary Boom Mower - 2008.** The Highway Department requests the purchase of a mower for approximately 200 miles of roadside (two lanes per road segment). It currently costs \$5,000 annually for contract mowing services. The purchase of a tractor with a useful life of 20 years may be less expensive than procuring this service in the future. Enhanced service may include increased mowing frequency and other trail and roadside maintenance.
- IV. F. **Maintenance and Storage Garage - 2006.** The Highway department, as well as the Fire and Police departments, has expressed a need for a maintenance facility. The Highway department has the greatest need. A proposed 80' x 120' building with six double bay garages with a lift and wash bay for trucks and equipment is proposed. While there is currently marginal vehicle storage, the CIP committee ranks this project as "Desirable" due to changing circumstances that need further assessment to provide the best value and use of the facility. Due to continued requests for this project and its priority ranking by several department heads, the CIP Committee has recommended the following action. Because the anticipated savings potential of this project is real but unsubstantiated, the CIP Committee has requested that the Town Administrator and Board of Selectman initiate a more in-depth cost/benefit analysis of this project, detailing potential savings. Three departments, highway, police and fire have expressed interest in utilizing this proposed facility. A lack of proper inside storage that will help extend the useful life of highway equipment already in the town's possession ranks this project as "Desirable." With more detail of cost savings, this project could receive a "Necessary" ranking. The highway department has approximately \$700,000 worth of equipment currently that needs inside storage with proposed additional equipment expenditure of \$230,000 more next year.
- IV. L. **Dump Truck/Plow/Sander - 2012.** This new 36,000 GVW truck is proposed for 2012 through lease-purchase over a three-year period. This would eliminate one hired truck for plowing sanding and construction work. The lack of availability of reliable contract plows necessitates the need for Town owned equipment. This will enhance the level of service provided to the town.

"D"--Desirable: Needed to improve quality or level of services.

- VI. C. **Basketball Gym Facility PVMP-2006.** The CIP Committee believes that this project should be coordinated with the replacement building at PVMP.
- VI. E. **Playground at Lyons Memorial Park-2007.** The addition of a new playground in the center of town would replace the one that was at the Sherburne School when converted to a municipal building and supports long-term community development goals.
- VI. F. **Village Green Band Stand-2007.** Although "Desirable" all or a portion of this projects funding may best be raised through private donations.
- XI. L. **Kindergarten - 2009.** Half-day kindergarten was rejected by the voters in 2003 when 75% matching building funds were available from the State. Currently there are special matching funds available from the State for one more year. Additionally, there are no additional funding appropriations expected from the State. The State Board of Education has developed new education standards. Inclusion of kindergarten as necessary in order to provide for an adequate education was not passed by the State Board of Education. The building costs would be subject to the same 30% Building aid as other school projects if the School Board does not take advantage of the bill passed this year.

"F"--Deferrable: Can be placed on hold until after 7-year period, but supports community development goals.

- IV. M. **Hinds Lane Reconstruction - unscheduled.** The Highway Department requests funds for the reconstruction and paving of Hinds Lane, which is 4,200 feet by 18 feet. This unpaved road requires upgrading to alleviate substandard conditions. There is a considerable amount of developable land at the end of Hinds Lane and the CIP committee ranked this project as 'Deferrable' because the road upgrade may be funded by developers who desire to access land on Hinds Lane for new developments. In addition, the Conservation Commission has purchased over 100 acres abutting Hinds Lane and Gumpus Pond further reducing the need of the Town to pave this road anytime soon. Many abutters to Hinds Lane also would prefer that it stay a dirt road as long as it is properly maintained which costs the highway department about \$5000 annually.

"R"--Research: Pending results of ongoing research, planning, and coordination.

- I. D. **Municipal Building Improvements-** The Board of Selectman is researching the consolidation and relocation of the Cable Department in order to save long term operating expense. The Board of Selectman is also considering a plan to bring the Sherburne Hall up to building code and to make the Hall more useable. The cost of these improvements is unknown at this time. Therefore, this project is rated as "Needing More Research." The CIP Committee recognizes that both projects have merit and support community goals and will result in significant long term cost savings. An update to this CIP document may be made if the data is provided before final approval.
- III. G. **2nd Sub-Fire Station - unscheduled.** Recent emergency response planning being done by the Pelham Fire department in conjunction with other area fire departments will aid Pelham in the flexibility and location of Pelham's second Sub Fire station. While not necessary today, this is still a very desirable project in order to provide proper first-response time to Pelham neighborhoods. Additional single-family home development in the Sherburne Road area will probably result in an upgrade to this project priority in the future.
- IV. N. **Bridge and Stone Culvert Replacement Gumpus Hill Rd.** Although the cost of this project is being researched and is unknown at this time, the road agent has indicated that this project will need scheduling sometime within the scope of this CIP plan.
- IV. O. **Major Road Maintenance Improvement Bond.** The Board of Selectman anticipates that a bond item will be necessary shortly in order to reconstruct and repave several miles of existing Pelham roads in order to maintain the Pelham road infrastructure of 105 miles of road properly. The Highway Grant money is insufficient to continue to maintain Pelham roads in an acceptable condition. Since the cost of this project is still being determined, this project is rated as needing more Research.
- VI. A. **Community Recreation Center.** The Parks and Recreation Director has proposed a new community recreation center. The Master plan identifies this as a need. The recreation department master plan identifies the need for an adequate gymnasium for indoor athletics and other purposes. The Envision Pelham community-planning workshop recommended that a new recreation facility be built. The site may include an indoor pool, skating rink and additional tennis courts. This proposal has many positive features, but needs research on the best utilization of the existing school facility should it become available. The existing High School site may provide a viable location should a new Pelham High School be approved. An engineering review of the site for this purpose is anticipated in the near future.
- VI. B. **Town Pool, Tennis Courts and Ice-Skating Rink.** As the Town rapidly grows, additional recreational services become both viable and needed. The concept of converting the existing High School Building could incorporate these facilities. An indoor pool may be feasible within the existing structure. The CIP Committee recommends this proposal be further researched.

"R"--Research: Pending results of ongoing research, planning, and coordination.

- IX. B. **Purchase 10 Acres of Land – 2008-2009.** The Cemetery is requesting the purchase of 10 acres of land to meet future needs for burial of residents as required by state statute. There are six cemeteries currently with 100-200 plots sold per year. Further research for a site or available Town owned land is required; however, land prices are rising annually. The purchase is proposed to be divided between the years 2008 and 2009.
- X. C. **Senior Center Expansion/Renovation - 2008.** The Senior Center Dining area is too small for the current number of seniors that use it on a weekly basis. Other areas of the senior center also could use more space. With a growing senior population, renovation and expansion of the senior center on the existing 4-acre site is desirable subject to the proper engineering studies of the old facility.
- XI. I. **New Pelham High School.** The Pelham voters rejected a Co-operative High School with Windham last year. The CIP realizes that this is an important project, but still lacks all of the information and direction from the Pelham School Board to properly rate this item. The School Board has submitted a CIP worksheet that indicates a new high school will be needed by 2008. This means approval of a bond item in 2006 if a new school is to be ready for the 2008 school year. As the CIP Committee has noted, a continued delay on a project of this magnitude results in tremendous increases in future costs for this item and has serious negative tax impacts for all taxpayers. **The "Needs more Research" rating of this item by the CIP does not in any way negate the importance of this project to the voters of Pelham but instead reflects the lack of necessary, and required, information for scheduling this major project in the CIP plan. The Pelham School District and SAU are still gathering and compiling information at the time of this report and the CIP Committee will consider updating the priority ranking of this project as the idea is further researched to determine if it is can become a viable plan.**
- XI. K. **Ventilation Study at Memorial School - 2006.** The School Board has requested funds to study improved ventilation within the school. Several rooms need additional air exchange to improve circulation. Based on the need for a complete engineering review of Memorial School and the fact that ventilation needs would be studied as part of any broad based engineering study for planned additions, the CIP Committee rates this study as "Needing More Research" but it may become "Inconsistent" with alternative ideas now being considered by the School Board .
- XI. M. **Addition to Pelham Elementary School-unscheduled.** The Pelham School District anticipates the need for possible future additions at Pelham Elementary School after 2010. A Master Plan for the School District is being developed and there are several ideas that require further research to determine if this addition will still be necessary at that time.
- XI.O. **Conversion of Memorial School to Grades 5 and 6.** The Pelham School District plans to research the cost and feasibility regarding a potential conversion of the Memorial School from Grades 5, 6, 7, and 8 to a school for just grades 5 and 6. Since there are no specific details for this yet and because this idea is contingent upon solving the high school space issue, this project is rated as "Needing More Research."

"R"--Research: Pending results of ongoing research, planning, and coordination.

- XI. P. **Conversion of Existing High School to Grades 7 and 8.** The Pelham School District plans to research the cost and feasibility regarding a potential future conversion of the existing Pelham High School from grades 9, 10, 11, and 12, to Junior High School with grades 7 and 8. Since there are no specific details for this yet and because this idea is contingent upon solving the current high school space problem in a new location, this project is rated as "Needing More Research."

**"I"--Inconsistent: Conflicts with an alternative project/solution scheduled by the CIP.
Contrary to land use planning or community development goals.**

- XI. F. **Modular Classrooms for Pelham High School-2006.** The school district anticipates that additional space will be needed at Pelham High School next year. The CIP Committee sees modular classrooms as "Inconsistent" with good long term planning. Since proper permanent needs represent significant costs to Pelham voters, the CIP Committee does not support the extra tax burden of temporary solutions in addition to these substantial permanent costs.
- XI. N. **Modular Classrooms Memorial School - 2006.** The school district anticipates that additional space will be needed at Memorial School sometime next year. The CIP Committee sees modular classrooms as "Inconsistent" with good long term planning. Since proper permanent needs represent significant costs to Pelham voters, the CIP Committee does not support the extra tax burden of temporary solutions in addition to these substantial permanent costs.

F. SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS AND SCHEDULE OF NON-PROPERTY TAX REVENUES

Table 4 shows the net assessed value of real property in Pelham over the last 14 years. The projected assessed valuation in the CIP schedule is based on the average annual growth rate of the net taxable valuation of the Town, excluding the large increase in 1997 due to the revaluation. Between 1990 and 1996, the average annual growth rate was 2.1%. Between 1997 and 2004, the average annual growth rate was 4.7% percent. For reference, between 1990 and 2004, the average annual growth rate was 7.3% percent; however, this includes the large annual change of 71.9% caused by the property revaluation in the 1996-97 calendar year. **The most representative average during the current valuation is 2.7% annual growth in the local assessment. This value was used in the Projected Assessed Valuation row in the Schedule of Capital Improvement Projects, 2006-2012 Annual Costs and Revenues, found in Appendix D.**

Table 4: Net Taxable Value, 1990-2004

Year	Net Taxable Value	Change
1990	\$256,148,295	-
1991	\$262,553,885	2.5%
1992	\$265,502,888	1.1%
1993	\$273,729,995	3.1%
1994	\$278,706,341	1.8%
1995	\$283,494,782	1.7%
1996	\$289,772,131	2.2%
1997	\$497,981,665	71.9%*
1998	\$511,943,800	2.8%
1999	\$536,672,781	4.8%
2000	\$556,385,375	3.7%
2001	\$582,757,575	4.7%
2002	\$615,435,649	5.6%
2003	\$648,586,025	5.4%
2004	\$686,624,316	5.9%
	Average Annual Change, 1990-1996	2.1%
	Average Annual Change, 1997-2004	4.7%
	Average Annual Change, 1990-2004	7.3%*

Source: Town Annual Reports (Report of the Pelham Assessor)

*The large increase in net taxable value was due to a town-wide reassessment between 1996 and 1997. The jump in 1997 was excluded in calculations of the average annual tax rate increase for the Avg. Annual Change periods (1990-1996) and (1997-2004).

See Appendix D, Schedule of CIP Projects, 2006-2012, Annual Cost and Revenues. The schedule in Appendix D displays the seven (7)-year CIP schedule developed by the Committee. It includes (a) project name and sources of revenue; (b) the priority rank of the project; (c) annual expenditures and revenues; (d) a seven(7)-year expenditures total; (e) a seven (7)-year revenues total; (f) the total cost of the project (including interest, where applicable); (g) outstanding revenues; (h) net balance to be paid by the Town beyond the seven (7)-year period; and (i) unprogrammed projects that fall within the seven (7) year timeframe. The bottom of the table shows the total capital expenditures, the projected assessed valuation, and the annual tax rate impact of those projects programmed in any given year.

Town of Pelham
Capital Improvements Plan
2006-2012

Table 5 depicts projects that did not receive any funding in FY 2005 and were not re-submitted for FY2006 for the 2006-2012 CIP. For reference, the 2005-2011 CIP project cost and projected starting year for funding is shown. Table 5: 2005-2011 CIP Projects Not Funded in FY2005

And Not Resubmitted In The 2006-2012 CIP

Town Department	2005 Projects	Cost	Starting Year
ADMIN. /GENERAL	N/A		
POLICE	N/A		
FIRE	N/A		
HIGHWAY	N/A		
SOLID WASTE	N/A		
PARKS AND RECREATION	N/A		
LIBRARY	N/A		
SENIOR CENTER	N/A		
SCHOOLS	N/A		

Source: Town of Pelham Capital Improvements Plans, 2005-2011 and 2006-2012.

G. CONCLUSIONS

The Program of Capital Expenditures herein provides a guide for budgeting and development of Pelham public facilities. The Planning Board will review and update the CIP each year prior to budget deliberations. The CIP may be modified each year based on changes in needs and priorities. As noted above, certain projects were proposed that the CIP Committee determined contained inadequate information to make a recommendation. These projects will be reconsidered, when submitted with sufficient backup, during future CIP revisions.

The CIP Committee firmly believes that impact fees should be used as a funding mechanism to partially fund future capital needs. Impact fees cannot be used to cover the cost of operation, maintenance and repairs, or facility replacements that do not increase the capacity or level of service.

In the year 2000, the CIP Committee unanimously endorsed and the Board of Selectmen adopted an impact fee schedule for development of a new elementary school. The CIP Committee also endorsed the enactment of an impact fee in 2002 for new facilities for the Fire Department. In March 2002, the Fire Department Impact Fee was enacted. It is anticipated that continued growth of the Town's population and buildings will bring about the need for a new central fire station and one or more sub-stations in order to provide adequate service and response time in the future. The Impact fees will be used to fund the portion of the facility costs attributed to new development.

A more formal and detailed Parks and Recreation 7-year plan must be developed and adopted as recommended by both the Pelham Planning Board and CIP Committee in order to properly study, analyze and develop a new impact fee schedule to meet these capital needs. Continued delays in developing this plan has increased the capital costs and reduced the opportunity to adopt and collect significant impact fees for needed projects. With the hiring of a new Parks and Recreation Director this year, planning will be done going forward, but will not be completed in time for this year's CIP. The CIP Committee considers impact fees crucial to funding much needed Parks and Recreation capital improvements especially with so many other important projects requiring taxpayer funds.

The CIP Committee is striving to improve the effectiveness of the capital facilities programming process In order to have a greater impact on the current year's budget cycle. The CIP Committee has initiated the CIP planning process earlier in the year so the information is available prior to individual Town departments preparing preliminary budgets for submission to the Town.

The CIP Committee seeks to accurately evaluate the fiscal impacts of projects, and return on investment of public funds in capital facilities replacement and development. The CIP Committee has requested information regarding the value, condition and worth of the Town's assets, as required by the Government Accounting Standards Board, "GASB Statement 34." One piece of information the Committee seeks to understand is how a project's funding is proposed and whether specific funding sources have been identified. This data is presented in the Cost Estimate section of the Project Worksheet. The Impacts on Operating & Maintenance section of the Project Worksheet is also important in assessing the cost/benefit of one solution versus another to meet a departments needs.

There also may be merit in attempting to track the performance of investments in facilities renovation or upgrades and also monitoring and forecasting when future replacements or upgrades may be necessary. One recent external development that could affect the municipality is the Government Accounting Standards Board (GASB) adoption of Statement 34 protocols for reporting infrastructure assets. The program's objective is to promote consistent evaluations of municipal financial conditions by providing more detailed and relevant information on the characteristics and conditions of capital equipment. The CIP planning process may provide a forum for encouraging the development of capital asset inventories, accounting for the value of these assets and tracking the useful life and depreciation of

municipal equipment and infrastructure. The CIP recommends that all Town and School assets be tracked for life expectancy so that future capital needs may be better anticipated and planned. Updated information regarding the age of existing Town road surfaces will help with that planning in the highway department. Future meetings with the Board of Selectman and School Board regarding better long term planning will result in tax savings.

H. RECOMMENDATIONS

Following is an excerpt of the presentation of the 2006-2012 Capital Improvement Plan to the Pelham Planning Board on August 1, 2005.

This evening, the CIP Committee would again like to thank the Pelham Planning Board for giving us an opportunity to present the 2006-2012 Capital Improvement Plan to you as well as our invited guests, the Pelham Board of Selectman, Pelham School Board, and Pelham Budget Committee and other interested parties including the citizens and taxpayers of Pelham.

This CIP report is presented to you under authority and purpose of RSA 674:5 and 674:6. Per RSA 674:8, we also hereby submit our recommendations to the Pelham Budget Committee for consideration as part of next year's annual budget.

This year's CIP Plan is hereby submitted to you as compiled by the CIP Committee after careful deliberations and with assistance from the Nashua Regional Planning Commission.

- 1) The CIP is an advisory document that serves a number of purposes:
 - a) It provides the Town of Pelham with a guide to be used by the Budget Committee, Board of Selectman and School Board for their annual budgeting process pursuant to RSA 674 par 5-8.
 - b) Provides a forward-looking planning tool for contributing to the creation of a stable real property tax rate.
 - c) To aid the Towns elected officials, appointed committees, and department heads in the prioritization, coordination, and sequencing of various municipal and school improvements.
 - d) To inform residents, potential residents, business owners, potential business owners and developers of needed and planned improvements. And
 - e) To provide a necessary legal basis for the development and proper administration of the Town's impact fee system pursuant to RSA 674:21 section Vb.

One of the main goals of the Capital Improvement Plan is to try to even out the tax impacts of capital improvement projects needed to maintain the town's infrastructure and services. Additionally the CIP aims to protect Pelham taxpayers from large swings in their tax rate, by properly planning for, scheduling, and setting aside of public funds for projects that are needed and desired both for the town and school districts. The CIP fails in this goal when projects are not placed on the ballot when scheduled or placed on the ballot without Budget Committee recommendation and ultimately voter approval. The CIP Committee cannot overemphasize to everyone that the cost of not scheduling needed capital improvements when first identified is going to cause large increases in the town's tax rate due to the substantial increased cost of these projects in subsequent years.

This year's CIP process was unusually challenging because the cost of not funding the scheduled projects last year has dramatically altered our long term tax rate impacts for the many critical needs identified in this year's CIP that need to be met. The rate of just over 100 new homes per year has been stable in the past along with historically very low interest rates has allowed the Town and the Pelham School District to fund needed projects with only a slight impact in the town's tax rate. Going

forward, we are already seeing the costs to build needed projects rising substantially as predicted in last year's CIP plan. Construction costs and interest rates are increasing and the town's growth in new construction has slowed. While there will be an anticipated increase in taxable property this year due to an unusual number of new property additions and the required re-valuation of town properties scheduled next year, these factors will not offset the anticipated cost increases in new projects causing the tax rate to rise in order to fund them. Funding these projects sooner rather than later will minimize this increase. In the long term, taxpayers will not only see better services, but lower tax bills as these bonds are paid off.

The Board of Selectman and School Board have several financing options available to them in order to fund capital improvements. Four methods require appropriations; either as part of the Town's annual operating budget or as independent warrant articles at Town meeting. Without explaining each in detail, they are listed in this report.

The one-year Appropriation is most common, and refers to those projects with proposed funding from real property tax revenues within a single fiscal year. The CIP committee recommends this approach for irregular Capital needs that do not exceed \$100,000.

The Capital Reserve method requires appropriations over more than one year, with the actual project being accomplished only when the total appropriations meet the project cost. The CIP committee recommends this approach for expenditures over \$100,000 and less than \$1,000,000 and for projects or Capital Assets having a known fixed life such as vehicle replacement, building maintenance and road repair. In conjunction with the Capital reserve method of financing, there may be State or Federal monies available to pay for portions of the project, which require the Town to raise their percentage of matching funds prior to receiving these Federal or State dollars. An example is State bridge aid where the town needs to raise their 20% matching share prior to applying for the State 80% share. Identification of these needs early is critical to starting a Capital Reserve in time to fund projects when needed.

The Lease/ Purchase method has been used in the past for the purchase of Fire trucks and Highway department vehicles. Although this is a valid financing method, the CIP would like to recommend that we get away from this method of payment and stop paying high interest lease payments and start funding vehicle replacement through Capital reserves where the Town pays itself the interest on Capital balances rather than a financing company for the purchase of needed vehicles. The CIP committee feels this would be a substantial tax savings for Pelham residents based on the number of current vehicles and equipment owned by the town along with additional vehicles that will be needed in the future. The annual interest earned or saved on a properly funded vehicle replacement Capital reserve would pay for the cost of certain vehicle replacement when needed.

The Bond or Bank Note method of payment is recommended for Capital Expenditure needs of \$1,000,000 or more. Typically the most expensive projects such as renovations, additions, or new construction of buildings or infrastructure that allow for capital facilities requests to be met immediately while spreading out the cost over several years in the future. We highly recommend this method of payment on all Capital projects scheduled in the CIP costing over \$1,000,000 and obviously based on our review of historical spending patterns in the town, the year we propose it to you.

Impact fees are also a viable financing method for some portion of future capital improvement needs as long as they are placed in a fund until they are either expended within 6 years as part of a project financing or returned to the party from which they were collected. The town has adopted an impact fee ordinance and the CIP Committee has proposed and the Board of Selectman have adopted one for the new elementary school as well as one for a new Central fire station and 2 sub fire stations and required equipment.

The CIP is anticipating the completion this fall of the Parks and Recreation department multi-year comprehensive plan as previously requested by the Pelham Planning Board and CIP Committee. Once complete, this comprehensive plan will allow us to put together an impact fee for adoption by the

Planning Board and Board of Selectman. The CIP Committee recognizes that Impact Fees are an extremely important funding source for the new projects necessary to provide services for the expected growth in new residents has forecast by NRPC. Commitment to these projects must be made by the Board of selectman and School Board in order to enact a reasonable impact fee.

Other financing methods available to us for funding projects include gifts, grants and matching funds from any source. All of these can be used to offset the cost of Capital Improvement projects. The CIP recommends that all Department Heads, the School Board and the Board of Selectman research and use these methods whenever available in order to lessen the burden on taxpayers as much as possible even though they will play a less important role in the overall funding of needed projects.

The CIP Priority Ranking System

The Committee established a system to assess the relative priority of projects requested by the various departments, boards, and committees. Each project proposed is individually considered by the Committee and assessed a priority rank based on very specific criteria as described below:

"U" -- Urgent	Cannot be delayed. Needed for health or safety.
"C" -- Committed	Part of an existing contractual agreement or otherwise legally required.
"N" -- Necessary	Needed to maintain basic level and quality of community services.
"D" -- Desirable	Needed to improve quality or level of services.
"F" -- Deferrable	Can be placed on hold until after 7-year period, but supports community development goals.
"R" -- Research	Pending results of ongoing research, planning, and coordination. The project may be important, but the CIP Committee lacks all of the information to make a definitive decision.
"I" -- Inconsistent	Conflicts with an alternative project/solution recommended by the CIP. The project is contrary to land use planning or established community development goals.

Table 3 contains the projects considered by the Committee. The information in Table 3 represents all requests for capital projects submitted by each municipal department to the CIP Committee. The 'CIP Committee's Priority Recommendations' in the far right column describe the ranking assigned by the CIP Committee to each of these projects within the seven categories of relative project priority.

We are now ready to get into the most important part of the CIP report and will review projects that the CIP Committee scheduled for this year and our reasons for doing so. We will cover these in priority rank sequence.

Recommendations for the Board of Selectman

- 1) The CIP has recommended that the Board of Selectman look at every existing building and capital asset within those buildings that is over \$20,000 in cost and have a useful life of at least 3 years. Next, estimate the age, condition, and remaining life of those assets. This includes not only equipment, but also the age of roofs, flooring etc. It is our understanding that the Town should have been in compliance with GASB (Government Accounting Standards Board) statement 34 protocols by year-end 2003, but has not yet completed necessary requirements. This information would aid the CIP and Budget Committee in determining the maximum value of a needed town wide Capital reserves to maintain buildings properly and at the same time stabilize the tax rate.

- 2) The CIP recommends that the Board of Selectman and Budget Committee work out an acceptable balance and proper use for the new "Town Buildings Emergency Repair Capital Reserve" fund.
- 3) Existing road conditions in Pelham are starting to deteriorate and the road agents reconstruction and repaving schedule is not adequate to maintain the existing infrastructure. The CIP committee is still concerned that many roads built over the last 20 years need substantial repair in the years ahead including the road surface, catch basins and drainage pipes. Roads have a known useable life span. No provision has been made in the town's budget for this expected need, which we expect to be substantial in the years ahead especially if we keep having winters like the last two. As recommended last year we would like to see a study of these needs and a recommended funding method as soon as possible.
- 4) The CIP Committee is recommending several Capital Reserve accounts on the town side this year. These reserve accounts are necessary and serve two useful purposes. One set of reserve accounts are operating reserve accounts allowing services to continue whenever a default budget is approved by allowing funding for programs which are revenue producing to have a mechanism to accept the funds to offset the expense. We recommend operating reserves for the Parks and Recreation Department for self-funded recreational programs as well as operational reserves for the police and fire departments in order to fund details and special assignment work, which the town is reimbursed for, resulting in a profit. The other set of reserve accounts is for Building Capital Reserve Accounts in which funds can be deposited for needed projects. As part of the normal part of the process of development, some funds will become available for funding needed capital projects. We are recommending Building Capital Reserve funds for future senior needs, Parks and Recreation, and future highway Road projects for which the town already has exactions collected.
- 5) Several capital projects in this year's CIP have real but unknown long term operating cost savings. We recommend additional studies for these projects to understand the long-term operating cost savings better. These projects include the reduction in repair costs for proper police cruiser replacement, the highway maintenance and storage garage, and the municipal building renovation and department consolidation project.
- 6) The Board of Selectman has been sent several requests for worksheets for Capital projects that they plan to bring forth so that the CIP plan can completely represent the town's needs. These requests have not been submitted. The CIP plan is only as good the data submitted in projecting tax impacts and planned projects. This CIP plan is missing several important project costs that are known, and needed within the 7 years (2006 to 2012) that this CIP plan covers.
- 7) The CIP Committee is recommending a long-term bond to fund known town CIP projects this year with the Goal of locking in the cost of these projects, stopping the escalation in long-term costs and stabilizing the tax rate for necessary projects for taxpayers. The cost of these recommended projects for inclusion in this bond is increasing at a rate well over 8% per year or well over \$1.9 Million annually. Funding these long-term projects now will save substantial tax dollars. It also will eliminate the need for the Town to compete for necessary capital funds with the school district for the scope of this CIP plan.

Recommendations for the Pelham School Board.

- 1) The CIP recommends that a complete list of current assets worth over \$20,000, having a useful life of 3 years or more and owned by the school district needs to be done and distributed to the CIP. This has been requested for the last 3 years and has not been received to date.
- 2) The age of these assets needs to be determined so that a remaining useful life can be determined so that the school district can determine a more proper figure for funding of a Maintenance

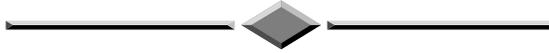
Capital Reserve. We feel the current funding amount is too low to meet existing needs and will cause unnecessary swings in the tax rate.

- 3) Without accomplishing #1 and #2 above, The CIP feels that needed repair projects are not getting submitted to the CIP Committee in a timely fashion for inclusion in our current year's project list. Having this information would allow us to better project and budget for them without negatively affecting the Pelham tax rate.
- 4) We recommend that the Pelham School Board continue to fund the School Building Maintenance Capital reserve fund at \$100,000 annually. An appropriate amount, recommended fund balance and appropriate use for this emergency fund should be determined in consultation with the Budget Committee.
- 5) Based on the estimated full build-out of the Town projected in the Pelham Master Plan 2002, and most recently by the Nashua Regional Planning Commission in June of 2005, we would also recommend that all future school building plans take into consideration a 20-year need and full town build-out.
- 6) The CIP plan lacks the necessary costs and supporting documentation for critical school building projects that will be necessary within the timeframe of this CIP. While a master plan for the school district is being developed, the studies on the cost and types of additions and renovations being considered by the school district for the High School, Memorial School and Elementary School need to be completed sooner than later. Too many of these critical projects have no cost data associated with them and are unscheduled in the CIP plan. Since School Building projects are very expensive by their nature, failure to properly estimate the capital costs of various school space needs projects and schedule these projects in a timely fashion is costing taxpayers \$millions of additional dollars and causing the CIP plan to be incomplete. In assessing project impacts, the ongoing operational costs of projects also has to be considered. The CIP Committee requires this information in order to schedule projects properly with the ranking they require.

Recommendations for the Pelham Budget Committee

- 1) The CIP Committee recognizes that both the Budget Committee and CIP are advisory in nature. While the Budget Committee tries to minimize the tax impact of all budget items, the CIP only concentrates on capital expenditures. While we understand this difference, Capital projects delayed because of concerns for operating budgets only increases the costs of these postponed projects in the long the run. We urge the Budget Committee to take a long-range view on the long-term impacts of not supporting and recommending Capital projects. Concentration on less significant short-term impacts is causing the long-term tax impacts to escalate substantially.
- 2) Based on the expected increases in the cost of construction and financing going forward, the Budget Committee is urged to recommend passage of the CIP's recommendations and strive to maintain more stable operating budgets.
- 3) This past year's vote proved the CIP correct in that certain critical items, such as cruiser replacements be taken off the ballot as part of the town warrant articles and placed within the operating budget. This would make for a better-managed town ballot as well as ensure that these items become part of the town's default budget. Since the voters did not fund the proposed operating budget or the warrant article for cruisers this past year, the long-term maintenance savings for managing the fleet vehicles has been lost and several new vehicles over the next several years will be necessary. Requests for additional emergency equipment should be placed on the ballot one time before becoming part of the default budget. The CIP Committee recommends that the Budget Committee revisit its own internal by-laws to accomplish this.

- 4) The CIP Committee has recommended as "Necessary" several operating Capital Reserve accounts to take advantage of self-funding programs and in and out expenditures for which there are offsetting revenue. We also are recommending the establishment of three (3) Building Capital Reserve accounts as "Necessary" in order to take advantage of expected monies as part of the process of development to fund necessary future building projects.



APPENDIX A

2005

N.H. REVISED STATUTES ANNOTATED

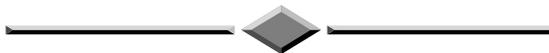
Chapters 674: 5-8

Capital Improvements Program

And

Chapter 674: 21

Innovative Land Use Controls



TITLE LXIV PLANNING AND ZONING

CHAPTER 674 LOCAL LAND USE PLANNING AND REGULATORY POWERS

Capital Improvements Program

Section 674:5

674:5 Authorization. - In a municipality where the planning board has adopted a master plan, the local legislative body may authorize the planning board to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years. As an alternative, the legislative body may authorize the governing body of a municipality to appoint a capital improvement program committee, which shall include at least one member of the planning board and may include but not be limited to other members of the planning board, the budget committee, or the town or city governing body, to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least years. The capital improvements program may encompass major projects being currently undertaken or future projects to be undertaken with federal, state, county and other public funds. The sole purpose and effect of the capital improvements program shall be to aid the mayor or selectmen and the budget committee in their consideration of the annual budget.

Source. 1983, 447:1, eff. Jan. 1, 1984. 2002, 90:1, eff. July 2, 2002.

TITLE LXIV PLANNING AND ZONING

CHAPTER 674 LOCAL LAND USE PLANNING AND REGULATORY POWERS

Capital Improvements Program

Section 674:6

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

Source. 1983, 447:1, eff. Jan. 1, 1984.

TITLE LXIV PLANNING AND ZONING

CHAPTER 674 LOCAL LAND USE PLANNING AND REGULATORY POWERS

Capital Improvements Program

Section 674:7

674:7 Preparation. -

I. In preparing the capital improvements program, the planning board or the capital improvement program committee shall confer, in a manner deemed appropriate by the board or the committee, with the mayor or the board of selectmen, or the chief fiscal officer, the budget committee, other municipal officials and agencies, the school board or boards, and shall review the recommendations of the master plan in relation to the proposed capital improvements program.

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

Source. 1983, 447:1. 1995, 43:1, eff. July 2, 1995. 2002, 90:2, eff. July 2, 2002.

TITLE LXIV PLANNING AND ZONING

CHAPTER 674 LOCAL LAND USE PLANNING AND REGULATORY POWERS

Capital Improvements Program

Section 674:8

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

Source. 1983, 447:1, eff. Jan. 1, 1984. 2002, 90:3, eff. July 2, 2002.

TITLE LXIV PLANNING AND ZONING

CHAPTER 674 LOCAL LAND USE PLANNING AND REGULATORY POWERS

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.

[Paragraph V(d) effective until June 1, 2005; see also paragraph V(d) set out below.]

(d) All impact fees imposed pursuant to this section shall be assessed prior to, or as a condition for, the issuance of a building permit or other appropriate permission to proceed with development. In the interim between assessment and collection, 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 assessed impact fees. Impact fees shall normally be collected as a condition for the issuance of a certificate of occupancy. The above notwithstanding, in projects where off-site improvements are to be constructed simultaneously with a project's development, and where a municipality has appropriated the necessary funds to cover such portions of the work for which it will be responsible, that municipality may advance the time of collection of the impact fee to the issuance of a building permit. Nothing in this subparagraph shall prevent the municipality and the assessed party from establishing an alternate, mutually acceptable schedule of payment.

[Paragraph V(d) effective June 1, 2005; see also paragraph V(d) set out above.]

(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.

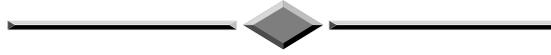
(c) The village plan alternative shall permit the developer or owner to have an expedited subdivision application and approval process wherever land use and subdivision regulations may apply. The submission and approval procedure for a village plan alternative subdivision shall be the same as that for 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.

Source. 1983, 447:1. 1988, 149:1, 2. 1991, 283:1, 2. 1992, 42:1. 1994, 278:1, eff. Aug. 5, 1994. 2002, 236:1, 2, eff. July 16, 2002. 2004, 71:1, 2, eff. July 6, 2004. 2004, 199:2, eff. June 1, 2005; 199:3, eff. June 7, 2004.



APPENDIX B

SUMMARY OF RECOMMENDATIONS

2002 Pelham Master Plan



MASTER PLAN - SUMMARY OF RECOMMENDATIONS

A. POPULATION AND HOUSING

- Conduct a Town buildout analysis using parcel-based Geographic Information System (GIS) technology. The buildout analysis can provide a more accurate estimate of the amount of developable land remaining in the Town. The results of the buildout analysis can be used to predict the level of public services required when the Town is fully developed.
- Using the results of the buildout analysis and the Natural Resources Inventory, conduct a study of the potential need for public water and/or sewer in certain sections of the Town.
- Develop regulatory measures that will facilitate the provision of affordable housing, such as: 1) review and consider revising the Housing for Older Persons Ordinance to further encourage the provision of such housing; 2) review and consider revising the requirements for Accessory Dwelling Units to allow for one-bedroom market rate rental housing; and 3) review and consider revising the zoning ordinance to further encourage the provision of mixed residential/commercial units in the Business Districts.

B. NATURAL RESOURCES

1. Topography

- Consider an amendment to the Zoning Ordinance, subdivision and site plan regulations to adopt a Slope Conservation Overlay District to protect the most severe slopes in Town from unsuitable development. Development of land with slopes greater than fifteen percent should be approached with extreme caution, giving consideration to the problems presented by these slopes. Active use or development of slopes greater than twenty-five percent should be avoided. As these areas are best suited for open space, reserving them for that purpose will minimize the potential for erosion and allow for maximum absorption of surface water run-off thus protecting down-slope residents.

2. Soils

- The Planning Board should continue to consider soil potentials and limitations when reviewing the intensity of development.
- The Town's agricultural lands are recognized as an important and endangered resource with few State or local incentives for keeping viable agricultural lands in production. To protect this valuable resource, the Town should take steps to protect active and idle agricultural lands from development for other uses and create incentives which encourage agricultural lands to be kept in, or returned to, productive farm use. The Trust for New Hampshire Lands Program or the Land and Community Heritage Investment Program may assist the Town in this endeavor.
- New development should be focused in large areas with slopes of less than fifteen percent, giving consideration to the other factors which affect the development suitability of these areas.
- Site Specific Soil Mapping Standards and enforcement actions should continue to be required in the subdivision regulations as a means of verifying actual site conditions, to determine the extent to which development is feasible and to ensure that approved development is constructed according to the approved site and subdivision plans. The non-residential site plan regulations should be reviewed and revised as necessary to require the use of SSSMS.

3. Water Resources

- Land adjacent to surface water resources is restricted from development or strictly monitored in its active use. As these areas are a vital interface between surface and groundwater supplies, they are best suited for open space and have the potential for forming the basis of an open space system serving all developable areas of the community.
- Enforce the Shoreland Protection Act around all great ponds.
- Consideration is given to the protection of surface water and groundwater supplies within the Town's boundaries as they are the life-blood of the community. Groundwater supplies exist which are capable of supporting higher intensities of development. However, these must be protected from contamination in the absence of a municipal waste treatment system.
- Protect existing wetlands and surface waters by amending the Wetlands Ordinance to increase the 50' buffer from the edge of the wetland or surface water. This buffer will protect the natural habitat surrounding wetlands and surface waters that is crucial to the proper functioning of these water resources.
- Continue to implement the Floodplain Overlay Zoning District to reduce losses due to flooding.
- Water supply wells located on till deposits are shallow in depth and very susceptible to land use related contamination (septic systems, fuel storage, fertilizers, road salt, etc.). The Town should consider increasing the setback of future land-uses to these water supply wells.
- Take advantage of the University of New Hampshire's Community Environmental Outreach Program (CEOP)¹ and Natural Resources Senior Projects to continue prime wetland evaluations and designations.
- It is recommended that development of wetland areas continue to be restricted in the future through the Town's Wetland Conservation ordinance. This, combined with active enforcement of State regulations governing the location of septic system and along with the possibility of the Town adopting greater setback distances than the State's minimum, will ensure that these areas may continue to perform the natural functions for which they are best suited.
- Improve the licensing checklist to include the review of the National Pollution Discharge Elimination System permit, especially the facility's Stormwater Pollution Prevention Plan.
- Enforce licensing requirements of all junkyard facilities.
- Prepare a stormwater management plan that addresses the 6 minimum controls outlined under the EPA's Phase II Stormwater Regulations.
- Pursue further protection measures through the Department of Environmental Services.

4. Forests and Wildlife

- Utilize the Forestland Evaluation and Site Assessment (FLESA)² for future forest planning and components of the program on all Town owned lands.
- Maintain 50 foot undisturbed, shady buffer around vernal pools and 100 foot buffer on property lines abutting forests and all surface waters.
- Consider legal easements on all Town Forests to preserve the land for recreation and permanent protection.

¹ <http://ceinfo.unh.edu/Water/Documents/WRcomcon.htm>

² North Country and Southern New Hampshire Resource Conservation and Development Area Councils, *Planning for the Future of Local Forests*, 2001.

- Inventory all existing trails using Geographic Positioning System (GPS) and create a trail system map signage for all Town forests.
- Initiate a long-term insect monitoring plan for Hemlock Woolly Adelgid, weevils, and others.
- Take advantage of the University of New Hampshire's Community Environmental Outreach Program (CEOP) and Natural Resources Senior Projects for a plant biodiversity survey. These are inexpensive programs and the range of possible projects is limited only by the needs of the community and the availability of students to match those needs.

5. Conservation

- Pursue the fee purchase, purchase of development rights or other conservation measures to protect the remaining open space properties. Legal easements should be placed on all conservation properties.
- Allocate 100% of the Land Use Change tax to the Conservation Fund to help contribute towards increasing the number of protected open space parcels and provide matching funds for potential funding sources.
- Farm protection should be pursued for existing or undeveloped lands with Prime or State designated soils.
- Establish a Capital Reserve Fund to raise funds for land protection.
- The Conservation Commission and interested citizens should consider participating in the "Keeping Track" Program. This program uses animal tracks to identify habitats and feeding grounds in a systematic manner for a variety of animals. The information gained can be the start of an inventory and a monitoring system of prime habitats for future conservation.
- Take advantage of the University of New Hampshire's Community Environmental Outreach Program (CEOP) and Natural Resources Senior Projects. These are inexpensive programs and the range of possible projects is limited only by the needs of the community and the availability of students to match those needs.
- The Pelham Fish and Game land, the golf course, Camp Runnels and the watershed of the pond, the Little Island Pond Prime Wetland and the surrounding uplands along with the Peabody Town Forest and the surrounding lands with powerline easements should be recognized as a greenway corridor and expanded so that movement of wildlife can continue to the Dracut line.

C. TRANSPORTATION

- The Town should conduct a townwide traffic study immediately to look at future transportation and traffic issues in the community in detail. Specific recommendations should be developed that could be implemented over the course of time to address the anticipated conditions. The Town should then budget for these improvements in its Capital Improvement Program and undertake a systematic transportation system improvement program
- The Town should develop a town-wide hiking and walking trail system utilizing Class VI roads and Town Center sidewalks.
- New roads in the Town should be local roads in function and classification, limited to providing access to adjacent parcels in subdivisions.
- The Town should employ access management techniques for the purpose of preserving roadway capacity and ensuring safe movement for vehicles entering and exiting curb cuts and side roads. Access management techniques that should be pursued include implementing minimum driveway separation distances based on roadway speed and entering into a Memorandum of Understanding with the NH DOT.

- The Town should re-assess existing site plan, subdivision and zoning requirements based on recommendations included in NRPC, Non-Residential Development Community Character Guidelines and Compatibility Guidelines for the Town of Pelham. Any revisions based on these site design guidelines could also enhance the access management goals.
- The Town should update its Road Surface Management System study as soon as possible and every five years hence in order to plan for future road maintenance and reduce the future cost of extensive repairs to deteriorated roadways.
- The Town should utilize traffic calming measures and roundabouts where appropriate based on traffic flow and right of way constraints to channelize and control traffic through neighborhoods and the Town Center.
- The Town should request that the NH DOT consider design options for the NH38/Old Gage Hill Road N. intersection in order to ensure traffic safety. In addition, the Town should monitor the accident rate at the recently redesigned NH128/Keyes Hill Road/Tallant Road intersection to ensure that improvements are successful in reducing accidents.
- The Town should conduct a Buildout Analysis by TAZ using the NRPC's parcel-based Geographic Information System technology.
- The Town should participate in the Greater Derry Greater Salem Regional Transit Council (GDGSRTC) in order to increase public transportation options those who cannot afford it or are unable to meet their own transportation needs due to physical disability or infirmity.
- The Planning Board should maintain close contact with the State of NH to ensure ample opportunity for public and Town input regarding any planned changes to state roads within Pelham or feeding traffic into Town.

D. COMMUNITY FACILITIES

1. Town Hall

- Construct and maintain the new Town Hall facility as approved by voters in 2002 and expand into the shell space as needed to serve population growth through the planning period.

2. Library

- Construct and maintain the new library as approved by voters in 2002.
- Reserve land adjacent to the new library for possible future expansion.
- Retain and continue to utilize the former historic library building for public use in keeping with deed restrictions on the property.

3. Police Department

- Construct and maintain the new police facility as approved by voters in 2002 and expand into the shell space as needed to serve population growth.

4. Fire Department

- Continue planning for new sub-station(s) and an expansion or replacement of the existing fire station in order to limit response times and provide adequate space for additional fire fighters.
- Continue to use impact fees as a source of revenue for new Fire Department facilities.

5. Parks and Recreation

- Perform an in-depth facility study of recreation needs to serve the existing and projected population.
- Complete and implement a Parks and Recreation Department Long Range Plan.
- Continue planning for the design and construction of new recreation facilities based on the results of the study.
- Consider using impact fees as a source of revenue for new recreation facilities.

6. Solid Waste

- Continue to encourage the use of recycling as a method of limiting the cost of transfer station facilities.

7. Highway Department

- Continue planning for the design and construction of a new highway department garage.
- Consider a new location for Highway Department offices.

8. Schools

- Conduct a study of the potential to provide public kindergarten.
- Continue to plan for, design and construct additional middle and high school facilities based on NH Department of Education standards to meet the needs of the current and projected enrollment.
- Implement recommendations of the high school systems study.

9. Water Supply

- Consider updating and/or expanding existing water studies to determine whether groundwater supplies remain of a quality and quantity suitable for a public water source.
- Consider conducting a survey of underground storage tanks with capacities below 1,100 gallons.

10. Sewer

- Consider further study of municipal sewer system if demand is generated.

11. Cultural/Recreation Center

- Conduct a study of the feasibility of developing a community cultural/recreation center.
- A volunteer non-profit organization, perhaps a Pelham Arts Council, could be established to foster the arts as a vital component of Pelham's community fabric. This council could also provide guidance in the design and management of a future cultural/recreation center to ensure adequate facilities for arts programs in addition to sports and entertainment facilities

12. Re-Use of Old Buildings

- Conduct a study to determine the most appropriate re-use of the former library, Town Hall and Town Hall annex buildings.

13. Historic Resources

- Conduct a comprehensive townwide historic resources survey using a Geographic Information System. Information should be updated periodically to indicate changes to buildings, including remodeling, fire, demolition or changes to surroundings.
- The Town should continue to encourage the protection, enhancement and rehabilitation of significant architectural and historic resources such as the Town Hall, Library, Butler Monument, Town Common and cemeteries. Any building changes, site improvement or other alteration (especially to town owned buildings) should respect the historical qualities of the structure.
- The Town should consider the establishment of a heritage commission to encourage the protection and appropriate use of Pelham's cultural and esthetics as well as historic resources. Attention in particular, should be focused on Town Center.
- Historical interest and pride should be promoted in a variety of ways including: photographs and exhibits in public places;
 - markers and dates at historic structures;
 - brochures describing local history;
 - tours of historic structures and sites;
 - local history courses in the school curriculum;
 - oral history projects; and
 - support of the Pelham Historical Society.
- Copies of literature from the State Historic Preservation Office regarding appropriate rehabilitation techniques should be placed on file in the Town Hall and made available by the Historical Society to encourage the sensitive rehabilitation/renovation of older homes and buildings.
- Encourage National and State Register listing for eligible local structures, including appropriate private residences and the former Library building.
- Continue to locate, identify, catalogue, preserve and protect Town records, documents, manuscripts and artifacts and provide a suitable and safe repository for them. Early handwritten records should be reproduced (transcribed or microfilmed but not photocopied) and copies kept in more than one location. Make collected historical information (in a protected environment) accessible to Town residents and future generations.
- Encourage the use of innovative land use controls including cluster development and partial development to conserve open space and minimize the visual impact of new development on significant historic areas, open space and scenic views.
- Consider the creation of a local Historic District for the Town Center.
- Strengthen incentives for historic preservation in the zoning ordinance and site plan and subdivision regulations, including the adoption of an "open space development" ordinance.
- Consider the adoption of a Scenic Road ordinance, per RSA 231:157, in order to help preserve the scenic and historic qualities of Pelham's rural roads.
- Investigate protection measures for Pelham's Class VI roads, which were often the location of historic development, and which today can serve as recreational trails for Pelham's citizens. The stone walls, cellar holes, and large trees that are often located along these Class VI road should be safeguarded from destruction or removal.
- Consider the acquisition of available, significant property for conservation and preservation purposes in limited but critical cases.

- Promote the donation of easements by historic property owners to a designated authority such as the conservation commission, or established land trust such as the Society for the Protection of New Hampshire Forests.
- Encourage archaeological investigation/documentation in Pelham including historic and prehistoric sites and cemeteries.
- Promote the work of the Town cemetery trustees and the preservation and protection of the Town's historic graveyards and private burying grounds including retention of the natural vegetation, preservation of the dry laid stonewalls and retention of the small stones used as footstones and children's headstones.
- Promote the collection, preservation and protection of oral histories and early photographs and encourage the continued recording of townspeople and structures for permanent reference.

E. FUTURE LAND USE

1. Natural Resource Protection

- Actively pursue the permanent protection those land areas in Pelham that exhibit two or more of the following resources: steep slopes, large forest blocks, surface water resources, ground water resources, soils with high limitations for septic systems and/or agricultural

2. Town Center

- Continue to permit institutional uses in the Residential Zoning District to allow for mixed uses while protecting residential amenities.
- Continue to locate additional community facilities in the town center, when appropriate.
- Protect historically significant buildings within the town center through sensitive redevelopment.
- Pursue a double-lane roundabout or other traffic control measure for the NH 111A/Nashua Road/Old Bridge Street intersection to reduce traffic delay and improve traffic, pedestrian and bicycle safety.

3. Residential Development

- Consider amending the Residential District of the Zoning Ordinance to allow for lower densities in areas of undeveloped land with significant natural resources while increasing the density in areas with fewer development constraints.
- Consider committing to and implementing a system of transfer of development rights.

4. Commercial Development

- Update to the 1991 Route 38 Corridor Study to include access management techniques and best practices in vehicle, bicycle and pedestrian circulation, urban design and stormwater management.
- Further implement the Compatibility Guidelines for the Town of Pelham 3 and apply the guidelines to all new commercial development and redevelopment.

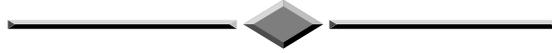
³ NRPC, *Compatibility Guidelines for the Town of Pelham, NH*, June 15, 1999.

- Consider amending the sign ordinance to improve the aesthetics of commercial development. Consider a requirement that signs must be compatible with architectural treatments and prohibit the use of moving, flashing or electronic changing signs.
- Consider amending the Zoning Ordinance to allow for shared parking and shared access where appropriate.

5. Industrial Development

- Continue to implement the provisions of the Industrial Zoning Districts.

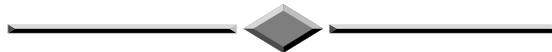
#255-9 - Excerpt from 2002 Pelham Master Plan



APPENDIX C

PELHAM CIP PROGRAM

Capital Project Worksheet and Submission Form



Town of Pelham
 Capital Improvements Plan
 2006-2012
 Appendix C

TOWN OF PELHAM CAPITAL IMPROVEMENT PLAN PROJECT WORKSHEET

Priority ranking _____ Year First Scheduled _____ Year needed _____

Department _____ Department Priority ____ of ____ projects Date of this submission _____

Type of Project:
 (check one)

Primary purpose of project is to:

- Replace or repair existing facilities or equipment
- Improve quality of existing facilities or equipment
- Expand capacity of existing service level/facility
- Provide new facility or service capability

Service Area of Project Impact:
 (check one)

- | | |
|--|--|
| <input type="checkbox"/> Region | <input type="checkbox"/> Business District |
| <input type="checkbox"/> Municipality | <input type="checkbox"/> Neighborhood |
| <input type="checkbox"/> School District | <input type="checkbox"/> Street |
| <input type="checkbox"/> _____ District | <input type="checkbox"/> Other Area |

Project Description:

Project Rationale:

- Removes imminent threat to public health or safety
- Alleviates substandard conditions or deficiencies
- Responds to federal or State requirement for implementation
- Improves the quality of existing services
- Provides added capacity to serve growth
- Reduces long-term operating costs
- Provides an incentive to economic development
- Eligible for matching funds available until _____

Narrative Justification:

(Attach all backup material if possible)

Cost Estimate:

Capital Costs

Impact on Operating & Maintenance

(Itemize as Necessary)
 Dollar Amount (in current \$)
 \$ _____ Planning/feasibility analysis
 _____ Architecture & engineering fees
 _____ Real Estate acquisition
 _____ Site preparation
 _____ Construction
 _____ Furnishings & equipment
 _____ Vehicles and capital equipment

 \$ _____ Total project cost

Costs or Personnel Needs

- Increases personnel requirements
- Increases O & M costs
- Reduces personnel requirements
- Reduces O & M costs

Dollar Cost of Impacts if known:

(+) \$ _____ annually
 (-) \$ _____ annually
 Estimated useful life is ____ years

Sources of Funding:

Grant from: _____ \$ _____ show type
 Loan from: _____ \$ _____ show type
 Donation/bequest/private _____
 User charge or fee _____
 Capital reserve withdrawal _____
 Impact fee account _____
 Warrant article _____
 Current revenue _____
 General obligation bond _____
 Revenue bond _____
 Special assessment _____

Form Prepared by:

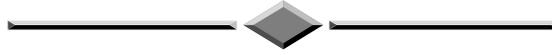
 (Signature)

 (Title)

 (Department/Agency)

 (Date prepared)

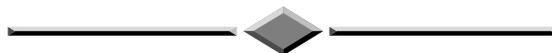
Total Project Cost \$ _____



APPENDIX D

PELHAM CIP PROGRAM

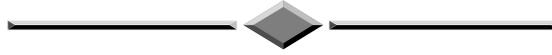
Schedule of CIP Projects, 2006-2012, Annual Costs and Revenues



INSERT EXCEL SPREADSHEETS 11x17 or (8 X 14)

SEE FILENAME #255G-13

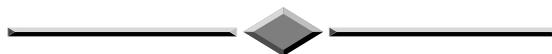
2006-2012 Pelham CIP Appendix D Schedule



APPENDIX E

PELHAM CIP PROGRAM

Pelham School District 10 Year Bond Schedule New Elementary School



Town of Pelham
 Capital Improvements Plan
 2006-2012
 Appendix E

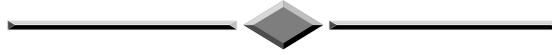
Pelham School District

10 Year Bond Schedule

Bond: \$10,373,000.

Interest rate: 5.0%

YEAR	PRINCIPAL	BOND AMT. REMAINING	INTEREST	TOTAL COST	STATE AID 30%	IMPACT FEES	DISTRICT COST
2000-01			\$322,716	\$322,716	\$312,000	\$119,973	\$322,716
2001-02	\$1,040,000	\$10,373,000	\$492,650	\$1,532,650	\$312,000	\$119,973	\$1,100,677
2002-03	\$1,040,000	\$9,333,000	\$440,650	\$1,480,650	\$312,000	\$119,973	\$1,048,667
2003-04	\$1,040,000	\$8,293,000	\$388,650	\$1,428,650	\$312,000	\$119,973	\$996,677
2004-05	\$1,040,000	\$7,253,000	\$336,650	\$1,376,650	\$312,000	\$119,973	\$944,677
2005-06	\$1,040,000	\$6,213,000	\$284,650	\$1,324,650	\$310,500	\$119,973	\$892,677
2006-07	\$1,035,000	\$5,173,000	\$232,775	\$1,267,775	\$310,500	\$119,973	\$837,302
2007-08	\$1,035,000	\$4,138,000	\$181,025	\$1,216,025	\$310,500	\$119,973	\$785,552
2008-09	\$1,035,000	\$3,103,000	\$129,275	\$1,164,275	\$310,500	\$119,973	\$733,802
2009-10	\$1,035,000	\$2,068,000	\$77,525	\$1,112,525	\$310,500	\$119,973	\$682,052
2010-11	\$1,033,000	\$1,033,000	\$25,825	\$1,058,825	\$309,900	\$119,973	\$628,952
TOTALS	\$10,373,000	\$0	\$2,912,391	\$13,285,391	\$3,111,900	\$1,079,757	\$8,344,809



APPENDIX F

PELHAM CIP PROGRAM

Pelham Municipal Facilities 20 Year Bond Schedule



Pelham Municipal Facilities

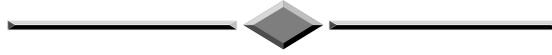
20 Year Bond Schedule

Bond: \$5,597,383.

Interest rate: 3.15 to 5.00 (Adjustable Rate)

YEAR	PRINCIPAL	BOND AMT. REMAINING	INTEREST	TOTAL COST	STATE AID	IMPACT FEES	DISTRICT COST
2003-04*	277,383	5,597,383	212,161	489,544	N/A	N/A	N/A
2004-05	280,000	5,320,020	203,840	483,840	N/A	N/A	N/A
2005-06	280,000	5,040,020	195,440	475,440	N/A	N/A	N/A
2006-07	280,000	4,760,020	187,040	467,040	N/A	N/A	N/A
2007-08	280,000	4,480,020	178,640	458,640	N/A	N/A	N/A
2008-09	280,000	4,200,020	170,240	450,240	N/A	N/A	N/A
2009-10	280,000	3,920,020	161,140	441,140	N/A	N/A	N/A
2010-11	280,000	3,640,020	151,340	431,340	N/A	N/A	N/A
2011-12	280,000	3,360,020	141,540	421,540	N/A	N/A	N/A
2012-13	280,000	3,080,020	131,040	411,040	N/A	N/A	N/A
2013-14	280,000	2,800,020	120,540	400,540	N/A	N/A	N/A
2014-15	280,000	2,520,020	109,340	389,340	N/A	N/A	N/A
2015-16	280,000	2,240,020	98,140	378,140	N/A	N/A	N/A
2014-15	280,000	1,960,020	86,940	366,940	N/A	N/A	N/A
2016-17	280,000	1,680,020	75,460	355,460	N/A	N/A	N/A
2017-18	280,000	1,400,020	63,560	343,560	N/A	N/A	N/A
2018-19	280,000	1,120,020	51,520	331,520	N/A	N/A	N/A
2019-20	280,000	840,020	39,200	319,200	N/A	N/A	N/A
2020-21	280,000	560,020	26,600	306,600	N/A	N/A	N/A
2021-22	280,000	280,020	13,300	293,300	N/A	N/A	N/A
TOTALS	5,597,383	0	2,417,021	8,014,414	N/A	N/A	N/A

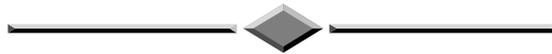
* - 2003 is scheduled the beginning year of the Municipal Bond payments. Table 3, I, B, Pg. 6



APPENDIX G

PELHAM CIP PROGRAM

Proposed Combination Capital Projects 20 year Bond Schedule



Pelham Combined Capital Projects

20 Year Bond Schedule

Bond: \$20,200,000.

Interest rate: 4.25% (Avg. Annual Payment = \$1,519,440.66)

MUNICIPAL YEAR	BOND BEGINNING BALANCE	BOND ENDING BALANCE	ANNUAL PAYMENT	ANNUAL INTEREST	ANNUAL PRINCIPAL	IMPACT FEE**	TOWN VALUATION*	TAX IMPACT Per \$1,000 Assessed Valuation	TAX YEAR
01-Jul-06	\$20,200,000	\$20,200,000	\$429,250	\$429,250	\$0.00	\$181,800	\$705,787,039	\$0.35	2006
01-Jan-07	\$20,200,000	\$19,190,000	\$1,868,500	\$858,500	\$1,010,000	\$181,800	\$724,843,289	\$2.33	2007
01-Jan-08	\$19,190,000	\$18,180,000	\$1,782,650	\$772,650	\$1,010,000	\$181,800	\$744,414,058	\$2.27	2008
01-Jan-09	\$18,180,000	\$17,170,000	\$1,739,725	\$729,725	\$1,010,000	\$181,800	\$764,513,237	\$2.21	2009
01-Jan-10	\$17,170,000	\$16,160,000	\$1,696,800	\$686,800	\$1,010,000	\$181,800	\$785,155,095	\$2.15	2010
01-Jan-11	\$16,160,000	\$15,150,000	\$1,653,875	\$643,875	\$1,010,000	\$181,800	\$806,354,282	\$2.09	2011
01-Jan-12	\$15,150,000	\$14,140,000	\$1,610,950	\$600,950	\$1,010,000	\$181,800	\$828,125,848	\$2.04	2012
01-Jan-13	\$14,140,000	\$13,130,000	\$1,568,025	\$558,025	\$1,010,000	\$181,800	\$850,485,246	\$1.98	2013
01-Jan-14	\$13,130,000	\$12,120,000	\$1,525,100	\$515,100	\$1,010,000	\$181,800	\$873,448,348	\$1.93	2014
01-Jan-15	\$12,120,000	\$11,110,000	\$1,482,175	\$472,175	\$1,010,000	\$181,800	\$897,031,453	\$1.88	2015
01-Jan-16	\$11,110,000	\$10,100,000	\$1,439,250	\$429,250	\$1,010,000	\$181,800	\$921,251,302	\$1.83	2016
01-Jan-17	\$10,100,000	\$9,090,000	\$1,396,325	\$386,325	\$1,010,000	\$181,800	\$946,125,087	\$1.78	2017
01-Jan-18	\$9,090,000	\$8,080,000	\$1,353,400	\$343,400	\$1,010,000	\$181,800	\$971,670,465	\$1.74	2018
01-Jan-19	\$8,080,000	\$7,070,000	\$1,310,475	\$300,475	\$1,010,000	\$181,800	\$997,905,567	\$1.69	2019
01-Jan-20	\$7,070,000	\$6,060,000	\$1,267,550	\$257,550	\$1,010,000	\$181,800	\$1,024,849,018	\$1.65	2020
01-Jan-21	\$6,060,000	\$5,050,000	\$1,224,625	\$214,625	\$1,010,000	\$181,800	\$1,052,519,941	\$1.60	2021
01-Jan-22	\$5,050,000	\$4,040,000	\$1,181,700	\$171,700	\$1,010,000	\$181,800	\$1,080,937,979	\$1.56	2022
01-Jan-23	\$4,040,000	\$3,030,000	\$1,138,775	\$128,775	\$1,010,000	\$181,800	\$1,110,123,305	\$1.52	2023
01-Jan-24	\$3,030,000	\$2,020,000	\$1,095,850	\$85,850	\$1,010,000	\$181,800	\$1,140,096,634	\$1.48	2024
01-Jan-25	\$2,020,000	\$1,010,000	\$1,052,925	\$42,925	\$1,010,000	\$181,800	\$1,170,879,243	\$1.44	2025
01-Jan-26	\$1,010,000	\$0	\$1,052,925	\$0	\$1,010,000	\$181,800	\$1,202,492,983	\$1.40	2026
			\$15,357,050	\$5,794,875	\$20,200,000	\$3,817,800			

* The Town valuation for July 01, 2006 is the figure used by the NH Department of Revenue for the tax year 2004, which is the last valuation available.

** - Impact Fees amounts are estimated from the Fire Station Impact Fee and are not guaranteed. Other capital projects qualify for impact fees if developed and adopted by voters.

The projected Town property valuation is based on a compounded growth rate of 2.7%. This is a very conservative rate consistent with long time historical data, but far less than recent valuation increases.

The actual tax impact of this bond is anticipated to be significantly less once the Town-wide revaluation is completed and the 2005 tax rate is set.

The projected cost of this all-inclusive bond does not take into account any of the projected annual tax savings from reductions in current operating costs.

The CIP Committee estimates the projects covered by this bond will cost an additional 5% per year, or over \$1,000,000 per year each year that funding is delayed.

Projects included in this bond are: Central Fire Station & equipment (\$6,720,000); 1 Sub-fire Station & equipment (\$2,677,000); Highway Department maintenance/storage garage (\$655,000); Senior Center addition & renovations (\$1,500,000); Sherburne Hall improvements to meet Code (\$300,000); Municipal Center renovation of final 6 rooms for meeting space and Cable Department (\$150,000); Cemetery storage garage (\$156,156); Parks & recreation building (\$1,100,000); Road safety and drainage improvements to existing roads (\$7,000,000);