
CAPITAL IMPROVEMENTS PLAN

2008 - 2014

FINAL

Adopted by the Pelham Planning Board on 09/17/07

Prepared by the Pelham Capital Improvements Plan Committee:

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PELHAM CAPITAL IMPROVEMENTS PLAN 2008-2014

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 based on current and expected population increases and the citizen's use of public services. 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 and renovate facilities and services as needed to meet the growing demands of existing and new residents and businesses.

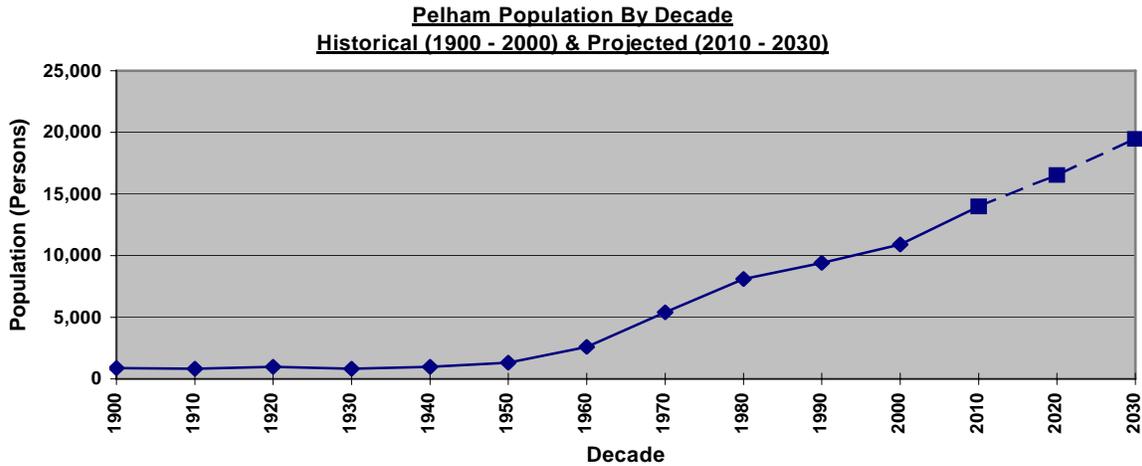
A CIP is an advisory document that can serve a number of purposes, among them:

- 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)).

The NH Office of Energy and Planning (NHOEP) estimated population of Pelham in 2006 is 12,448, with an estimated density of 473.6 persons per square mile. 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 2007 NHOEP "Municipal Population Projections 2010 to 2030" forecasts slightly lower growth rates to its previous 2005 projections. Current NHOEP projections show that Pelham continues to grow at a regular and consistent rate, from 13,990 in 2010 to 19,460 in 2030, at an average of 273.5 persons per year over the 20-year period. From the NHOEP 2006 estimate (12,448) to the 2015 projection (15,230), the change in population is estimated at 22.3%. Little variation in this trend is indicated, barring zoning changes. The NRPC "Region-Wide Buildout Impact Analysis," October 2005, estimates a population at buildout of 24,185 based on current zoning.

One exception affecting population growth rates is the widening of Interstate 93 (I-93), which is scheduled to begin construction soon in segments beginning from south to north. According to the "I-93 Manchester to Salem Expert Panel Analysis - Final Report," revised January 22, 2002, prepared by Parsons Brinkerhoff Quade and Douglas, Inc., the expert Panel's Blended Average Allocation (PBAA) estimates Pelham's population will increase from 16,973 (No Build) to 18,911 (Build) in the year 2020. The Minimum and Maximum and Mean 2020 "build" allocations were 13,860, 26,300 and 19,000 respectively, for reference. This PBAA is a projected population increase of 1,973 people that might not otherwise locate in Pelham. While this I-93 report data is somewhat dated now, the 2007 NHOEP population projections anticipate Pelham's population to be only slightly lower in 2020 at 16,530. This is only a decrease of 443 people, which still represents an increase of 1,530 people or a 2020 "build" population of 18,060. Pelham's location on the Massachusetts border exerts growth pressure regardless of the I-93 widening. Growth should be monitored constantly to understand actual growth rates and trends.

FIGURE 1



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

TABLE 1: PELHAM POPULATION, 1900-2030

Historical U.S. Census Population			NHOEP Projections		
Year	Population	% Change	Year	Population	% Change
1900	875	-	2010	13,990	28.2
1910	826	-5.6	2020	16,530	18.2
1920	974	17.9	2030	19,460	17.7
1930	814	-16.4			
1940	979	20.3			
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 2007.

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 and School District has been increasing rapidly and faster than the inflation rate, the municipal and school portions devoted to capital outlay and debt service has been somewhat irregular and has been decreasing as a percentage of total expenditures over the last several years. (See Table 2) The increases in the town and school operating budgets are unsustainable. Failure to invest in the infrastructure necessary to maintain necessary services and property values is preventing the town from having the tax base to pay for continued increases in the operating budgets. 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 the projects are funded when needed rather than long after they are overdue as has been the case. Unfortunately, Pelham has often failed to follow its CIP schedule resulting in escalating costs for projects that would

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have been far less expensive to fund had they been completed as scheduled. Large increases in the cost of commodities and building materials in the last 5 years has resulted in huge increases in expected future outlays for capital projects. While some abatement in the rate of increase is expected in the next few years, the CIP Plan still anticipates annual 6% increases over the next few years for most building projects.

TABLE 2: MUNICIPAL & SCHOOL CAPITAL OUTLAY AND DEBT SERVICE, 1990-2006

Year	Municipal Expenditures					School District Expenditures*					Total Expenditures				
	CAPITAL		OPERATING		CAPITAL	CAPITAL		OPERATING		CAPITAL	CAPITAL		OPERATING		CAPITAL
	OUTLAY	%	COSTS	%	% OF	OUTLAY	%	COSTS	%	% OF	OUTLAY	%	COSTS	%	% OF
(\$)	CHANGE	(\$)	CHANGE	TOTAL	(\$)	CHANGE	(\$)	CHANGE	TOTAL	(\$)	CHANGE	(\$)	CHANGE	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	1,582,364	-1.8	16,218,213	14.5	8.9	2,136,952	-5.3	21,349,049	9.1	9.1
2004	590,469	6.5	6,847,234	33.5	8.6	1,417,000	-10.5	18,109,458	11.7	7.3	2,007,469	-6.1	24,956,692	16.9	7.4
2005	1,118,715	89.4	7,153,061	4.5	13.5	1,377,788	-2.8	18,189,944	0.4	7.0	2,496,503	24.4	25,343,005	1.5	9.0
2006	754,311	-32.6	7,412,881	3.6	9.2	1,324,650	-3.9	19,498,337	7.2	6.4	2,078,961	-16.7	26,911,218	6.2	7.2

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. 2006 = 05/06).

**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 2008 to 2014 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. In late 2005 the Pelham Planning Board rewrote the Impact Fee Ordinance in order to take advantage of the updates recently done by the Legislature regarding impact fees. The Voters adopted the town's new impact fee ordinance in March of 2006.

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 or fees in lieu of for future Park and Recreational needs. The Parks and Recreation Director have completed a comprehensive seven (7) year plan to define the recreational needs of the Town in the years ahead. This year's Plan contains those recommendations.

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 \$50,000 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. Based on the new town valuation after re-valuation and the need to re-focus the CIP document on more critical needs, the CIP Committee raised the capital expenditure needed for inclusion in the CIP Plan to \$50,000, from \$30,000 previously, in 2007. This \$50,000 expenditure represents approximately a .02 tax increase based on the new valuation. The CIP Committee feels items less than \$50,000 should be placed in the operating budget in order to focus on the more critical needs identified as community development goals. The Board of Selectman and Budget Committee last year allowed replacement police vehicle purchases in the operating budget in order to better focus on very critical building needs. We hope this trend continues. If the Board of Selectman adopts a comprehensive management schedule for all of the vehicle fleet, the CIP Committee hopes the Budget Committee will consider allowing capital reserves for reducing our vehicle replacement costs and better leveling of the tax rate. Operating expenditures for personnel and other general costs are not capital items and therefore are not included in this plan. 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 2008 to 2014 CIP schedule is provided below. While many department heads have not had capital outlay

requests in the past that met the CIP criteria, members of the CIP Committee met with all department heads this year to review existing and future needs. Continued escalation in building costs means spending a lot more than previously budgeted in future years on needed capital projects. The large increases in building costs for needed building expansions and renovations concerns the CIP Committee greatly since there is no let up forecast in these increased costs seen on very large projects. 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.

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 un-programmed 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 central fire station, land purchases for a new high school, a new high school, additions and/or renovations to the Memorial School and possibly converting the current High School to a Middle School (E.g. grades 7 & 8), a sub fire station, kindergarten and a senior center expansion. All of these fall within the scope of this seven (7)-year Capital Improvement Plan. All of these items will require bond payments, in addition to the two completed projects already committed to payments which are the elementary schools and municipal center. 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 continues to make 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. This year's CIP Plan reflects over a \$10 Million increase in the cost of the same projects known last year. With this increase and the lack of funding last year, the Pelham School District, in order to focus on very critical current and future space needs, will need to compete with the Town for funds on projects that are clearly important from a community development standpoint potentially causing further delays in spending and large tax increases.

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 Towns 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 in School and Town Department order in 2007. Please refer to Section E and the Spreadsheet in the back for updated ratings and current projected costs of projects. The information in Table 3 represents all requests for capital projects submitted by each municipal division to the CIP Committee in 2007. The 'CIP Committee Priority Recommendations' in the column to the far right describes the rank assigned by the CIP Committee at that time to each of these projects within the seven categories of relative project priority. Some of these priorities have changed and are reflected in the spreadsheet and section E.

TABLE 3: SUMMARY OF PROJECTS REQUESTED 2008 DATA

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	<ul style="list-style-type: none"> • 20-Year Bond (Issued 2003) 	\$8,014,414	2008	App. F Bond Schedule		C						
	<ul style="list-style-type: none"> • Municipal Capital Reserve (5/31/07) 	\$0				C						
C	<ul style="list-style-type: none"> • Town Emergency Reserve - (5/31/07) 	\$78,242	Existing	Capital Reserve Warrant		C						
D	Municipal Building Improvements/Expansion	\$1,000,000	2009	1-Year Appropriation				D				
E	Municipal Building Roof	\$270,000	2010	2 Year - \$135,000/Year				D				
II.	POLICE DEPARTMENT											
A	Police Bulk Evidence Storage			1-Year Appropriation								R
B	Animal Control Shelter			1-Year Appropriation								R
C	Indoor Firing Range	\$499,040		1-Year Appropriation								R
	<ul style="list-style-type: none"> • Federal Grant 											
III.	FIRE DEPARTMENT											
A	Central Station and Equipment											
	<ul style="list-style-type: none"> • 20-Year Bond - 5.25% Interest 	\$10,600,800	2008	Bond	U							
	<ul style="list-style-type: none"> • Impact Fees - 7/1/07 -\$2,000 	\$450,000	2009	(\$75,000)/Year								
B	Ambulance Fund	\$175,000	2008	Annual Appropriation \$25,000/Year			N					
	User Fee Balance - 07/31/07	\$83,417	2008	Withdrawal (\$25,000/Year)								
C	Replacement of Ambulance 2	\$190,000	2008	1-Year Appropriation			N					
	<ul style="list-style-type: none"> • Ambulance Fund Withdrawal 	\$160,000	2008	Withdrawal (\$160,000)								
D	Replacement of Ambulance 1	\$190,000	2010	1-Year Appropriation								R
	<ul style="list-style-type: none"> • Ambulance Fund Withdrawal 	\$0										
E	Rescue Truck	\$850,000	2010	5-Year Lease Purchase \$170,000/Year			N					

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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>											
F	2012 Replacement Fire Truck	\$400,000	2012	5-Year Lease Purchase \$80,000/Year			N					
G	Radio Tower Infrastructure	\$150,000	2008	1-Year Appropriation			N					
H	First Fire Sub-station						N					
	• 10-Year Bond - 4.5% Interest	\$3,322,064	2012	Bond								
	• Impact Fees -	\$0										
I	Second Fire Sub-station										R	
	• 5-Year Bond - 4.5% Interest	\$3,587,000	Unscheduled	Bond								
	• Impact Fees -	\$0										
IV.	HIGHWAY DEPARTMENT											
A	Bridge Repair Capital Reserve	\$630,000	2008	Annual Appropriation \$90,000/Year			N					
	• Capital Reserve Balance - 7/31/07	\$48,604										
B	Castle Hill Road Bridge	\$645,540	2008	1-Year Appropriation	U							
	• State Bridge Aid - 80%	(\$516,432)	2008	Offset Appropriation								
	• Pelham Capital Reserve Withdrawal	\$0		Withdrawal to Offset Appropriation								
	• Windham Capital Reserve Withdrawal	(\$129,108)	2008	Withdrawal to Offset Appropriation								
C	90 HP Tractor w/ Boom-Mower	\$57,000	2008	1-Year Appropriation				D				
D	Maintenance and Storage Garage	\$808,992	2010	1-Year Appropriation				D				
E	Willow Street Bridge	\$1,333,530	2011	1-Year Appropriation	U							
	• State Bridge Aid - 80%	(\$1,066,823)	2011	Offset Appropriation								
	• Pelham Capital Reserve - 20%	(\$266,707)	2011	Withdrawal to Offset Appropriation								
F	2008 Dump Truck w/Plow & Sander	\$124,000	2008	1-Year Appropriation			N					
G	2011 Dump Truck w/Plow & Sander	\$145,860	2011	1-Year Appropriation			N					
H	2013 Dump Truck w/Plow & Sander	\$160,812	2013	1-Year Appropriation			N					
I	Bridge and Stone Culvert - Gumpus Hill Road	\$76,000	2008	1-Year Appropriation			N					
	• Block Grant	(\$76,000)	2008	Offset Appropriation								
V.	SOLID WASTE DISPOSAL											
A	No Capital Projects for CIP											
VI.	PARKS AND RECREATION											
A	Multi Purpose Field at Raymond Park	\$200,000	2008	1-Year Appropriation			N					
	• LWCF Grant	(\$46,500)	2008	Offset Appropriation								
	• Private Funds - Tenneco Gas	(\$146,500)	2008	Offset Appropriation								
B	Basketball Gym Facility	\$985,000	2008	1-Year Appropriation				D				
C	• Parks & Recreation Capital Reserve	(\$25,000)	2008	Offset Appropriation			N					
D	Town Pool, Tennis Courts, Ice Skating Rink	\$1,450,000	Unscheduled	Bond							R	
VII.	LIBRARY											
A	No Capital Projects for CIP											

Town of Pelham
Capital Improvements Plan
2008-2014

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>											
VIII.	TOWN CLERK/TAX COLLECTOR											
A	No Capital Projects for CIP											
IX.	CEMETERY											
A	30' x 50' Garage	\$178,765	2008	1-Year Appropriation			N					
B	Purchase 10 Acres of Land	\$1,100,000	2008	2-Year - \$550,000/Year							R	
C	Cemetery Truck	\$68,940	2010	1-Year Appropriation			N					
X.	SENIOR CENTER											
A	Senior's Center Expansion/Renovation Eng. Study	\$0	Unscheduled	1-Year Appropriation			N					
B	Senior's Center Expansion/Renovate	\$1,675,000	2010	Bond							R	
C	• Senior Bldg. Capital Reserve	\$0	Unscheduled				N					
XI.	PELHAM SCHOOL DISTRICT											
A	High School Land Purchase	See Below			U							
	• 5-Year Bond - 5.25%	\$4,143,125	2008	Bond								
	• State Building Aid - 30%	(\$1,050,000)	2009	(\$210,000)/Year								
B	New Pelham High School	See Below			U							
	• 20-Year Bond - 5.0%	\$66,255,000	2008	Bond								
	• State Building Aid - 30%	(\$12,600,000)	2009	(\$630,000)/Year								
C	Convert High School to Middle School	See Below					N					
	• 10-Year Bond @ 5.25%	\$11,835,000	2008	Bond								
	• State Building Aid - 30%	(\$2,700,000)	2009	(\$270,000)/Year								
	• Impact Fees	\$0										
D	School Building Maintenance Capital Reserve - 07/31/07 (\$46)746	(\$1,050,000)	2008	(\$150,000)/Year			N					
E	Technology Program	\$1,283,331	2008	\$183,333/Year			N					
F	Repave Memorial School Parking Lot	\$125,000	2009	1-Year Appropriation			N					
G	Location Study for Pelham Pre-School	\$100,000	2009	1-Year Appropriation			N					
H	Modular Rooms for Memorial School	\$200,000	2009	1-Year Appropriation			N					I
I	Land Capital Reserve	\$100,000	2009	1-Year Appropriation							R	
J	Modular Classrooms for High School	\$200,000	2010	1-Year Appropriation			N					I
K	Kindergarten	See Below									R	
	• 10-Year Bond - 4.5%	\$6,264,74411	2011	Bond								
	• State Building Aid - 30%	(\$1,429,219)	2012	(\$142,922)/Year								
L	Research Pelham SAU Site	\$100,000	Unscheduled	1-Year Appropriation					F			
M	New Elementary School 1 Built in 2000	See Below			C							
	• 10-Year Bond - 2001-2011	\$13,285,391	2008	App. E Bond Schedule								
	• State Building Aid @ 30%	(\$2,173,500)	2008	(\$310,500)/Year								
N	Addition to Pelham Elementary School	\$100,000	2011	1-Year Appropriation							R	

E. LISTING AND DISCUSSION OF PROJECTS BY RECOMMENDED PRIORITY

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

- III. A. **Central Fire Station and Equipment- 2008.** The CIP Committee understands that the current station is too small to serve our growing Town adequately. The Committee rates this project as “Urgent” as several deficiencies in the existing station cannot be rectified on the existing site. It is necessary 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. With the increase in new full time fire fighters and EMT’s the current station is far too small. In addition There is Federal monies available to fix the current center of town traffic problems that will be lost if a new station is not built at a different location.

The CIP Committee has watched the costs of fire station construction increase dramatically in the last few years and had recommended funding to build and finance the new Central Station along with a Sub Fire Station in 2007 with a large bond which was rejected by the voters. 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 has presented to the Planning Board a new schedule for all new subdivision plans beginning with those submitted in January of 2007. The Planning Director wanted to review the schedule further so the original fee update has not been adopted by the Planning Board as yet and further review is being conducted based on the growing cost of fire stations and the growing need.

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.

- IV. B. **Castle Hill Road Bridge - 2008.** 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 allow this route to serve as an alternate detour during the rehabilitation of the Tallant Road Bridge. Windham has shown a willingness to share in the cost of rehabilitating this bridge and currently both Pelham’s and Windham’s share to fix the bridge is in escrow. Since this bridge was destroyed in the spring floods of 2006, rehabilitation could be funded through a combination of anticipated state aid, FEMA grants, and money from the Windham Capital Reserve Fund, if the Pelham Board of Selectman can negotiate with Windham on the repairs needed. The twenty (20) percent match or roughly \$129,108 is required to receive State bridge aid that would be applied for in conjunction with the next 10-Year State Transportation Improvement Plan (TIP), being updated 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 in 2005. It would have been more prudent to act on the Castle Hill Bridge prior to the Tallant Road Bridge. The bridge is now permanently closed

waiting for a solution. The Pelham Board of Selectman has given Windham permission to fix the bridge. The bridge is now waiting for scheduling by the

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

Windham Board of Selectmen. The Windham Board of Selectmen have started the design phase of the project in 2007. The actual replacement will be determined by Windham and the final plan design and construction will be overseen by the Pelham Road Agent as agreed to between the two town's Board of Selectmen.

- IV. E. **Willow Street Bridge - 2008.** Bridge replacement is scheduled for 2008. 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 bridge replacement may be scheduled with NHDOT. Pelham's delay in appropriating the needed 20% match as quickly as recommended by the CIP Committee as well as the recent funding problems for the State Transportation Improvement Plan (TIP) may jeopardize the State funding for this project or delay it substantially.
- XI. A. **High School Land Purchase - 2008.** The CIP Committee rates this request as "Urgent" for the Pelham School District to have \$4,143,125 available to purchase land for a new Pelham High School and to be able to act quickly if this becomes a reality. The Pelham School Board is negotiating for land now. For this reason, the Committee recommends spreading the cost of this land purchase over a 5-year period to stabilize the tax rate.
- XI. B. **New Pelham High School - 2008.** The Pelham voters rejected a Co-operative High School with Windham. The CIP realizes that this is an important project. The School Board has submitted a CIP worksheet that indicates a new high school will be needed by 2008 for a cost of \$66,255,000. This means approval of a bond item in 2008 if a new school is to be ready for the 2010 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.

"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 the conversion of the Ernest G. Sherburne School into a combined municipal facility in 2003. 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 20 year bond for conversion of the Ernest G. Sherburne School into a combined municipal facility in 2003. 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 if the Board of Selectman ask for and the voters approve funding the reserve account.

- XI. M. **New Elementary School (10-year bond)** - 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.

- III. B. **Ambulance Fund - 2008.** 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 in the new central fire station or the new sub fire station in the future. Based on the current cost of ambulance replacement, more money needs to be placed in this fund annually in order to meet the normal replacement costs for the two ambulances we currently have and the third one that the department anticipates it will need in the future.
- III. C. **Replacement of Ambulance 2 - 2008.** Ambulance 2 is in need of replacement. The cost will be \$190,000, offset by \$150,000 to be withdrawn from the Ambulance Fund.
- III. E. **Rescue Truck - 2010.** The purchase of a new rescue truck will cost \$850,000, with payments of \$170,000 per year for five years. Payment would be complete in 2014.
- III. F. **Fire Truck Replacement - 2012.** The scheduled replacement of the truck in 2012, with the cost spread over 3 years.
- III. G. **Radio Infrastructure Improvements-2008.** On a fire call last year, the fire department radio systems did not work. Luckily no one was hurt. Investigation by the fire department found that one of the fire department repeaters located on private property was not maintained properly nor did it have the proper grounding and power backup. This warrant article is intended to fix this critical life safety issue and allow for communications to work properly. A new tower with collocation capability that will be able to communicate with a tower in Dracut, MA via microwave signal is planned for the Jeremy Hill area. There is a possibility this improvement will be included in the 2008 operating budget.
- III. H. **1st Sub Fire Station and Equipment - 2012.** The CIP Committee ranks this proposal as "Necessary". 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. While considered an urgent project, staffing for the sub station needs to be addressed prior to building.

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

- IV. A. Bridge Repair Capital Reserve - 2008.** 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 was 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 Board of Selectmen has been funding this reserve account with less money than recommended. 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 completely is a priority. The \$75,000 per year has not appropriated as needed, so this year the CIP Committee recommends raising the amount to at least \$90,000 in order to try to keep the Willow Street bridge replacement on schedule which is already in serious jeopardy as the State changes the transportation plan because they do not have the funds to build it.
- IV. F. Dump Truck/Plow/Sander- 2008.** This request is to replace a 1997 1-ton diesel pickup with an 8-foot plow and has over 155,279 miles on it with a new truck and plow. This will reduce long term operating costs.
- IV. G. Dump Truck/Plow/Sander- 2011.** This is a scheduled replacement of a 1991 vehicle currently being used to plow roads. This vehicle will need replacing in 2011 and the stainless steel sander off the back of the 1991 truck will be transferred to the new truck as long as it is in good shape.
- IV. H. Dump Truck/Plow/Sander - 2013.** This new 36,000 GVW truck is proposed for 2013 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.
- IV. I. Bridge and Stone Culvert Replacement Gumpus Hill Rd - 2008.** The cost of this project is \$76,000 and based on the condition of this culvert the work has been scheduled in 2008.
- VI. A. Multi Purpose Field at Raymond Park - 2008.** With the projected population growth, additional playing fields are needed. The \$200,000 project would be funded with monies received from Tenneco Gas Company along with a LWCF Grant. The new multipurpose field will 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 would be resolved if the fields were built. While the need for ball fields has not diminished, the CIP Committee agrees that better planning will save money over the long term.

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

- VI. C. **Parks and Recreation Capital Reserve Account - 2008.** 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 - 2008.** The Cemetery Trustees have requested \$178,765 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 a new 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. The cost of the new vehicle is \$68,940.
- X. A. **Senior Center Expansion/Renovation Engineering Study - 2008.** 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. The existing senior center can hold a maximum of 75 people for meals which is already tight. The expansion plan proposed will seat up to 250 people for major functions.
- X. C. **Senior Building Capital Reserve Fund-2008.** 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. C. **Conversion of Existing High School to Middle School.** The Pelham School District plans to convert the existing Pelham High School from grades 9 - 12 to a Middle School as soon as a new high school is built. " The Middle school conversion is dependant on the new high school being built and is rated "Necessary". The School District's engineering firm estimates the cost of this conversion at \$9,000,000.
- XI. D. **School Building Maintenance Capital Reserve - 2008.** 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 increase the amount to \$150,000 annually.

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

- XI. E. **Technology Program - 2008.** The School Board revised the District's technology plan in 2007. 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 district. Pelham began implementation of the plan in 2001 in order to maintain and improve the technology available to Pelham students and faculty and in order to meet the requirements of the "No Child Left Behind Act" of Congress. The school district has been installing thin client work stations instead of PC's which will have a longer useful life than having to buy PC's every year.
- XI. F. **Repave Memorial Parking Lot - 2009.** The School Board requests \$125,000 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. G. **Location Study for Pelham Pre-School - 2009.** The study is expected to cost \$100,000 and is currently scheduled for 2009. Windham will not have space for Pelham students in the Golden Brook School after 2010 where these children are now going to school. Since Federal statutes require all school districts to have a pre-school for 3 and 4 year olds with learning disabilities, Pelham will need to find space for these children in 2010. While the study is expected to cost about \$100,000, the cost to build the space could be substantial.
- XI. H. **Modular Classrooms Memorial School - 2009.** 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. However, since long term solutions have not been funded, it may become "Necessary" to provide temporary solutions at additional cost to taxpayers. (See this project also listed in XI. H. in the "I" Inconsistent section).
- XI. J. **Modular Classrooms for Pelham High School-2009.** The school district requires additional space at Pelham High School this 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. However, since long term solutions have not been funded, it may become "Necessary" to provide additional temporary solutions at the high school at additional cost to taxpayers. (See this project also listed in XI. J. in the "I" Inconsistent section).

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

- I. D. **Municipal Building Improvements-2009.** The Board of Selectmen have identified valid uses for the extra 6 classrooms at the Municipal center including expansion of the Parks & Recreation office, consolidation of the Cable Department into the Municipal Center Complex from the Annex Building. The Sherburne Hall could also be used for extra needed storage. This project would have long term savings for taxpayers and help streamline government operations. Additionally the second floor atrium at the library represents a safety concern that officials wish to fix by flooring over the opening. The furnace in the Municipal Building is 1940 vintage and the Air circulator units are 1950 and 1960 vintage and will need replacement. This estimate is not official but is an estimate to repair all of these items.
- I. E. **Municipal Building Roof - 2009.** The roof of the Municipal building has been patched and repaired several times. It is a rubber roof with several layers. Municipal officials feel that replacing the roof is the best long term action that can be taken since constant patching of the roof has been done since they took over the building.
- IV. C. **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 for \$57,000 with a useful life of 20 years may be less expensive than procuring this service in the future. Enhanced service would include increased mowing frequency and other trail and roadside maintenance. Currently this maintenance is done once a year which is not sufficient to maintain drainage ditches and provide necessary safety site distances especially on road curves and blind spots.
- IV. D. **Maintenance and Storage Garage - 2010.** 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 for a cost of \$808,992. 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 approximately \$56,000 in 2008 and 145,860 in 2011.
- VI. B. **Basketball/Gym Facility Veteran Park 2008.** The Parks and Recreation department requests a new Gym and Basketball facility at Veteran's Memorial Park to replace the old lodge building and provide a safe environment not only for the summer program

which must currently be cancelled in inclement weather but also to provide recreational activities in the winter months. The cost of the project is \$985,000.

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

- XI. L. Research Pelham SAU site. The School District anticipates that they may need to research a site for a future Pelham only SAU building. This task is not yet scheduled, but has an estimated cost of \$100,000.

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

- II. A. **Police Department Bulk Evidence Storage- unscheduled.** The Police Department has identified a need for secure bulk evidence storage. Potentially some of the space left over in the municipal building could be used for this. There are no current cost estimates for this project as yet.
- II. B. **Animal Control Shelter- unscheduled.** The Police Department reports that the current Animal Control shelter is at least 30 years old and in deplorable condition and needs to be replaced. It lacks sanitary facilities for animal care and potable water. There is no room to separate sick animals from healthy animals as well as separate cats from dogs. There is no feline shelter. The current facility does not have a bathroom or any office space, nor can the Fish and Game Club guarantee any long term use of the current location since the arrangement is verbal. The Police department is therefore also looking for a new location.
- II. C. **In-Door Firing/Training Range- unscheduled.** Currently a lot of the outdoor firing ranges used to train and certify police officials are closing due to federal environmental concerns regarding lead as well as the fact that increasing land values makes these locations desirable development locations. In anticipation of not having a local out-door range to conduct mandatory bi-annual firearms qualifications, an indoor range in the existing police station or nearby would allow the department to qualify many of its officers while on duty ultimately reducing overtime and increasing efficiency. Since ranges are expensive to build, more study is needed. Having an extra firing bay may allow the police department to lease some time to other area departments.
- III. D. **Replacement of Ambulance 1 - Unscheduled.** With an estimated cost of \$180,000, the replacement of ambulance 1 needs further research.
- III. I. **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. The estimated cost is \$3,587,000.
- VI. D. **Town Pool, Tennis Courts and Ice Skating Rink - Unscheduled.** The Parks and Recreation Director has proposed a new community recreation center for an estimated \$1,450,000. The Master Plan and Recreation Department Master Plan both identify the need. The Envision Pelham community-planning workshop recommended that a new recreation facility be built. The site may include an indoor or outdoor pool, skating rink and additional tennis courts. This proposal has many positive features, but needs research. The existing High School site may provide a viable location should a new Pelham High School be approved. An indoor pool may be feasible within the existing structure. An engineering review of the site for this purpose would be necessary should the school district maintain a 3 - school model.

"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 for an estimated \$1,100,000 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. B. **Senior Center Expansion/Renovation - 2010.** The Senior Center Dining area is too small for the current number of seniors that use it on a weekly basis. The stand beside addition is planned to be 7200 square feet. 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. **Land Capital Reserve Fund - Unscheduled.** To plan and provide funding for future purchase of land for school needs.
- XI. K. **Kindergarten - 2011.** 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 recently passed by both the House and the Senate and signed by the Governor. The legislature is again working on finding a way to fund an adequate education as required by the NH Supreme Court. The School Board is currently proposing All-Day Kindergarten, but has it tentatively scheduled for 2011. 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 continuing the 75% State match through June 30, 2008. Being one of only 5 NH towns without kindergarten makes it difficult to project what recent legislative action will mean for Pelham adequacy monies going forward.
- XI. N. **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. Building a new High School and converting the old high school to a middles school would go a long way in reducing the need for additional space at the elementary school.

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

- XI. H. **Modular Classrooms Memorial School - 2009.** 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. However, since long term solutions have not been funded, it may become "Necessary" to provide temporary solutions at additional cost to taxpayers. (See this project also listed in XI. H. in the "N" Necessary section).
- XI. J. **Modular Classrooms for Pelham High School-2009.** The school district requires additional space at Pelham High School this 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. However, since long term solutions have not been funded, it may become "Necessary" to provide temporary solutions at additional cost to taxpayers. (See this project also listed in XI. J. in the "N" Necessary section).

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 16 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 and 2006 due to the revaluation. Between 1990 and 1996, the average annual growth rate was 2.1%. Between 1997 and 2005, a period of unusually rapid real estate appreciation, the average annual growth rate was 4.4% percent. For reference, between 1990 and 2006, the average annual growth rate was 12.4% percent; however, this includes the large annual change of 71.9% and 136.7% caused by the property revaluation in the 1996-97 and 2005-06 calendar year and also includes the rapidly appreciating real estate period of 1997 to 2005. The most representative value is still 2.7% annual growth in the local assessment. This 2.7% value was used in the Projected Assessed Valuation row in the Schedule of Capital Improvement Projects, 2008-2014 Annual Costs and Revenues, found in Appendix D. This 2.7% annual appreciation eliminates the home value increases generated by revaluation in 1997 and 2006 and represents the average net increase in new town valuations based on new construction only over the last 17 years. From a tax planning standpoint this means that anytime the total spending of the town and school district go up more than 2.7% annually, voters should expect a tax increase.

TABLE 4: NET TAXABLE VALUE, 1990-2006

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%
2005	\$701,296,916	2.1%
2006	\$1,659,750,038	136.7%*
	Average Annual Change, 1990-1996	2.1%*
	Average Annual Change, 1997-2005	4.4%*
	Average Annual Change, 1990-2006	12.4%

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

* The large increase in net taxable value was due to a town-wide revaluation between 1996 and 1997, and again between 2005 and 2006. The jump in 1997 and 2006 was excluded in calculations of the average annual tax rate increase for the Avg. Annual Change periods (1990-1996) and (1997-2005).

See Appendix D, Schedule of CIP Projects, 2008-2014, 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.

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 has been 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. **The Town of Pelham is currently seeking outside consulting help in putting together a sustainable and long term CIP program for multiple projects. 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.** 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 2008-2014 Capital Improvement Plan to the Pelham Planning Board in September 2008.

This evening, the CIP Committee would again like to thank the Pelham Planning Board for giving us an opportunity to present the 2008-2014 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 will now cause large increases in the town's tax rate due to the substantial increased cost of these projects as time goes by.

This year's CIP process was beyond challenging because the cost of not funding the scheduled projects in the last few years as necessary, 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 the last several CIP plans. Construction costs and interest rates are increasing while the town's growth in new construction has slowed.

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, the School Board, and especially the Budget Committee 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.

CIP Committee recommendations for 2008

The Planning Board is responsible almost completely for the total new tax revenue from new construction the town receives based on the zoning it enacts and the subdivision and site plans it approves. Without that zoning and the approval of both residential homes and businesses, there would be very little new tax revenue coming into town except that which is received by increasing the tax burden on existing homeowners. Over the last 10 years, the Planning Board has been responsible for almost doubling the amount of tax revenue coming into the town coffers. In 1996 the total tax revenue received was \$12,732,439. In 2006, the last year for which data is currently available, it was \$23,816,824. This is an increase of \$11,843,385. Unfortunately, in the same period of time, the increase in the operating budgets have increased almost as much from a combined school and town spending of \$14,772,639 in 1996 to over \$25,538,946 in 2006 or an increase of \$10,766,307 eating up all of the tax revenue from new construction and leaving none for necessary capital projects. The overall budget approved in March of 2007 shows an increase of almost 7% over 2006 and the budget process going on today is well on the way to being at least another 6 to 8 % total increase next year. Therefore the tax rate continues to increase basically uncontrollably. While the CIP Committee has routinely recommended prudence in spending on everything except capital projects, the opposite has been the case. The town's infrastructure is in dire need of major improvement, some improvements are obvious like the central fire station being too small, and the High School life safety and space issues. Others are not quite as obvious, but just as critical, like the Memorial School space problem which is now getting critical, the cemetery garage which is rotted and ready to collapse, and town roads which are seeing more and more traffic and which must be maintained better unless residents want to spend a lot of money in a few years to reconstruct several roads vs. repaving them. The CIP Committee is a sub-committee of the Planning Board. As such we are a long term thinking and planning sub-committee. We have not put together a wish list but rather present to the town and its residents a very well thought out capital budget plan that clearly meets community development goals and, only if funded as presented, offers the residents of this town the only chance they have to stabilize the tax rate long term and have the infrastructure to maintain critical as well as desirable services that they can afford. We are also responsible for the Capital Improvement Plan which is a statutory pre-requisite for the collection of impact fees and to help reduce the burden on taxpayers for long term projects.

Since there has been no broad based support among the electorate for funding large necessary projects in the last several years as they have been identified and presented and because the cost of these projects have escalated out of control in recent years, as predicted in previous CIP plans, the cost to taxpayers starting this year for ideas that don't meet community development goals, maintenance on old assets that should be retired, and for continued failures to rain in the operating budgets is going to be felt. In addition, the CIP plan before you for 2008 to 2014 outlines as best as it can be done, the cost to taxpayers for needed and much desired projects and equipment based on current cost estimates. Nothing in the plan represents wishful projects but projects that must be done in order to improve deteriorating services and assets as well as improve desirable services for the maintenance of a healthy and viable community. While the plan before you is expensive, it is critical to understand that none of the costs shown are going down and the longer we wait to fund the projects identified the more it's going to cost everyone that lives here. While the CIP Committee expects the double digit inflation increases in construction costs of the past few years to moderate in coming years, we are still budgeting for a 6% increase in construction costs for projects going forward. Understand that on just the known projects today, a 6% increase represents almost a \$5 Million increase in the cost of all projects for each year the projects are not funded. Based on the spreadsheets we are presenting to you tonight, which we will review and answer questions on shortly, we are also presenting other recommendations which will not be popular with some people or with some elected officials, but running the town's business is serious business and failure to adopt the recommendations we present this year will clearly result in large future

tax increases regardless of voter wishes and will probably result in taxpayers' revenge at the polls in coming years and present our town officials with serious issues to deal with for many years to come.

Below are our recommendations for 2008.

Board of Selectmen recommendations:

- 1) With so many critical CIP needs funding Parks and Recreation needs from taxpayer funds is going to become more difficult going forward. We'd like to see if the Board of Selectman can research current State Statutes to see if the Parks and Recreation Department can charge a separate and distinct fee from the user fee to help fund necessary capital improvements specifically from the people who use their services. We foresee this separate fee being used to fund expansion of the ball fields as well as a future recreation center or gym so that the majority of the funds come from sources other than the taxpayers. This would obviously have to be a separate capital reserve fund established by the voters.
- 2) While some voters desire to have control of when the town purchases vehicles by being able to vote on a separate warrant article for each vehicle proposed, it makes no common sense to allow voters, who have no way of knowing the needs, to have a say when vehicles are replaced. Besides, failure to replace vehicles when at the end of their useful life wastes tax dollars as repair costs escalate, replacement vehicles are rented to perform the services our town owned vehicles should be doing and the town's liability for not being able to provide important services including fire rescue and snow plowing increases. The CIP Committee recommends that the Board of Selectman work out with the Budget Committee an acceptable vehicle replacement schedule over the next 10 years based on current vehicle age, mileage, usage, repair needs, and other historical data maintained by department heads so that a Capital Reserve fund for all vehicles can be level funded and set aside in that fund and the fund spent by the Board of Selectman as agents as needed to maintain the towns fleet of vehicles in working order and to lower long term maintenance costs. The fund should include all vehicles in all departments including fire trucks and highway department vehicles. In addition, the CIP Committee recommends that enough money be set aside annually so that within a few years the town can pay cash for all vehicles and no longer have to lease purchase vehicles reducing the cost of vehicle purchase to the voters by up to 8%. With a good vehicle replacement schedule, all vehicles should be in the operating budget going forward. This will also allow the Board of Selectman to better manage the ballot and most importantly re-focus the voter's attention on the really important projects that cost real money. For instance, a back hoe, a police car, a parks and recreation pickup truck or police animal control pickup truck, or skid steer for the transfer station, which stay in the fleet for 6 to 15 years before being replaced represents a grand total of .01 to .02 on the tax rate.
- 3) We must start funding the town's building maintenance capital reserve fund. While most residents look at the municipal building and library as being brand new, there are several components of these buildings that have already been identified that will need repair and maintenance including the old boiler, ventilation systems, and heat exchangers in the municipal building, a new roof on several sections of the building as well as renovation of Sherburne hall and the remaining classrooms for other uses currently known to exist. All together the total need for repair and maintenance is substantial and it would make good business sense and cost the taxpayers a lot less money if funded over time starting now.
- 4) We recommend adopting the provisions of GASB 34 faster rather than slower. While we may not have to comply with all statutory provisions until next year and beyond, the CIP Committee has already seen new and substantial capital requests needed sooner than later because we have not identified some of the needs ahead of time which could have been identified sooner if the age

of sub-sets of all town and school assets where known. It's important to stay ahead of the curve as the cost of capital projects and required maintenance is still rising at more than twice the cost of living.

- 5) Work with the Planning Director, the State of NH and other agencies to update the Town's Master plan to include economic development, enterprise zones, green development, and other NH smart growth initiatives in order to ensure that Pelham has access to energy and other resources long term that are going to become more expensive and harder to get.

School Board recommendations:

We recognize that the School needs are getting more critical and much more expensive each year. No matter how you look at it, regardless of what any one thinks, not building a Co-op with Windham is going to have serious and dramatic tax consequences to voters and taxpayers in Pelham. While both School Board members and the residents are going to get scared looking at the needs and the costs, the options today are quite limited to solve our problems. Therefore we recommend the following which is going to require strong leadership from the School Board.

- 1) The High School project represents the most expensive capital item in the entire CIP Plan and will focus voters away from other important and just as important projects for many years to come. We recommend that the School Board present to the voters 4 separate and distinct warrant articles to identify the needs and desires. This would include one article for the land purchase, one for the actual construction of the high school, another one for the renovation of the old high school for middle school use, and another separate one for a much needed auditorium for the arts and lecture hall.
- 2) It's important the school district start funding the maintenance capital reserve fund for aging buildings.

Recommendations for both the Board of Selectman and School Board:

- 1) Containing operating costs is not a want it's a must. With the continued slow growth in new housing starts expected for at least another year or two here and at least 2 or 3 years before the town starts to see any meaningful tax revenue from new homes, containing operating costs is a must if voters are going to have enough funds to pay for needed capital projects and necessary services. With the town's new valuation, it takes approximately \$1.7 Million in new spending to equal \$1 on the tax rate. At a budgeted increase of 5% per year in operating budgets on the town and school side, that's about the increase voters can expect annually from this budget process. Add into the equation, expected school adequacy money decreases because Pelham has no kindergarten and it is now mandated as part of an adequate education, county budget increases as negotiated between the governor and State agencies, reductions in other state aid including bridge repair and road maintenance funds, reductions in all town fee collections and mandated increases in NH retirement costs for employees along with mandated increases in medical insurance premiums and it all adds up to between a \$1.50 and \$2.00 average increase annually in the tax rate as far as the eye can see without the necessary funding for capital projects necessary to make Pelham an attractive community to both additional residents and new businesses. Since the average assessed value is now over \$450,000 per house, the annual tax increases should average \$750 to \$1000 per year for the next several years even with voter rejection of necessary capital projects. The town and school district should consider ways to cut operating budgets 5% annually instead of grow budgets 5% annually or they risk a severe taxpayer backlash.

- 2) The taxes are high enough that the BOS should consider going to a quarterly property tax billing. Not only would this aid residents in meeting their financial burden and lower the delinquency rate, it would allow the town to have tax revenue earlier in order to avoid or reduce substantially the financing the operating budgets with loans in advance of tax payments.
- 3) No new employee contracts should be signed by either the BOS or School District unless it accomplishes three main objectives. A) The raises are overall no higher than the cost of living. B) Employee contributions to both medical insurance premiums and retirement are increased substantially until they reach levels in the private sector. C) Total cost of the entire contract including all defined and undefined benefits doesn't exceed 2% annually. Voters can no longer afford to pay the vast majority of public sector insurance and retirement costs.
- 4) While the CIP scheduled costs are daunting, it's still important to note that there are several necessary projects not as yet scheduled in the CIP because more critical items need to be funded first before the BOS or School Board start researching the actual costs of those additional projects. Some of these needs will force additional temporary spending increases again without voter consent.
- 5) Resident education of the major issues facing the town is a must and has to be a top priority of the BOS and School Board. It's not just about what the town needs to build or what this CIP Plan of future CIP plans are all about. It's about how government in NH works. Most of our residents come from Massachusetts and they don't understand the difference between a home rule State like Massachusetts and a non-home rule State like NH. The NH advantage is quickly disappearing and the State as well as the cities and towns especially in the southern tier like Pelham are not going to have the means to fund very crucial and necessary projects and municipal and school services unless we start thinking differently today.
- 6) It may be time to hire a professional to help the town and school district with long term budget projections. We are not just talking about everyday spending and tax revenue projections, we're talking about capital needs processes and new revenue sources.
- 7) The Community Technical Assistance Program specifically put together by the NH Department of Transportation to aid communities that will be affected by the Rte 93 widening project needs to be better understood by all town officials and residents not just by the few involved in the process. There are funds available for community awareness, innovative land use government training, targeted local government accounts which Pelham has already designated the year 1 funds for economic development, as well as collaborative planning with abutting communities to aid communities in collaborative efforts on services as identified in the State's smart growth initiatives. We strongly suggest that the town and school district get involved in this planning process or Pelham stands to lose out on valuable tools and processes.

Recommendations for the Board of Selectman in 2006 still needing implementation

- 1) The CIP has recommended that the Board of Selectman look at every existing building and capital asset within those buildings that is over \$50,000 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 (20088 to 2014) that this CIP plan covers.
- 7) The CIP Committee still feels that 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 is best for taxpayers. Although voters rejected the one on the ballot last year, it still represents the best option to stabilize the tax rate if the Board of Selectmen and Budget Committee can educate them on the needs.

Recommendations for the Pelham School Board not yet implemented from prior years.

- 1) The CIP recommends that a complete list of current assets worth over \$505,000, 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.

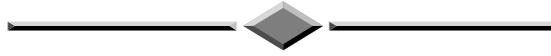
- 2) The age of these assets needs to be determined so that a remaining useful life can be determined so that the school district can determine a more proper figure for funding of a Maintenance Capital Reserve. We feel the current funding amount is too low to meet existing needs and will cause unnecessary swings in the tax rate.
- 3) 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) 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.

Continued expectations of 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) 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.

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APPENDIX A

2007

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.

(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 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.

(1) 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.

(2) 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.

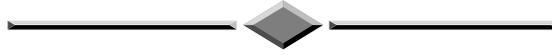
(d) If the total area of a proposed village plan alternative subdivision including all roadways and improvements does not exceed 20 percent of the total land area of the undeveloped lot, and if the proposed subdivision incorporates the total sum of all proposed development as permitted by local regulation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

regulation, including lot size, shall not apply to the proposed village plan alternative subdivision.

(e) The approving authority may increase, at existing property lines, the setback to new construction within a village plan alternative subdivision by up to 2 times the distance required by current zoning or subdivision regulations, subject to the provisions of subparagraph (c).

(f) 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.

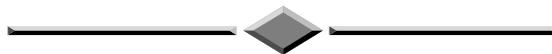
Source. 1983, 447:1. 1988, 149:1, 2. 1991, 283:1, 2. 1992, 42:1. 1994, 278:1, eff. Aug. 5, 1994. 2002, 236:1, 2, eff. July 16, 2002. 2004, 71:1, 2, eff. July 6, 2004. 2004, 199:2, eff. June 1, 2005; 199:3, eff. June 7, 2004. 2005, 61:1, 2, eff. July 22, 2005.



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.

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.

- 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.
- 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.
- 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

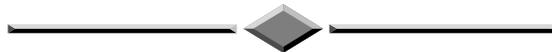
³ NRPC, *Compatibility Guidelines for the Town of Pelham, NH*, June 15, 1999.



APPENDIX C

PELHAM CIP PROGRAM

Capital Project Worksheet and Submission Form



Town of Pelham
 Capital Improvements Plan
 2008-2014
 Appendix C

TOWN OF PELHAM CAPITAL IMPROVEMENT PLAN PROJECT WORKSHEET

Priority ranking _____ of _____ 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:

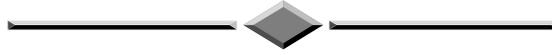
 (Signature)

 (Title)

 (Department/Agency)

 (Date prepared)

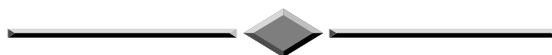
Total Project Cost \$ _____

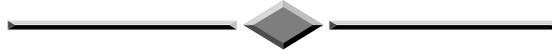


APPENDIX D

PELHAM CIP PROGRAM

Schedule of CIP Projects, 2008-2014, Annual Costs and Revenues

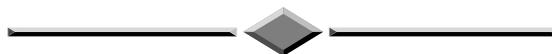




APPENDIX E

PELHAM CIP PROGRAM

Pelham School District 10 Year Bond Schedule New Elementary School



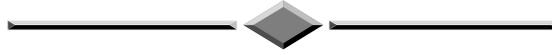
Pelham School District

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

#255G-30