

TOWN OF TUFTONBORO
NEW HAMPSHIRE

CAPITAL IMPROVEMENTS PROGRAM

FOR THE PERIOD

2012 to 2021

Issued December 6, 2011

Capital Improvements Program

Tuftonboro, New Hampshire

2012-2021

Tuftonboro's Capital Improvements Program ("CIP") Committee wishes to acknowledge and to thank Tuftonboro's Department Heads, Committee and Commission Chairs, the Town Treasurer, the Superintendent of the Governor Wentworth Regional School District, Tuftonboro's School Board representative, and the Chair of the Carroll County Delegation. Their willingness to take the time to respond to our requests for information regarding their plans for capital projects helped us to be as efficient as possible in completing our work.

The CIP Committee especially thanks Tuftonboro's Board of Selectmen for their active support. Carolyn Sundquist's participation as a CIP Committee member this year increased the likelihood that our efforts, which are reflected in this report, will benefit all the residents and property owners of Tuftonboro.

Town of Tuftonboro Capital Improvements Program Committee - 2011

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Board of Selectmen – 2011

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Introduction

In October, 2007, Tuftonboro's CIP Committee prepared and presented its first annual report to the Selectmen laying out a projected schedule of Capital Projects for Tuftonboro for the period 2008 to 2017. This first annual report includes a great deal of background material for the interested reader. Material covered includes the establishment of Tuftonboro's CIP Committee, the RSAs which govern the work of the CIP Committee, the responsibilities of the Committee, and the annual process to be followed by the Committee. In addition, the first report contains detailed information about the history of expenditures by the Town of Tuftonboro (both capital and operating) dating back to 1991. This laboriously extracted data provided the foundation for the Committee's establishment of a ***Capital Capacity*** for Tuftonboro which, in turn, led to projections of “reasonable” or “normal” levels of Capital Expenditure through 2017.

Previous CIP Committee reports can be viewed and downloaded through links found on the CIP Committee's page on Tuftonboro's website (www.tuftonboro.org/Pages/TuftonboroNH_Boards/Capital). Copies of the reports are also available at the Tuftonboro Free Library, and a limited supply is available at the Town Offices.

In this 2011 CIP report, we list the projects proposed by Tuftonboro's various departments, committees, commissions, and boards for the period 2012 to 2021; we describe what each entails; we provide the CIP Committee's recommendations to the Selectmen on each project; and, we suggest a timetable and financing schedule for these projects on a summary spreadsheet.

We also include in this report a summary schedule from the previous year showing what was recommended by the CIP Committee, what was proposed by the Board of Selectmen for Town Meeting, the Budget Committee's action, and the decisions made by the voters at the Town Meeting this past March.

In the final two pages of this report, we include the history of tax rates from 2006 through 2011 broken down into “Town Only” and “Non-Town” expense components. The former includes Tuftonboro's own operating and capital expenses while the latter includes school and county operating expense as well as identifiable capital projects and any tax effects of important state mandates. We extend this data series as our projection of what Tuftonboro's taxpayers might expect to see over the period 2012 - 2017.

Our Capital Improvements Program -- The Fundamentals

The CIP Committee has defined a ***Capital Project*** to be a specified item or activity with a cost of at least \$10,000 and with a useful life of two years or more.

Typical Capital Projects include:

- Purchasing vehicles or other equipment
- Purchasing land or buildings
- Constructing, expanding, or renovating a building
- Upgrading named roads
- Contracting for services with a work order for a defined task

In late summer, the CIP Committee solicits input from all departments, commissions, and committees in Tuftonboro. It requests from each a description of all Capital Projects contemplated for the next ten years. The CIP Committee then reviews each proposed project (often with the sponsors presenting their projects), presents these on a single spreadsheet reflecting priority, an optimum financing method, and a schedule for each year consistent with the Town's Capital Capacity. The CIP Committee then votes to accept the final version of the spreadsheet. The Committee prepares its report (this document) summarizing its work and including the suggested form of Warrant Articles for the recommended projects that can be used by the Board of Selectmen and the Budget Committee. A public presentation of the report is made to a joint meeting of the Selectmen, Budget Committee and Planning Board.

There are substantial benefits to managing a capital budgeting process and developing the discipline associated with a long range planning culture. For example, the work done by the CIP Committee:

- helps stabilize and control the Town's tax rate
- assists Town officials in laying out their departmental plans
- helps residents anticipate future projects and expenses
- enables a dialogue between residents and officials about Capital Project priorities
- encourages Departments and Committees to think and plan for the future
- enables more efficient use of limited resources
- permits the Town to consider using impact fees and growth management ordinances

The CIP provides a formal, legally recognized bridge between the Town's Master Plan and the annual budgeting activity. This is the basis for the Planning Board to be represented on the CIP Committee. The CIP report, with its identified costs and forward-looking timetable, is the action plan to implement the goals of the Master Plan.

In legal terms, Tuftonboro's CIP report is an *advisory* document. The Selectmen and Budget Committee are not bound to follow any of its recommendations. However, the report is proving to be an essential, helpful management tool for everyone involved in planning the Town's future.

Capital Capacity

Probably no other aspect of the CIP Committee's report generates as much discussion as ***Capital Capacity***. Using spreadsheet software, we plot a graph with the points representing the Town's actual expenditures for Capital Projects (including road resurfacing projects) as extracted from Town Reports beginning with 1991. The software generates a line from these points that is the "best fit" to show their trend. This historical trendline will be described by an equation. Our next step is to *extend* that trendline through the coming 10 year period within which the CIP Committee works. Using the equation from our first step, we enter values that produce this extension. The result is a line describing Tuftonboro's "normal" capital expenditure levels since 1991 that has been projected from the current year to the end of the period covered in this report. Because the trendline equation will change with each passing year of actual Capital Project expenditures, we crosscheck our results using two popular spreadsheet applications.

Table 1 (below) lists the historical data as well as the new values for Tuftonboro's Capital Capacity utilized by the CIP Committee this year. They will also be found in Table 2 on page 21 -- the CIP Proposed Project Schedule spreadsheet.

Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Cap. Exp. (\$ 000's)	214	260	222	293	373	207	645	387	457	231	349	431	523	570	705	1,157

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cap. Exp. (\$ 000's)	491	581	508	643											
Cap. Cap. (\$ 000's)					728	753	779	804	829	854	880	905	930	956	981

Table 1: Tuftonboro's Capital Expenditures and Capital Capacity 1991-2021

While actual expenditures (rather than voter-authorized amounts) are subject to year to year fluctuations and changing economic conditions, our work using these actual totals strongly suggests they provide the best basis from which to determine Tuftonboro's Capital Capacity. Spending levels that may be variously described as "normal for," or "acceptable to," or "accepted by" our voters seem to be reflected well in these numbers. The more we work with them, the more we understand they are not a "budget" but rather a description of Tuftonboro's "normal" capital spending levels.

The full graph of Tuftonboro's Capital Capacity is found on the next page in Figure 1. The plotted points are those from Table 1, above. These values are at the heart of the work of the CIP Committee. They capture the Town's history, provide actual numbers to guide Town planning, and are firmly grounded upon the actual actions and decisions of the voters of Tuftonboro.

Capital Expense History and Capital Capacity Projections for Tuftonboro from 1991-2021

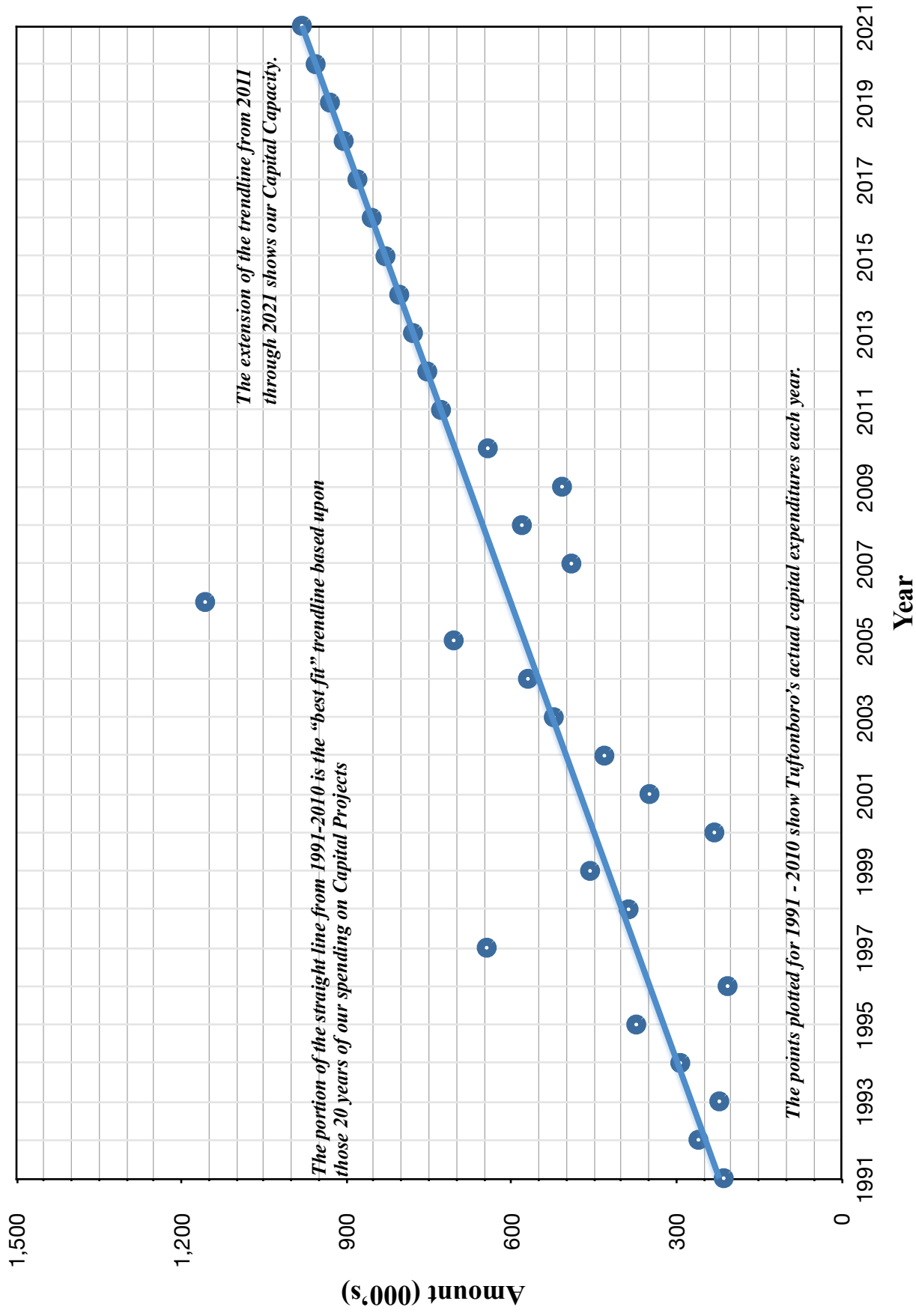


Figure 1 -- Capital Capacity Graph

Proposed Capital Projects & Purchases

The CIP Committee contacted the heads/chairs of each department, committee, and commission in Tuftonboro during the summer of 2011 with a request to prepare a project submission form for each Capital Project planned or contemplated for implementation during the next 10 years. The responses are summarized in the next several pages together with associated comments and recommendations of the CIP Committee.

Details of Town Proposals

A. Board of Selectmen

The projects proposed by the Board of Selectmen are listed under the functional headings of “General Government,” “Highway Department,” and “Public Safety Facilities.”

B. Emergency Management Services

1. Emergency Radio Coverage for Emergency Services

This project is to place a 100 watt radio repeater on the Prospect Hill cell phone tower. The Town’s present radio locations leave dead spots and weak reception zones for vital communications services. The proposed project (which has been refreshed for this year) will improve the radio capabilities available for emergency services and road crews.

CIP Committee Comments: A useful and important project. Reliable communication is a critical success factor to emergency operations and public safety. While originally requested for 2012, the department asked that we move it to 2013 while they study further the possibility that transmission facilities at the proposed new Fire Station might cover the dead spots and prove to be a better solution. If not, the availability of the cell phone tower should be satisfactory.

CIP Committee Recommendation: Schedule \$12,000 for this project in 2013.

C. Fire / Rescue Department

1. 10-Engine-1

10-Engine-1 is a new class A pumper which has been ordered and is scheduled to be delivered in mid-November, 2011. Our Fire/Rescue department follows the National Fire Protection Association (“NFPA”) guidelines which call for retiring fire fighting apparatus after 20 years of service. The total cost was \$444,145 excluding financing costs. This results in five annual payments of \$88,829 through 2015.

CIP Committee Comments: None.

CIP Committee Recommendation: Schedule for continued annual lease purchase payments of \$88,829 through 2015.

2. 10-Utility-2

10-Utility-2 is a 1985 Chevrolet C-30, one ton, flat bed truck. This 26 year old multipurpose vehicle is widely used. The vehicle needs to be replaced to avoid major repairs and to ensure safety of our citizens. The proposed funding is a five year lease/purchase with annual payments of \$14,000 for a total purchase cost of \$70,000. Financing costs are not included in these amounts.

CIP Committee Comments: Recommended last year for replacement in 2012 when this vehicle will be 27 years old.

CIP Committee Recommendation: Schedule for 2012-2016 as requested.

3. 10-Engine-2

This class A pumper will be 20 years old in 2018. Our Fire Rescue department follows the NFPA guidelines which call for retiring fire fighting apparatus after 20 years of service. The replacement of this pumper has an estimated cost of \$550,000 utilizing a five year lease/purchase with annual payments of \$110,000 beginning in 2018. Financing costs are not included in these amounts. The lead time on orders for class A pumpers is currently nine months.

CIP Committee Comments: The NFPA guidelines address both maintenance costs and safety considerations and support a 20 year replacement cycle. The 20 year replacement cycle makes this a cost-effective project. The project and the financing schedule appear reasonable and are consistent with the department's previous Capital Project planning.

CIP Committee Recommendation: Schedule for 2018-2022 as requested.

4. 10-Rescue-1

This project will replace the current rescue truck (a 2002 Ford 550) with a new, multipurpose rescue/pumper. In addition to providing better fire, rescue and EMS coverage to the Town and increasing our rescue capabilities, this class A pumper would bring our count of class A apparatus to four. This in turn affects the town's ISO rating. It also will improve departmental efficiency through carrying more personnel and life saving equipment than was possible on the vehicle replaced. There is also a possibility the current vehicle could be redeployed in another support function. The expected cost is \$450,000. Financing costs are not included in this amount.

CIP Committee Comments: The size of this expenditure leads us to schedule it now even though the first payment would not occur until 2016. We have scheduled a five year lease purchase agreement. The project and the financing appear reasonable and are consistent with the department's previous Capital Project planning.

CIP Committee Recommendation: Schedule for 2016-2020 as requested.

D. General Government (Board of Selectmen)

1. Tax Map Update (Board of Selectmen; unchanged from the 2010 report)

The Town's tax map is over 30 years old and does not have all the building changes that have occurred since it was drawn. Updating the map with the changes and transferring the data to

computer will make it much more user-friendly for the community and better for planning purposes. The estimated cost is approximately \$150,000.

CIP Committee Comments: The existing tax map is manually updated every year. It is not clear that a computerized version would be as easy to use or as accessible to the public as the existing paper map and online maps. However, the CIP Committee recognizes the importance of up-to-date tax maps, in either form, for planning and decision-making.

CIP Committee Recommendation: Accept the Board of Selectmen's proposal that this be a project for 2014.

E. Highway Department

Tuftonboro has an elected Road Agent responsible for maintaining and upgrading the Town's roads, bridges and docks. Tuftonboro has approximately 46 miles of Town-maintained roads -- 34 miles of which are paved. Each year, Town Meeting votes on three related highway budget items: (1) individual Named Road Improvement projects which are proposed by the Board of Selectmen; (2) "Paving and Shoulder" work (previously called "Special for Tar"); and, (3) the operating budget which includes the regular summer and winter maintenance. Because the sums involved are usually significant, the CIP Committee continues to ask the Board of Selectmen to specify the roads being worked upon in projects proposed under item (1) and that roads in item (2) be identified in the Town Warrant by name with proposed amount of expenditure.

1. Road Improvement Projects (Board of Selectmen)

Each year, the Highway Department undertakes several road/culvert/ditch projects beyond the scope of the Paving Warrant Article. Past examples are Lang Pond Road and County Road and the upgrades of dangerous intersections. This year, there is an additional joint project with Wolfeboro to improve 474 feet of Lang Pond Road encompassing the unpaved and paved portions of the downslope from Wolfeboro. Tuftonboro's section is about 1/3 of the length of the project, and our share of the cost is \$17,125.

CIP Committee Comments: The joint project with Wolfeboro is necessary largely because of the volumes of gravel that wash off the road each year into Mirror Lake.

CIP Committee Recommendation: Last year, due to the tight fiscal picture, we proposed that this group of sub-projects be held to \$50,000 per year for 2011 and 2012, increasing to \$75,000 for each of the next four years, before being set to \$100,000 per year thereafter beginning in 2017. Due to the urgency of the Lang Pond Road project with Wolfeboro, we recommend increasing the Warrant Article for these projects in 2012 to \$70,000 while otherwise leaving the present schedule unchanged.

2. "Paving" Warrant Article

Each year, a sum is allocated for major road resurfacing/rebuilding. This amount has been \$185,000 for the last several years, and the Road Agent has indicated that amount would be sufficient for 2012. The Projects for 2012 are tentatively Sodom Road and the remainder of Ledge Hill Road.

CIP Committee Comments: It is important to maintain the quality of the Town's roads.

CIP Committee Recommendation: A Paving Warrant Article for \$185,000 in 2012.

3. Lang Pond Road Project (Board of Selectmen)

[Note: this project is separate and distinct from the Lang Pond Road project in “Road Improvement Projects” above. One requirement of the engineering designs for both projects is to ensure their compatibility.] There has been increasing cause for concern at the narrowing, erosion, and poor drainage developing along the section of Lang Pond Road bordering the south shore of Mirror Lake and extending further east. Voters in 2007 approved \$50,000 for design and wetlands permitting expenses but defeated a Warrant Article in 2008 for \$225,000 to fund a project that would be subject to NHDOT determination that it qualified as a “bridge” and thus would become eligible for grants of up to 80% of project costs. Consequently, the repairs to this section of the road have been temporary. The Board of Selectmen believes the adverse conditions have progressed to a point where public safety and water quality necessitate a major repair effort. At the time of this report, the Selectmen have engaged H. E. Bergeron to design and estimate a project to restore the road to required width, repair/install culverts as required and possibly install/repair the bridge. The wetlands permit will expire in February, 2013, but renewal can be expected.

CIP Committee Comments: The scope and cost of this project, as well as the likelihood of grant money availability, are still preliminary; however, the most recent estimate for the entire project is \$585,000. The best estimate of possible grants available is 80% (\$468,000). The importance of moving ahead with these repairs is reflected in our decision to schedule both the estimated project cost and the estimated grants available in 2012.

CIP Committee Recommendation: A Warrant Article for project expense of \$585,000 for 2012 with an offset of \$468,000 resulting in a net expense of \$117,000. These amounts and their timing are still preliminary.

4. Mirror Lake Boat Launch Ramp on Route 109 (Board of Selectmen)

At Town Meeting 2007, a Warrant Article for \$9,800 was defeated that would have rebuilt the public boat launch on Mirror Lake off Route 109. The launch ramp is the only one on the lake. It is in disrepair and has extremely limited parking space. The Mirror Lake Protective Association has engaged Geosyntec Consultants as their environmental and engineering consultants for a range of remedial actions (including Lang Pond Road) to be taken to restore the water quality of Mirror Lake. That firm has designated this project as a high priority, and the Association has asked the Selectmen to sponsor the project with the stipulation that the Association secures a \$13,000 grant.

CIP Committee Comments: This boat launch needs to be maintained. Access to our recreational lakes and ponds is important to the economic health of our Town and region. With the stipulated grant, the net cost to Tuftonboro’s taxpayers would be \$20,000, making it a worthwhile project.

CIP Committee Recommendation: A Warrant Article for \$33,000 in 2012 subject to the Mirror Lake Protective Association obtaining its grant of \$13,000.

5. Lake Road -- Repairs to Launch Ramp and Bulkhead (Board of Selectmen)

The Lake Road boat launch ramp needs rebuilding. This is one of two launch ramps in Tuftonboro entering Lake Winnepesaukee and is actively used. In addition, the bulkhead structure running the length of the road from the launch area south to the rip rap needs some repairs and refilling with gravel. The cost of repairs to the launch ramp is estimated at \$109,000.

CIP Committee Comments: This is a significant expense appearing for the first time on our schedule of waterfront projects. Our boat launches must be maintained to a condition that contributes to the recreational appeal of our town and region.

CIP Committee Recommendation: Schedule \$109,000 for this project in 2014.

6. Repairs to Melvin Wharf (Board of Selectmen)

Melvin Wharf requires repairs to the sidewalls, the icebreakers and to the structure itself. The Road Agent's best estimate at this point is \$29,500 for the repairs, but this project will likely be put out for bid. While the icebreakers have been in poor shape for a number of seasons, continued absence of repairs will result in their failure which, in turn, will jeopardize the wharf structure.

CIP Committee Comments: Like all of our waterfront structures, regular maintenance is cost effective in the long run. Melvin Wharf is an important recreational asset for our residents.

CIP Committee Recommendation: Schedule \$29,500 for this project in 2013.

7. Repairs to Union Wharf (Board of Selectmen)

The north side of Union Wharf requires rebuilding. The Road Agent estimates \$16,000 to effect these repairs.

CIP Committee Comments: This project continues significant maintenance spending on this important Town asset.

CIP Committee Recommendation: Schedule \$16,000 for this project in 2013.

F. Library

1. New Library Building

In 2004, a consultant engaged at the Board of Selectmen's request told the Library Trustees that their present space (3,984 sq. ft.) was just half of the American Library Association standards for the services then being provided -- seven years ago. Since that time, the number of registered borrowers has nearly doubled. The Library now has 1,648 local patrons -- a count that does not include any seasonal or local non-residents. This is nearly 70% of our Town's population per the 2010 US Census.

The collection, which must be constantly thinned, numbers over 30,000 items. This count is 65% above the level in 2004 and 50% over the building's design capacity. While digital and electronic media are extremely popular, books still out-circulate all other forms of media combined.

Over 40% of the adult fiction is now in the Hamel Meeting Room. Two of the five public computer stations are also in the meeting room. The meeting room saw 119 library programs for adults and children conducted in the past year, while 23 different community groups and Town committees (including the CIP Committee) used the room for 133 additional meetings -- a total of 252 public uses of the room.

Town Meeting in 2010 authorized establishing a Capital Reserve for a new library building with the unexpended funds (\$85,300) from a 2006 non-lapsing authorization for design and site work. Town Meeting 2011 added \$50,000 to this Library Capital Reserve Fund. The balance in the reserve at midyear was \$142,997. In 2010, the Trustees of the Library committed to raising a total of \$250,000 in their Building Fund (the present balance, including pledges, is just under \$150,000). The \$250,000 from fundraising refers only to the Trustees' Building Fund. Town contributions to the Capital Reserve are not counted toward the \$250,000 goal. Additionally, the Trustees as well as the Friends of the Tuftonboro Library will continue to fundraise over the life of any project financing to reduce the burden on taxpayers.

Momentum is important to fundraising. Tangible evidence of Town support is important to potential contributors. Unavoidable delays encountered while a solution to the public safety requirements of the town is implemented are a threat to donor enthusiasm. Recalling that the Library project narrowly missed the required 2/3 approval from voters at the 2009 Town Meeting, the Trustees have again requested support -- this time with a Warrant Article authorizing a \$150,000 contribution to the Library Capital Reserve account.

CIP Committee Comments: The Library space problems become more severe each year. A revisit a few months ago by a consultant confirmed that the library shelving and space are "maxed out." Any expansion of the collections or additional computer workstations must be offset by reducing already cramped space for patrons and/or those using the Hamel Room for meetings. While the Town is addressing the priority project (Fire Station), it is important that funds continue to be reserved for this Library project. The Library is an essential part of our town and especially important to our seniors and to our young families. We should continue to provide financial support directed to the building project.

CIP Committee Recommendation: A Warrant Article authorizing a contribution of \$75,000 to the Library's Capital Reserve account in 2012.

G. Milfoil Control Committee

1. Milfoil Treatment

Invasive exotic aquatic plants present a threat to water quality for recreational use and reduce the desirability of shore front properties. Control of invasive species requires active engagement and a sustained management effort. This project seeks to control the continuing spread of invasive milfoil in accordance with a long term management plan developed in conjunction with NH DES through the following measures:

- Chemical treatment of 55 acres of heavy variable milfoil infestation in the Basin, Winter Harbor, 19 Mile Bay, Copps Creek, the Melvin Marina Inlet and Melvin River.

- Diver harvesting of four acres of moderate variable milfoil infestation adjacent to Chase and Farm Islands and in Winter Harbor.
- Follow up monitoring and diver harvesting as required in the areas being chemically treated.

CIP Committee Comments: Delay in treating milfoil infestation would likely result in substantially increased treatment and control costs. Splitting this initial treatment over multiple years would also reduce effectiveness in curbing the spread of existing infestation.

CIP Committee Recommendation: A Warrant Article for \$45,000 for this project in 2012. Town expense for this project may be partially offset by a grant from NH DES.

H. Parks & Recreation Committee

1. Playground Replacement

The playground equipment at Davis Field (adjacent to Tuftonboro Central School) was installed in 1993 at a cost of \$17,500. While it has given hours of happiness to countless children of all ages, it requires increasing levels of maintenance, and, more importantly, parts. With the passage of time, the availability of replacement parts becomes more uncertain. The Parks and Recreation Committee believes the town is approaching the point where replacement of the present equipment, while expensive, will be in the best interests of the town. They suggest a further useful life of 5 to 10 years for the existing equipment and are using a very preliminary cost of \$60,000 for planning purposes.

CIP Committee Comments: This is our town's only playground, and 25 years seems reasonable for a useful service life. The 5 to 10 year window provides an opportunity to accomplish significant fundraising toward what will likely be a substantial cost to replace -- the PTCO and the Parks and Recreation Committee come to mind as possible agents. We suggest sharpening the estimates of date and cost in order to develop a more precise proposal to be discussed next year.

CIP Committee Recommendation: Schedule a placeholder of \$60,000 for 2018.

I. Police Department

1. Vehicle Replacement Schedule

The Board of Selectmen has established an eight year vehicle replacement cycle. The Selectmen expect to hold the staffing level of the Police Department at four officers and to retain the eight year vehicle replacement cycle. They directed the CIP Committee last year to reflect this in its deliberations. This latter plan replaces each vehicle when it is eight years old resulting in a purchase every other year for the four vehicle fleet.

CIP Committee Comments: We have updated the schedule from last year's report.

CIP Committee Recommendation: Continue with the replacement schedule in last year's plan as updated with the addition of \$47,000 to purchase a vehicle in 2021.

J. Public Safety Facilities (Board of Selectmen)

Over the course of at least 11 years, Tuftonboro has asked five committees to help find an acceptable solution to increasingly urgent facilities deficiencies for Fire and for Police. While three studies done since 2000 have recommended a combined public safety facility, the voters withheld the required 2/3 majority approval at both Town Meetings when the question was presented to them (2007 and 2010). The combined facility track is no longer considered viable.

Shortly following the 2011 defeat of the Warrant Article to construct a combined fire and police facility on the Gould property, the Selectmen appointed a Fire Rescue Building Committee to assist them in developing a plan that would be acceptable to Town Meeting in 2012. That committee has worked intensively through the summer and fall utilizing the project's architect and also its construction manager to redesign and re-cost a smaller facility for a Fire Station (alone). The best estimate for a fire station building, delivered on a turnkey basis with all soft costs included, constructed on the Gould site, under a guaranteed maximum price contract, utilizing a construction manager model, and with \$55,000 of contingency reserves is \$2,151,944.

The Selectmen also directed the project architect (a) to investigate the redesign of the existing Library building so as to house a relocated police department and, (b) to develop conceptual drawings of how an expansion of the present police facilities in the Town Offices building might be effected.

CIP Committee Comments: As we noted in last year's report, the general economic environment is such that any proposed solution, if it is to secure approval by the required 2/3 of those voting at Town Meeting, must be unquestionably essential to a department's ability to function effectively and safely. Any new building must be designed and constructed to meet Town standards for quality and appearance and must be perceived by voters as adequate for a reasonable period into the future. A project must also be seen to cost only what is required to address departmental needs while leaving the unit's wants for future consideration after deficiencies in other essential Town facilities have been addressed. Nothing has changed our opinion.

After the voters' refusal to accept the project at the 2011 Town Meeting, the need for a fire station remains unmet, and the reasons for replacing the "temporary" facility at Winners Circle Farm remain unchanged. The Police and the Library needs also remain unaddressed.

We continue to believe, after the passage of yet another year, it is even more essential that our Town move now, without further delay, to build the Fire Station.

As we noted last year, it is increasingly difficult to require the Library and Police units to stand pat for yet another year until the Fire project is completed. Our residents will continue to expect the high service levels they enjoy from each. For these reasons, as well as others well-known at this point, we believe substantial contributions to Capital Reserves for future Police and Library facilities are important to addressing the needs of these other units.

1. Fire Station

The need for a new, main fire station in Tuftonboro has been generally acknowledged since at least March, 2007, when a proposal for a \$4.0 million combined fire and police facility was rejected by the voters. Since then, the Selectmen have pursued several avenues toward finding a solution to a

critical need. The decision has been made to use the Gould Property for the site, and the acquisition financing on that property has been repaid. There have also been incremental improvements to the satellite fire stations, but the central need remains unresolved.

CIP Committee Comments: We believe it is important to public safety that the Town be given an opportunity to approve a proposal specifically targeted to remedy the inadequate facilities for our Fire/Rescue department. Past inability to obtain voter approval for a combined facility has consumed time and energy while the underlying need becomes more urgent each year.

CIP Committee Recommendation: A Warrant Article for 2012 to construct a new Fire/Rescue facility at a cost of \$2,151,944. The form of the Warrant Article and the terms of financing will be decided by the Selectmen.

2. Police Department Facilities

The Tuftonboro Police Department's facilities are not in compliance with several Federal and State requirements. In addition, the department operates from quarters lacking important amenities including adequate victim privacy and sufficient administrative space. These are recognized issues that badly need addressing. The Selectmen have taken steps to determine the possibility of expansion at the department's present site or to plan a remodeling of the present Library when it is vacated.

CIP Committee Comments: As noted previously, the general economic environment is such that any proposed solution must be viewed as unquestionably essential to a department's ability to function effectively and safely. A project must also be seen to cost only what is required to address department needs while leaving its wants for future consideration once deficiencies in other essential Town facilities have been addressed.

This year, the Selectmen are proceeding toward a stand alone fire station. We believe a Warrant Article establishing a Capital Reserve dedicated to a facilities solution for the Police Department would be a constructive step toward solving the Town's three-facility problem.

CIP Committee Recommendation: A Warrant Article for 2012 establishing a Capital Reserve for new Police facilities with an initial deposit of \$75,000.

K. Solid Waste Department

Change continues at the Transfer Station and Recycling Center. The second new manager in as many years has generated adjustments to the capital spending priorities of prior years. The relocation of the glass crusher and the enclosing of the "back porch" of the main building (both approved by Town Meeting in 2011) have significantly improved the environment for both patrons and staff. This department is capital intensive and offers opportunities to reduce staff costs and to reduce the net cost of our town's waste disposal requirements. Since capital projects are inherently longer term, the CIP Committee has asked for a plan outlining the equipment and building plans for this department over the next five to ten years. This plan will assist the Board of Selectmen in ensuring taxpayer resources are directed in a coordinated effort to keep costs as low as possible through operating efficiencies in waste disposal and recycling. The projects outlined below will be a part of the plan.

1. New Baler

The Recycling Center has two balers -- one for aluminum and one shared between cardboard and steel (food cans). Because of the sharing, the steel must be temporarily stored in large gaylord containers until a cardboard bale is completed and there is sufficient steel to be baled. The storage is unsanitary, and there is a substantial amount of handling involved in storing the un-baled steel. The department believes a third baler would pay for itself from labor savings within two years. There is the possibility of grant funds being available to help with this purchase.

CIP Committee Comments: This appears to be a cost efficient expenditure consistent with streamlining the operations of the Recycling Center. In addition to more efficient handling and reduced storage needs, the proposed project should reduce any health issues associated with the storage of the steel.

CIP Committee Recommendation: A Warrant Article for \$15,500 in 2012.

2. Backhoe Purchase

Currently, our construction and demolition debris containers are very loosely packed. Any effort by Transfer Station staff to compact them entails unacceptably hazardous handling of the debris. Our containers are hauled out for a fixed charge that is currently \$153 with additional charges based upon net weight of the contents. Hauling charges for the approximately 90 loosely compacted containers expected to ship this year will be about \$13,500. Vendor weighing of the containers reveals they generally only contain from three to five tons where their compacted capacity would be six to eight tons. The department believes the number of shipments could be reduced by at least 33% through better compacting -- resulting in an annual savings of \$4,500 at the current hauling prices.

A backhoe equipped with a “thumb” and an “extendahoe” is the tool best-suited to accomplish the compacting by crushing the loaded debris to eliminate voids. The department believes a used machine equipped as described can be purchased for about \$40,000. The proposal is to purchase the backhoe and sell the T-Rex front end loader. That sale as well as the possibility of some grant money to further reduce the purchase price of the backhoe make this a priority project for the department. Additionally, the resulting backhoe/Bobcat combination is expected to improve the department’s ability to handle the variety of tasks required over the present T-Rex/Bobcat combination.

CIP Committee Comments: The evolving needs of the department understandably may require some changes in equipment. We supported this project last year and continue to believe this equipment exchange would reduce our hauling charges resulting in an attractive payback on the Town’s investment. It avoids waste. It also reduces the possibility of injury to our staff in their efforts to compact the debris in the containers.

CIP Committee Recommendation: Schedule \$40,000 for this project in 2013.

3. Maintenance / Storage Facility

As this department optimizes its operations, the preliminary planning suggests the need for a dedicated structure to house vehicle maintenance and storage of plows and equipment. Also,

adequate storage space for recycled commodities, designed for the safe operation of equipment to handle pallets and loads, would permit holding of recyclables until prices are the highest. The present alternative is to be driven by shortage of storage space. For the past several years, the CIP Committee has wrestled with the best course of action for the Quonset hut that presently serves some of these needs. Just measured against today's requirements, it is too small, not an efficient shape, not well-located, and in need of repair.

CIP Committee Comments: As noted above, we have asked the department to submit a plan that spells out the vision for the entire complex over the coming five to ten years. Our interviews this year generated support for the construction of a dedicated building for the purposes outlined above, but the size and cost are not known at this juncture. The completion of a plan will assist future committees and the Board of Selectmen.

CIP Committee Recommendation: Schedule \$50,000 in 2014 as a reasonable placeholder estimate within a reasonable time frame.

4. Bobcat Replacement (unchanged from the 2010 report)

The current Bobcat is a multi-purpose machine purchased in 1998. It is an essential piece of equipment for the Transfer Station. It is versatile and is used for moving prepared bales of materials, road grading, and snow removal. General maintenance is performed regularly, but plans for replacement should be made. Projected replacement cost will be \$30,000 to \$40,000.

CIP Committee Comments: The Bobcat is in good condition and well maintained. Proposed acquisition of a backhoe (see above) may change the purpose and level of use of the Bobcat, and the resulting effects should be monitored. Continued maintenance allows the Department to choose the timing of its replacement.

CIP Committee Recommendation: Schedule \$35,000 for this project in 2017.

Governor Wentworth Regional School District Capital Projects

Tuftonboro belongs to the Governor Wentworth Regional School District ("GWRSD"). The other towns are Brookfield, Effingham, New Durham, Ossipee, and Wolfeboro. Tuftonboro currently is responsible for 15.5% of the GWRSD budget.

The Kingswood Project is approaching completion. Information on the project has been widely disseminated and is readily available both from the District and from past copies of *The Granite State News*. The structure of the \$60 million bond issue was changed somewhat to ease the near years' burdens on District taxpayers. This was done in expectation of reducing the real cost of the financing through the effects of inflation and to have the costs assumed by an expected larger tax base in the District.

This year, GWRSD once again provided the CIP Committee with a schedule showing Tuftonboro's payments on District debt through 2040. These numbers are used in our tax projections found on page 25. While the Kingswood Project is the major component of this cost, four additional District school projects are included in the "New School Building Cost - Tax Rate" line until 2015 when the cost reflects only the

Kingswood Project. In this GWRSD Fiscal Year (July 1, 2011-June 30, 2012), we are liable for \$301,901. The Kingswood Project comprises about 85% of the District's debt service burden.

GWRSD does not foresee any unusual changes in Tuftonboro's student census nor does it anticipate any new capital projects of which we should be aware. As a result, we are not projecting any new GWRSD projects with notable financial impact. However, New Hampshire's future educational funding policies are not predictable at this point. Last year at this time, we were virtually assured of the return of the Donor Town Tax since we are a town deemed to be "rich" under the legislation's definitions. The state school aid question continues to be a topic of vital interest to our town.

Carroll County - Capital Projects

Carroll County is responsible for the County Administration Offices, the County Jail, Mountain View Community (the new nursing home), and the employees of all three institutions. The County Court House is a state project, paid for by the State of New Hampshire.

The CIP Committee met with the Chair of the Carroll County Legislative Delegation to review County plans for Capital Projects. The Mountain View Community is completed and fully occupied with a short waiting list in place. The feedback from residents and families has been very positive. There is discussion regarding possible uses for parts of the abandoned structure with suggestions ranging from County office space to a home for the extension agencies of UNH. The Mountain View project was financed with general obligation bonds totaling \$23.5 million with an effective rate of 3.38% and a final maturity of 12/31/2030.

Tuftonboro's share of the County's tax burden is 7.96% this year. The combined operating budget and financing costs of existing capital projects (other than the nursing home project) is \$12.7 million in 2011 which is down from \$13.1 million in 2010. Table 4, on page 25, shows the portion of a Tuftonboro resident's tax bill dedicated in support of the County. The Mountain View bond debt service is broken out for clarity. Tuftonboro's apportioned share of the County tax burden is adjusted annually based upon our share of the total valuation of the 19 localities in the County. While up slightly from 7.95% last year, it has been as high as 8.47% (2008).

Conclusions and Recommendations

As we noted at this point in last year's report, the experts' declaration that the Recession ended in June, 2009 is small comfort to our Town, County, State, and Nation. We have had to learn to cope with the effects of a prolonged "soft" economy aggravated by there being no clear end in sight. We also noted in the report that

. . . in such an environment, it is very important for the Town to hold spending to a minimum and to delay any projects where the consequences of delay will not be severe. The problem, of course, is that regardless of economic conditions: our fire apparatus and police vehicles continue to incur wear and tear; the need for both a centrally located fire station and adequate police facilities becomes more pressing as time passes; the Library, out of necessity, will soon be operating at 150% of its design capacity; equipment will continue to need replacement; roads will require repairs, rebuilding and paving; and projects will be proposed that offer opportunities for immediate savings and new sources of income to the Town.

A quick look at the Capital Capacity graph on page seven shows that Tuftonboro's capital expenditures from 2007 through 2010 were below what has been our "normal" level when measured against our spending over the entire 20 year period since 1991. In the 20 years of history in our Capital Capacity model, external events and forces affected capital spending. Those variables are "baked into" the slope of the plotted line that defines our future Capital Capacity. When the books close on 2011, the level of capital spending in this current year will mark another year in which we have held spending below our Capital Capacity and have delayed projects.

This year's CIP Report recommends funding in 2012 for several projects that we believe must move ahead (or for which Capital Reserves must continue to be set aside) in order to avoid adverse impacts to our town. Tuftonboro's only long term financing is in connection with lease payments on fire/rescue apparatus. The GWRSD and Carroll County both have their long term financing in place on very favorable terms, and neither anticipates any significant increases in spending ahead. The Donor Tax issue is being addressed, and while we should expect some increase in state taxes to cover school aid, there is reason to hope it will be at more reasonable levels than in the past.

Our schedule of recommended projects found on page 21 is the product of our several months of work. At the bottom of the schedule, we show the total of all recommended Capital Project expenses, by year, and also the Capital Capacity value for each year. The difference between the two numbers indicates whether our recommendations exceed or fall below our model for a spending level with which voters can reasonably be expected to be comfortable. While some shortfalls exist in 2012-2014, the underspending in each of the past five years offers some assurance that we would not be spending carelessly.

As Table 3 on page 23 shows quite clearly, there will never be perfect coincidence of CIP recommended actions and the final list of Warrant Articles presented to the voters at Town Meeting. The path of a department's Capital Project proposal begins in late summer with the CIP Committee. The form of the project after it leaves our committee is quite likely to change as the Selectmen and the Budget Committee and sometimes the public's input all have their effects along the way. The end result should be a Capital Project that clearly benefits the Town and therefore has the best chance of being accepted by Town Meeting.

We thank the Selectmen and the voters of Tuftonboro for their continuing support and for this opportunity to serve.

CAPITAL PROJECTS & EXPENSES RECOMMENDED TO THE BOARD OF SELECTMEN FOR 2012-2021

Department	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022+	Total	Comments	Financing comments
Name of Project (All Numbers are \$,000s)														
Board of Selectmen - See Below														
Emergency Management														
Emergency Radio Coverage		12										12	Improves Mutual Aid response, coordinates town depts., fill in dead spots.	Direct from taxes
Fire/Rescue														
10-Engine-1 (Lease purchase)	89	89	89	89								356	Ongoing lease payments for new truck	Lease Purchase
10-Utility-2	14	14	14	14	14							70	Existing vehicle 27 years old in 2012	Lease purchase
10-Engine-2 (Lease Purchase)							110	110	110	110	110	550	Existing vehicle 20 years old in 2018	Lease purchase
10-Rescue-1					90	90	90	90	90	90		450		Capital Reserve or Lease Purchase
Government														
Tax Map Update			50	50	50							150	More information needed, alternatives, priority, scheduling.	Assume 3 year finance plan, or spread payments.
Highway Department / Board of Selectmen														
Road Improvement Projects (BoS Proposed Project)	70	75	75	75	75	100	100	100	100	100	100	870	Includes joint proj. with Wolfeboro on Lang Pond Rd; other proj. to be named later.	Direct from taxes
Named Road Repaving ("Paving" Warrant Article)	185	185	185	185	185	185	185	185	185	185	185	1,850	Roads need to be named each year and expenses tracked by project. Held level.	Direct from taxes
Lang Pond Road	585												Adds continued problems with section along Mirror Lake.	Grant money a possibility
Route 109 Boat Launch Ramp	33												Contingent on MLPA receiving grant - no grant, no project	\$13K grant through MLPA
Lake Road Boat Launch Area			109											
Melvin Wharf		30												
Union Wharf		16											To be defined	
Library														
New Library Building (Capital Reserve)	75	75	75	75	75	75	75	75	75	75	1,250	2,000		Annual Payments to Capital Reserve.
Milfoil Control Committee														
Milfoil Treatment	45											45	Suggest Non-lapsing to allow flexibility	Grant money a possibility
Parks & Recreation Committee														
Playground replacement						60						60	Schedule may vary	PTO may assist
Police Department														
Vehicles		50		43		51		45		47		236	Remains at 4 officers, 8 year vehicle replacement cycle.	Direct from taxes
Public Safety Facilities - Board of Selectmen														
Fire Station (BoS Proposed Project)	88	176	176	176	176	176	176	176	176	176	480	2,152	Police Dept. Facilities to be defined and scheduled.	Annual Payments to Capital Reserve.
Police Department facilities	75	75	75	75	75	75	75	75	75	75	250	1,000		
Solid Waste Department														
New Baler	16											16		
Backhoe		40										40	Immediate benefit.	Offset by Equipmt. Sale and ? grant.
Maintenance/Storage Facility			50									50	Justification and Long Term Plan needed	Direct from taxes
Replace Bobcat					35							35	Schedule is reasonable.	Direct from taxes
Credits														
From Reserves														
Grants	481												Lang Pond Rd. project (\$468K); Route 109 Boat Launch Ramp (\$13K)	
Other														
TOTAL PROJECT EXPENSE	794	837	898	782	740	787	871	856	811	768				Total Project Expenses (Tax Burden).
CAPITAL CAPACITY	753	779	804	829	854	880	905	930	956	981			Taken from the Capital Capacity graph.	Town's Normal Capacity for Capital Expenses.
CAPITAL CAPACITY MINUS TOTAL PROJECT EXPENSE	-41	-58	-94	47	114	93	34	74	145	213			Positive means spending less than Capital Capacity, keeping taxes lower.	
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022+			

Table 2 --CIP Proposed Project Schedule

Schedule of Proposed Warrant Articles for 2012 Town Meeting

1. A Warrant Article for \$70,000 to purchase a replacement for fire apparatus “10-Utility-2.” Finance with a five year lease/purchase agreement.
2. A Warrant Article for \$70,000 from current taxes for the repair of specified road/culvert/bridge projects. (The Board of Selectmen has put this item in the Operating Budget for the Highway Department.)
3. A Warrant Article for “Paving” for \$185,000 from current taxes. Specify the roads planned for paving/repaving.
4. A Warrant Article for \$585,000 from current taxes for rebuilding and repairing specified sections of Lang Pond Road. Specify that funding is subject to receipt of grants to offset approximately 80% of project costs.
5. A Warrant Article for \$33,000 from current taxes for rebuilding and improvements to the Mirror Lake boat launch off Route 109. Specify that funding is subject to a \$13,000 grant arranged by Mirror Lake Protective Association to partially offset project expense.
6. A Warrant Article to appropriate \$75,000 from current taxes for the Library Capital Reserve.
7. A Warrant Article for \$45,000 from current taxes for Milfoil control measures in 2012.
8. A Warrant Article for \$2,151,944 to build a Fire Station. Fund with long term financing appropriate to this type of project.
9. A Warrant Article to create a Capital Reserve for Police facilities. Appropriate \$75,000 from current taxes to fund the initial contribution.
10. A Warrant Article to appropriate \$15,500 from current taxes to purchase a baler for the Transfer Station.

2010 CIP Recommendations Compared to 2011 Town Meeting Decisions

Project	CIP Committee Proposal	Selectmen Proposal	Budget Committee Proposal	Town Meeting Approval	Comments
Town Office Generator	\$16,000	Recommended	Recommended	Passed	In Operating Budget/50% Matching Grant
Fire Truck (10-Engine-1)	\$450,000 (\$90,000 in 1st year)	\$437,335 (\$107,663 in 1st year: \$90,393 from taxes+ \$17,270 from Undesignated Fund Balance) [Recommended 3-0]	\$437,335 (\$107,663 in 1st year: \$90,393 from taxes+ \$17,270 from Undesignated Fund Balance) [Recommended 7-0]	Passed	Five year lease/purchase. Revised cost estimate submitted after CIP review.
Revaluation Capital Reserve	\$10,000	Not Recommended	N/A	N/A	Not Considered
Road Improvement Projects	\$50,000	Recommended	Recommended	Passed	In Highway Operating Budget - Road construction
Paving	\$185,000	\$185,000 [Recommended 3-0]	\$185,000 [Recommended 7-0]	Passed	
Library Capital Reserve	\$50,000	\$50,000 [Recommended 3-0]	\$50,000 [Recommended 7-0]	Passed	Capital Reserve created in 2009. Now totals \$135,300.
Police Vehicle	\$42,000	\$37,250 [Recommended 3-0]	\$37,250 [Recommended 6-1]	Passed	New Police Cruiser. Police Chief revised request after CIP review.
New Combined Public Safety Building	Voted not to recommend but did recommend Fire Station under \$2,000,000 and start Capital Reserve for Police Station (see below).	\$3,200,000 [Recommended 3-0]	Not Recommended [Vote 4-3]	Failed	217 Yes (59.6%) - 147 No (40.4%) (2/3 vote or 66.6% required)*
Fire Station (Petitioned)	N/A	Not Recommended [Vote 3-0]	\$1,500,000 [Recommended 5-4-1]	Failed	74 Yes - 188 No
Police Facility Capital Reserve	\$50,000	Not Recommended	N/A	N/A	Not Considered
Transfer Station Backhoe	\$30,000	Tabled	N/A	N/A	Not Considered
Transfer Station Building Improvements	\$12,000	\$12,000 [Recommended 3-0]	\$12,000 [Recommended 7-0]	Passed	Enclose rear section of recycling building and relocate glass crusher.
Zadeda Farm Lane (Petitioned)	N/A	\$46,000 [Vote 3-0]	\$46,000 [Vote 4-1-2]	Passed	\$22,300 from Planning Board Escrow account + \$23,700 from taxes to be repaid by property owners.
* A vote to reconsider was approved (74 Yes, 47 No). The article was reconsidered on 3/26/11 with an amendment to change the total to \$2,986,000 where it failed (354 No, 268 Yes).					

Table 3 -- Town Decisions Compared with 2010 CIP Report

Projected Tax Rates for 2012 to 2017

Each year, the CIP Committee receives information and projections about the contributions to our overall tax rate from the County, the School District, and the State. Believing this information to be very useful and of interest to the taxpayers, the CIP Committee makes it available in these reports. With this information, the Selectmen can plan expenditures in the context of our total tax rate, not just the Town portion, and the voters can consider Town expenditures in this same, wider context. After all, it is this total tax rate that we pay, not just the Town taxes.

Please note that, with a total Town valuation of \$1.03 billion, \$10,000 of additional expenditure results in an increase of about 1 cent in the tax rate.

The data presented in Table 4 (on the next page) are from a variety of sources. All the data for 2005 through 2010 are from the “Tax Rate Calculation” page in Tuftonboro’s Town reports and are certified by the New Hampshire Division of Revenue Administration.

The data for 2011 are similarly certified and will appear in the upcoming Town Report. The data for 2012 through 2017 are estimates from sources to be discussed below.

The top section of Table 4 is for Town data with the expenditures given in terms of their impact on the tax rate. The operating expense contribution to the Town tax rate is given at the top of the table and is assumed to increase at 3% per year from 2012 through 2017. The next line is for the Capital Project expense contributions. The future projections are taken from Table 2, the schedule of projects, found on page 21. The third line, in larger numbers, summarizes these two elements of the Town tax rate.

The lower part of the table shows the tax rate components from the County’s operating budget (assumed to increase at 3% annually beyond 2012), the cost of the Nursing Home project, the School District’s operating budget (also assumed to increase at 3% annually beyond 2012) and the School District’s Capital Projects.

The last line in the table summarizes all these components to provide a projected overall tax rate.

We hope that this table, subject to its assumptions, will provide an additional tool for the Selectmen, the Budget Committee, and the voters of Tuftonboro to consider projected Town expenditures within their larger context and to gain insight about the future growth of our taxes.

PROJECTED TAX RATES FOR THE TOWN OF TUFTONBORO FOR THE PERIOD 2012 TO 2017

YEAR	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Town Net Operating Expenses Tax Rate (\$/,\$,000)	1.06	1.58	1.26	2.00	1.92	1.66	1.71	1.76	1.81	1.87	1.92	1.98
Town Net Capital Project Expense Tax Rate (\$/,\$,000)	0.93	0.28	0.64	0.52	0.50	0.36	0.80	0.81	0.87	0.76	0.72	0.76
Total "Town Only" Tax Rate (\$/,\$,000)	1.99	1.86	1.90	2.52	2.42	2.02	2.51	2.57	2.68	2.63	2.64	2.74
County Net Operating Expense Tax Rate - (\$/,\$,000) - +3%pa.	0.76	0.87	1.00	0.97	1.02	0.81	0.83	0.86	0.89	0.92	0.95	0.98
New Nursing Home Cost Tax Rate (\$/,\$,000)						0.20	0.14	0.14	0.14	0.14	0.14	0.14
Total "County Only" Tax Rate (\$/,\$,000)	0.76	0.87	1.00	0.97	1.02	1.01	0.97	1.00	1.03	1.06	1.09	1.12
School Operating Expense Tax Rate - (\$/,\$,000) - +3%pa.	4.31	4.81	5.05	5.52	4.92	5.47	5.63	5.80	5.98	6.16	6.34	6.53
New School Building Cost Tax Rate (\$/,\$,000)					0.13	0.21	0.28	0.31	0.29	0.29	0.30	0.31
Total "School Only" Tax Rate (\$/,\$,000)	4.31	4.81	5.05	5.52	5.05	5.68	5.91	6.11	6.27	6.45	6.64	6.84
Total Tax Rate - (\$/,\$,000) -	7.06	7.54	7.95	9.01	8.49	8.71	9.39	9.68	9.98	10.14	10.37	10.70

NOTES

- 1 Assumes a constant Town valuation of \$1.03 billion 2005 to 2008, \$1.025 billion thereafter.
- 2 Numbers for 2005 to 2010 are actual, from Town Reports. 2011 numbers are actual from DRA calculation.
- 3 For all other years, assumes:
 - a) 3% increase in Town's Net Operating Expenses 2012 and on.
 - b) 3% annual growth rate in School District's Operating Expenses, 2012 and on.
 - c) 3% annual growth rate in County's Operating Expenses, 2012 and on.
 - d) Capital Project expenses are calculated from actual/projected obligations.
- 4 These 3% growth rate assumptions are arbitrary, and may be too low.
All reference to **Donor Town School Tax** is omitted, but an additional significant tax will probably be levied by the State, starting in 2013 or 2014.

Table 4 -- Projected Tax Rates for 2012-2017