

TOWN OF TUFTONBORO
NEW HAMPSHIRE

CAPITAL IMPROVEMENTS PROGRAM

FOR THE PERIOD

2017 to 2026

Presented
December 6, 2016

**Capital Improvements Program
Tuftonboro, New Hampshire
2017-2026**

Tuftonboro's Capital Improvements Program ("CIP") Committee wishes to acknowledge and to thank Tuftonboro's Department Heads, Committee and Commission Chairs, the Trustees of the Trust Funds, the Business Office of the Governor Wentworth Regional School District, and the Carroll County Finance Director. 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. Bill Marcussen's participation as a CIP Committee member this year increased the likelihood that our efforts, reflected in this report, will benefit all the town residents and property owners.

Town of Tuftonboro Capital Improvements Program Committee - 2016

Jill Cromwell	Chair
John Lapolla	Vice-Chairman & Planning Board Representative
Laureen Hadley	Secretary
George Gettman	CIP Committee Member
Helen Hartshorn	Budget Committee Representative
Polly Jeffers	CIP Committee Member
Maryann Lynch	CIP Committee Member
Bill Marcussen	Board of Selectmen Representative

Board of Selectmen – 2016

Carolyn Sundquist, Chair
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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 the period 2008 to 2017.

The 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 Revised Statutes Annotated (RSA)s 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 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. Copies of the reports are also available at the Tuftonboro Free Library and a limited supply is available at the Town Offices.

In this 2016 CIP report, covering the years 2017-2026, we list projects proposed by Tuftonboro's various departments, committees, commissions, and boards for the next ten years. Each project proposal includes the presenter's submission, this committee's discussion and recommendations, and a suggested timetable and financing approach. Financial data for these projects is also included in a summary schedule.

This report also includes 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 2011 through 2016 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 2017 – 2022, using the 2016 net assessed property valuation.

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
- Paving and upgrading 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 for 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, a suggested 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 a report (this document) summarizing its work and including suggested Articles for the Town Warrant and other recommended capital spending for the coming year. This report is presented to a joint meeting of the Board of 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.

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 aspect of the CIP Committee's report generates as much discussion as Capital Capacity. Using spreadsheet software, a graph is plotted with the points representing the Town's **actual expenditures** for Capital 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 trend line is described by an equation. The next step is to extend that trend line through the coming 10 year period within which the CIP Committee works. Using the equation from the first step, values are generated for this extension. The result is a line describing Tuftonboro's capital expenditure levels since 1991 and a projection from the current year to the end of the period covered in this report. The trend line equation will change with each year of actual Capital Project expenditures.

Table 1 (below) lists the historical data as well as the values for Tuftonboro's Capital Capacity utilized by the CIP Committee this year. They will also be found in the "Proposed Project Schedule", Table 3 on page 25.

Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Expense (000s)	\$214	\$260	\$222	\$293	\$373	\$207	\$645	\$387	\$457	\$231	\$349	\$431
Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expense (000s)	\$523	\$570	\$705	\$1,157	\$491	\$581	\$508	\$643	\$502	\$694	\$717	\$729
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Expense (000s)	\$811											
Capacity (000s)		\$797	\$819	\$841	\$863	\$886	\$908	\$930	\$952	\$975	\$997	\$1,019

Table 1 - Tuftonboro's Capital Expenditures and Capital Capacity 1991-2026

While actual expenditures (rather than voter-authorized amounts) are subject to year-to-year fluctuations and changing economic conditions, 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" town 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.

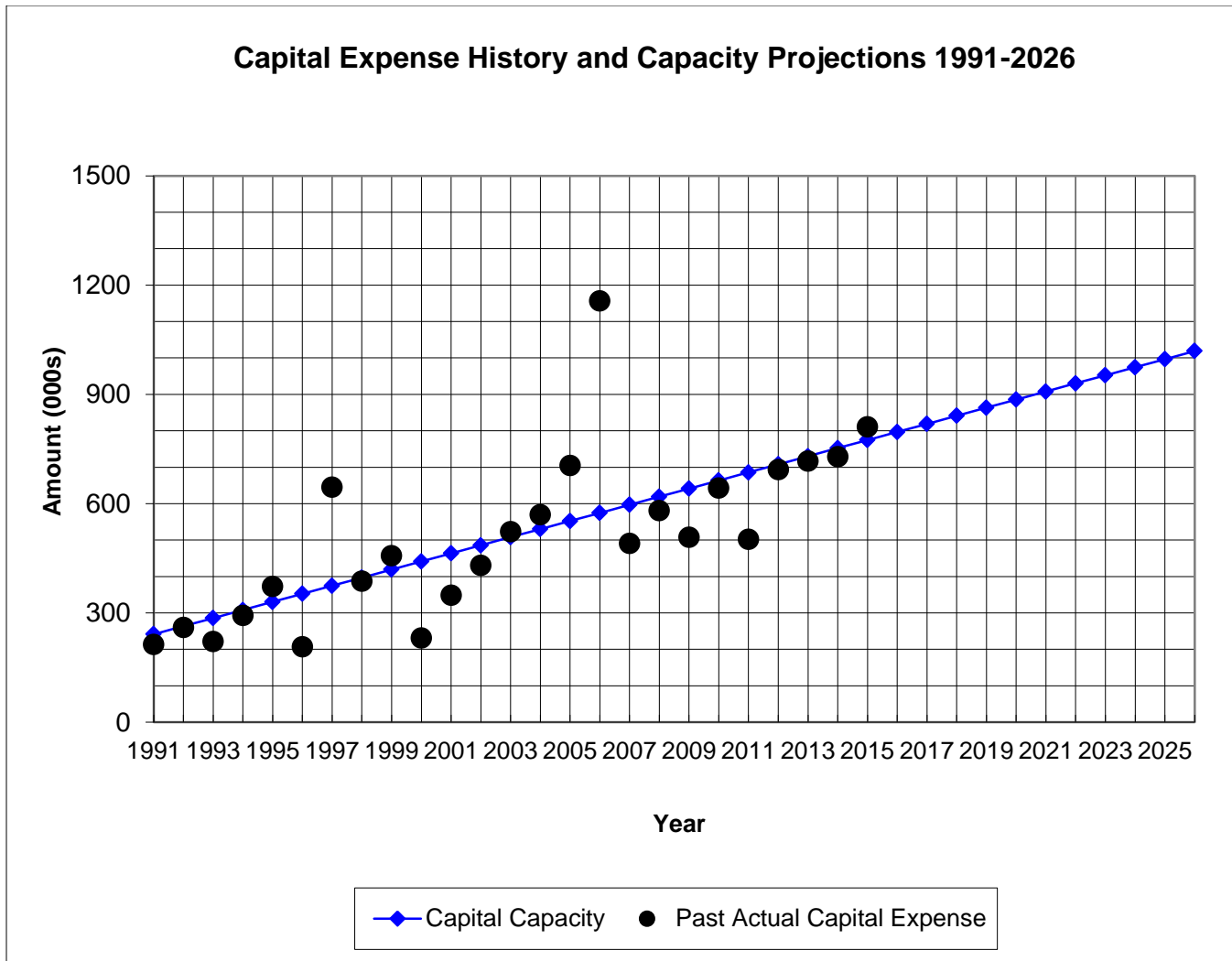


Figure 1

Proposed Capital Projects & Purchases

The CIP Committee contacted the head of each department, committee, and commission in Tuftonboro during the summer of 2016 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 “Highway Department” and “Public Safety Facilities.”

B. Conservation Commission

1. Watershed Management Plan (updated)

Submission: Tuftonboro is blessed by beautiful lakes ponds and streams. The Tuftonboro Conservation Commission is proposing to complete a Watershed Plan that encompasses most of Tuftonboro and small portions of Moultonborough and Wolfeboro. Approximately 80% of the required funding would be through a grant for the purpose of developing watershed plans administered by NHDES (New Hampshire Department of Environmental Services). The town would be required to finance about 20% or \$15,000. The work would be put out for bid by a qualified contractor who would be supervised and assisted by a committee of volunteers appointed by the Selectmen.

This Project would produce a long term watershed plan that identifies current and future potential locations and activities that are or will degrade water quality flowing into Lake Winnepesaukee, Mirror Lake and other streams ponds and wetlands. The plan would provide guidance in mitigating current water quality issues as well as advice on how to avoid creating new sources of pollution.

Lake Winnepesaukee and its clean water is the focal point of our local economy. It drives our tourist industry, housing development and facilitates and provides the majority of our tax revenue. It supplies much of our residents’ recreation and feeling of wellbeing (See 2006 Master Plan citizen survey). Currently, portions of our lakes have become impaired. Cyanobacteria outbreaks, a serious health risk, have occurred in several locations. Ill-advised landscaping, inappropriate use of fertilizers, outdated or nonexistent septic systems and uncontrolled or filtered storm water are overtaking the dilution potential of the lake. This plan will identify and quantify these threats, then provide solutions as well as prioritize needed actions. Grant money is available to apply solutions but only to towns that have completed a watershed plan.

Three communities within the greater Lake Winnepesaukee watershed have completed sub-watershed plans and a fourth is in progress. Geographically, Tuftonboro would be the next logical community to start working on a sub-watershed plan. The Plan would be developed over a 2 to 3 year period. The technical work would be accomplished by a contractor with the assistance of volunteers under the supervision of a Tuftonboro

Committee and the Lake Winnepesaukee Association. The selectmen have approved this project and empowered the Conservation Commission to apply for grant funding.

This project is not recognized in the current Master Plan which is out of date. An updated plan should recognize the importance of a clean and healthy lake and recognize the value of a well-crafted watershed plan.

If grant funding is not available in 2017, the Conservation Commission would request that \$15,000 be placed in reserve to show good faith and be available when grant funding can be obtained.

CIP Committee Comments: A Watershed Management Plan is important to the continued viability of Lake Winnepesaukee, its impact on our quality of life, and its effect on our tax base (specifically shorefront property values).

CIP Committee Recommendation: An article on the Town Warrant for \$15,000 for this project in 2017.

C. Code Officer

1. Code Enforcement Vehicle (resubmitted – no change)

Submission: The current vehicle is a 2008 Chevrolet Colorado pickup truck and needs replacement in 2 years. A similar vehicle is anticipated as a replacement.

CIP Committee Comments: The previous code enforcement vehicle was a retired full-sized sedan police cruiser that had ongoing mechanical integrity and maintenance issues. In addition, vehicle size, ground clearance and drive configuration were problematic. The current vehicle is a more appropriate platform to support the code officer's duties.

CIP Committee Recommendation: Schedule \$35,000 for this project in 2018.

D. Emergency Management Services

1. Emergency Radio Coverage (updated)

Submission: This project is to provide better radio coverage for the town's emergency services. Currently due to the topography of the town and aging infrastructure there are numerous areas that do not have good radio coverage with Carroll County Dispatch (they provide radio dispatching for both the fire department and the police department). The County continues to work on a solution to these and other problems with their radio system but nothing has been done and problems with coverage continue. Tuftonboro is not alone when it comes to poor radio coverage but to do the needed radio improvements to the existing infrastructure it will require millions of dollars. The money is simply not there. The County finances cannot support the needed improvements and a grant has not been able to be obtained although requests from the county for a grant continue. So the time is now for Tuftonboro to take care of our own problem and keep its first responders and citizens as safe as possible.

The project would include a tower, radio equipment and other necessary equipment to be able to talk between ourselves and dispatch. Radio testing has been done at various sites

around town and a great site has been determined. This is a sizable undertaking but needs to be done before someone is injured or worse.

CIP Committee Comments: Further research was conducted and presented to the committee since this was submitted last year. Work on a county-level solution has progressed with some grant funding and more anticipated for another phase of implementation. CIP Committee will request more information on how their plans will tie in with our town tower before final approval of the project next year. The proposed tower will support reliable voice communication for Fire & Rescue, Police and Highway departments. The Winner Circle Farm site, which is being considered, has the elevation and location to minimize shadow zones throughout the town.

CIP Committee Recommendation: Schedule \$100,000 for this project in 2018.

E. Fire / Rescue Department

1. Engine 2 (updated)

Submission: The scope of this project is to replace the existing Engine 2. The current Engine 2 will be 20 years old in 2018. 20 years is the average life of a class A pumper. With the state of area roads and call volume the current engine 2 has done very well to last as long as it has. The estimated cost of replacement remains at \$550,000. This project has been on the CIP schedule as a lease/purchase with annual payments of \$110,000 beginning in 2018. The lead time for a class A pumper is approximately 9 months from order date so if a truck is ordered in 2018 it will be almost a year older before the new one arrives.

CIP Committee Comments: National Fire Protection Association (NFPA) guidelines address both maintenance costs and safety considerations and support a 20 year replacement cycle. The project and the financing schedule appear reasonable and are consistent with the department's previous Capital Project planning.

CIP Committee Recommendation: Schedule Lease/Purchase payments for 2018-2022 as requested.

2. Engine 4 (updated)

Submission: The scope of this project is to replace the current Engine 4 at the end of its 20 year service life. When this truck is due for replacement in 2025 it is expected to cost \$800,000. As the project comes closer to fruition a better cost estimate will be available.

CIP Committee Comments: Consistent with NFPA service life guidelines.

CIP Committee Recommendation: Schedule for 2025 - 2029 as requested.

3. Car 1 (updated)

Submission: The scope of this project is to replace the current Car 1 on its normal 10 year replacement cycle. Car 1 used primarily by the chief as his command vehicle but also as a vehicle that members use to respond to all types of calls, take to trainings outside of the department and any other department business. It is used daily. The cost of the project is estimated to be in the \$90,000 range when it is comes in 2020.

CIP Committee Comments: Consistent with NFPA service life guidelines.

CIP Committee Recommendation: Schedule for 2020 as requested.

4. Utility/Forestry 1 (resubmitted – no change)

Submission: The scope of this project is to replace the current Utility 1/Forestry on its normal replacement cycle of 15 years. This vehicle is a pickup with a forest fire skid unit in the back. It is used for forest/grass fires, daily errands and medical calls. The cost of this project is estimated to be \$100,000 in 2023.

CIP Committee Comments: Consistent with NFPA service life guidelines.

CIP Committee Recommendation: Schedule for 2023 as requested.

5. Boat 2/Airboat (updated)

Submission: The Scope of this project is to replace Boat 2 the air boat on its normal replacement cycle of 20 years. This boat is used for ice rescue, safely going to the islands in the winter cold weather months and as a backup for boat 1 when the weather/water conditions permit. The boat has been an asset to the department since it was purchased in 2005. It has been on numerous cold water rescues and recovery missions. It gives the department a way of getting manpower and equipment to the islands when there is little or no ice or in the winter in the event of a fire or emergency. The boat is used under severe conditions and needs to be kept in good repair for safety. The estimated cost of replacement is \$100,000.

CIP Committee Comments: Consistent with NFPA service life guidelines.

CIP Committee Recommendation: Schedule for 2025 as requested.

6. ATV/Trailer, Rescue Sled (updated)

Submission: The scope of this project is to replace the existing ATV and rescue sled at its normal replacement cycle of 20 years. This unit allows the department to access the snow machine, hiking trails and off road areas around town. In the warm weather the unit carries a small removable water/pump unit for forest fires and in the winter it gets equipped with tracks to better handle going off road in snow and mud. A good used unit maybe available at the time of replacement but that is not guaranteed. An estimated replacement cost of \$50,000 for the package of atv/utv, tracks, rescue trailer and an enclosed trailer for transport is needed.

CIP Committee Comments: Consistent with NFPA service life guidelines.

CIP Committee Recommendation: Schedule for 2021 as requested.

7. Radio Replacement (updated)

Submission: The Department's radios are in need of replacement. The mobile radios were obtained in 2004 and the portables were obtained in 2006. All of these radios were part of a state wide grant that was a direct result of the 9/11 tragedy. The intent of the program was to address the need of every member of the department having a portable radio and every piece of apparatus having a radio that operated the same and could

communicate with all of the agencies in the region. This was an incredible cost savings for the community and it allowed all of the state agencies to communicate better.

However the radios are no longer being supported by the manufacturer due to their age. So the radios cannot be repaired if needed. Some are starting to fail. Like the SCBAs the radios are considered part of a firefighter's protective equipment. Each firefighter has a radio assigned to them that is coded with their number and a man down button so that in the event of an emergency they can simply push a button to alert dispatch of the emergency if they are unable to talk, getting them the help they need as soon as possible. By purchasing the radios at the same time, all of them will be the same model and operate the same way - so that firefighters can use any radio in the event of an emergency if their own is lost or not with them. The department has 35 portable radios and 10 mobile radios. The cost estimate per radio is \$4,000 bringing the total project cost to \$180,000. Hopefully the new radios will last 10 to fifteen years like their predecessors

CIP Committee Comments: The failure of existing mobile and portable radio units and the fact that they cannot be repaired due to the manufacturer no longer supporting them creates personnel and fire safety issues. The Fire Department identified this capital expense as its top priority.

CIP Committee Recommendation: An article on the Town Warrant for \$180,000 for this project in 2017.

8. SCBA (Self Contained Breathing Apparatus) (updated)

Submission: Firefighters depend on SCBAs to keep them safe from unsafe environments and keep them from breathing toxic fumes and gases. They are a key component the personal protective equipment that are required to be worn by firefighters. SCBAs allow them to perform their job as safely as possible. The Fire Rescue Dept. currently has 22 SCBAs. 19 were procured with a Home Land Security grant in 2007. The remaining 3 were purchased as refurbished units in 2012 to allow for members to take them to training and not deplete the front line apparatus of SCBAs. The department also maintains a spare air bottle for each pack and has a few reserve bottles that can be used to change out quickly in the event they are needed and later refilled as time allows. SCBAs have a service life of 15 years. The Department's SCBAs are due to be replaced no later than 2022. It is not unreasonable to think that at the time of replacement approximately 30 packs and 40 spare bottles will be needed. It is unknown if there will be any federal grants available when it comes time replace the SCBAs. The current replacement cost of an SCBA is \$6,000 per SCBA and \$775 per spare bottle. SCBAs have been and continue to go up 5% per year. At that rate in ten years the same SCBA will cost \$10,015 and \$1,294 per spare cylinder bringing the cost of the project to \$352,210. However, SCBA standards are changed every 5 years so the cost of the changes cannot be foreseen.

A capital Reserve fund has been established and was started to be funded over the last few years. However, it was not funded last year at Town meeting because it was decided not to put it on the warrant. The need for this project hasn't changed and over the last year several air packs needed substantial repairs. Because the capital reserve was not funded last year, the amount to fund this year should be double the normal amount to catch up. This capital reserve should continue to be funded annually so that the impact to the tax payers is spread out over time and the SCBA's can be purchased on time.

CIP Committee Comments: The 15 year maximum service life reflects both the effects of wear and tear on the equipment and gradual obsolescence as standards are updated to embrace technology and safety enhancements. Ideally, replacement funds would be accumulated across the full equipment life cycle. Given the substantial estimated replacement cost, a Capital Reserve Fund was established in 2014. This fund currently contains \$92,844 as of 10/31/16.

CIP Committee Recommendation: Resume annual contributions to the SCBA Capital Reserve Fund in 2017, continuing through 2022. An article on the Town Warrant for \$42,000 for this project in 2017 and schedule \$44,000 in each year 2018-2022.

F. Highway Department

Tuftonboro has an elected Road Agent responsible for maintaining and upgrading the Town's roads, bridges and docks. Tuftonboro maintains approximately 34 miles of paved and 12 miles of unpaved roads. The Town also owns 5 bridges, 5 boat launch access locations and 2 wharves. In the past, Town Meeting voted on three separate highway budget items: (1) "Paving and Shoulder" work (previously called "Special for Tar"); (2) individual Named Road Improvement projects identified by the Board of Selectmen; and (3) regular road maintenance. Item (1) was listed as a separate article on the Warrant, while (2) and (3) were included in the operating budget. In 2015 and 2016, the Road Improvement project and the Paving project were combined and presented as a single article on the Warrant, with regular road maintenance continuing in the operating budget.

1. Paving and Improvements on Town Roads (updated)

Submission: Apply top finish coat on Union Wharf road. Replace existing metal culverts on Durgin Road and excavate out rocks and debris from under pavement. Grind existing pavement into gravel base on section of Durgin Road. Pave new base coat on section of Durgin Road.

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

CIP Committee Recommendation: A Paving and Road Improvements article on the Town Warrant for \$235,000 in 2017.

2. Air Filtration System for the Town Garage (new)

Submission: Estimated Total Cost \$13,000; Useful Life 20 years. Air filtration system to remove particles that are floating around from exhaust. These particles are known to cause cancer. The system to be installed is the same as the Melvin Village Fire Station and works well.

CIP Committee Comments: This would be a ceiling installation which would allow the trucks to be started inside the garage and run for several minutes until the brakes warm-up enough for the trucks to be moved. Air quality for employees is important and this system would alleviate substandard conditions.

CIP Committee Recommendation: An article on the Town Warrant for \$13,000 for this project in 2017.

3. Heating System Upgrade at Town Garage (new)

Submission: Estimated Total Cost \$15,000; Estimated Useful Life 25 years. To lower heating costs of the highway garage. The current system is not economically efficient.

CIP Committee Comments: The current system (which is set at 50 degrees) is as old as the building (over 30 years old) and includes three different heaters.

CIP Committee Recommendation: Schedule \$15,000 in 2020 and in the meantime explore ways to improve efficiency by filling open gaps between pipes and walls.

4. Lake Road Boat Launch Ramp Area (updated)

Submission: Lake Road Boat Launch has been deteriorating for quite a while and needs to be replaced. An attempt at a Capital Reserve failed last year so the Board of Selectmen are looking to do the project in stages starting with the ramp replacement. The estimate for a pre-poured ramp is \$25,000. The prices to rebuild the bulkhead and improve drainage are not known at this time, but we estimated that they will be \$50,000 each.

CIP Committee Comments: Our boat launches should be maintained in a condition that contributes to the recreational appeal of our town and region. Spreading the cost over several years will allow for complete plan development and level out the budget impact. A warrant article to establish a capital reserve fund for this project was defeated at 2015 Town Meeting.

CIP Committee Recommendation: An article on the Town Warrant for \$25,000 for this project in 2017 and schedule \$50,000 in 2018 and 2019 for the remainder of the project.

5. Union Wharf (unchanged)

Submission: The north side of Union Wharf requires repair. The Road Agent estimates \$16,000 to complete 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 to 2018.

6. Sodom Road Bridge Replacement (updated)

Submission: This bridge is currently on the state red list and requires repair or replacement to avoid derating load capacity or potential closure. Estimated replacement cost is \$235,000. The state bridge program will reimburse 80% of this cost but the current backlog in this program is 6 – 8 years. Repairs that can extend the current bridge's life for up to 10 years can be accomplished for \$35,000 - \$50,000 but with no state support.

CIP Committee Comments: It is important to maintain the quality and safety of the Town's bridges. This bridge is included in the state replacement program.

CIP Committee Recommendation: Maintain scheduled replacement of the Sodom Road Bridge for 2021.

7. Tuftonboro Neck Bridge Replacement (updated)

Submission: This bridge is close to being red-listed by the state. Estimated replacement cost is \$935,000. The state bridge program will reimburse 80% of this cost but the current backlog in this program is 6 – 8 years. The construction of this bridge does not lend itself to interim repairs.

CIP Committee Comments: It is important to maintain the quality and safety of the Town's bridges. This bridge is included in the state replacement program.

CIP Committee Recommendation: Maintain scheduled replacement of the Tuftonboro Neck Road Bridge for 2023.

G. Library

1. New Tuftonboro Free Library (updated)

Submission: Estimated Total Cost \$2.5 million; Estimated Useful Life 50 to 75 years; Estimated non-tax funding by March of 2018 - in excess of \$1 million (based on existing as well as capital campaign funds). No change to project scope or plans for the building. We are undertaking a major Capital Campaign to ease the costs to the taxpayer when a successful vote is reached in 2018.

CIP Committee Comments: Construction of a new library building is consistent with priorities established by the Town Master Plan and reaffirmed by the Board of Selectmen. The proposed design provides improved functionality in a better location with good visibility and accessibility from the road. In 2014 the warrant article for a new library narrowly missed achieving the 2/3 super majority required for passing at Town Meeting. In 2015, an article was placed on the town warrant to build a new library using a new design. The project received a 60% affirmative vote at Town Meeting, short of the 2/3 required for passage. A substantial private fundraising campaign is an appropriate next step in the process to bring another vote to the town in 2018.

CIP Committee Recommendation: Schedule the \$2,500,000 project at a net cost to the town of \$1,446,247 with a 20-year loan for 2018 – 2038.

2. New Library Capital Reserve (updated)

Submission: This request is to add \$100,000 to the existing Capital Reserve fund for a new library building. It is the same amount as requested last year, however there is an active Capital Campaign to raise private donations for the project. Approval of this year's request will show the town's commitment as these private funds are being solicited.

CIP Committee Comments: Adding to the Capital Reserve for this project will help spread the tax impact over more years and is appropriate given that more than 60% of voters support the project. The Committee feels it is necessary to reduce the amount requested so that total capital spending in 2017 is closer to the town's Capital Capacity.

CIP Committee Recommendation: An article on the Town Warrant to add \$50,000 to the existing library building capital reserve (which was \$335,625 as of 10/31/16).

H. Police Department

1. Police Vehicles (updated)

Submission: Updating previous submissions for the cruiser replacement would need updated costs with new equipment and expected equipment costs as the previously submitted cycle is continued. In 1999 there were three full-time officers and one part-time officer. Police vehicles were kept for six years. The costs of maintenance and repairs along with residual value were better for the sedans under the six year cycle. We now are at an eight year replacement cycle. Going back to a six year rotation would mean vehicles would be under warranty for more of their service life. Most police vehicles now come with a 5 year and 100,000 mile warranty on the drivetrain. The SUV due to be replaced in 2017 has required repairs and is rusting. It is expected to continue to need more repairs until it is replaced. Repairs not only have direct financial costs, there are the hidden costs of lost time and overtime for two officers to relay the vehicles. Switching to a six-year service life would be a better use of taxpayer dollars and improve safety of the public by increased reliability and less time spent on repairs. The shorter service life would mean fewer repairs and maintenance. Many major maintenance services are required around 100,000 miles. The vehicles would be worth more when they are sold. As newer vehicles come out they will get better mileage. Leaving staffing at the present level forever is unrealistic. The vehicle for an increase in staffing is not included in the chart. Vehicles and equipment have become more expensive over the years. The replacement for the 2009 Expedition will cost around \$38,000 before upfitting. The total will be close to \$55,000. It is expected that the replacement for the 2012 Charger will also have a similar cost in 2019. Almost all the equipment in the vehicles will need to be replaced each time they are replaced and the cost is increasing. The NH State bids have not been released yet.

The Town is presently using an eight-year replacement cycle, not the Police Department's recommendation for a six-year replacement schedule. The CIP Committee has not made an allowance for adding to the department staffing at any point in the upcoming 10 years. It has remained static for over 10 years already and to think it will not at any time increase is wishful thinking. The Police Department expects that within five years there will be an increase of one officer. Adding an officer is not practical without a new station.

The proposal for 2017 is a new SUV at \$55,000. The cost is expected to be similar to that every two years with one added for a new officer.

CIP Committee Comments: The Board of Selectmen has established an eight year vehicle replacement cycle resulting in a purchase every other year for the four vehicle fleet. CIP will continue to plot this schedule on the capital project chart until the Selectmen address the additional officer request.

CIP Committee Recommendation: Maintain scheduled cruiser replacements at \$55,000 in 2017, 2019, 2021, 2023, and 2025. An article on the Town Warrant for \$55,000 for this project in 2017.

2. Police Software Data Transfer (new)

Submission: Estimated Total Cost \$19,000. This project would include the transfer of Tuftonboro Police Department's old Record Management data from the in-house server to the Carroll County. An update to a multi-agency system was made over the last couple of years. The training and the hardware updates went live in May of 2016. That means records prior to May of 2016 are on the old server at the station. In the next five years that server will need to be replaced. It would cost some money to transfer data from the old server to a new one at our station. It will cost more, but be more effective, to transfer the data to the Carroll County Sheriff server at that time. The cost estimate in 2016 for IMC to coordinate the transfer is \$18,200. That cost is expected to go up over the next few years. It is not a priority at this time.

CIP Committee Comments: It is important to transfer the old data to the new shared server before the local server becomes obsolete.

CIP Committee Recommendation: Schedule \$19,000 for this project in 2020.

I. Public Safety Facilities (Board of Selectmen)

1. Police Facility Capital Reserve (updated)

Submission: The 2015 Town Report showed a balance of \$332,350 in the Police Department Capital Reserve. An additional \$50,000 was approved at Town Meeting and more money should be put in the Capital Reserve every year. Most of the \$50,000 will likely be consumed by increasing construction costs. It is recommended that \$200,000 be added to the Capital Reserve in 2017.

CIP Committee Comments: A Capital Reserve Fund was established in 2012. Adding to the Capital Reserve for this project will help spread the tax impact over more years and is appropriate given that the need to expand the current station has been clearly demonstrated. The Committee feels it is necessary to reduce the amount requested so that total capital spending in 2017 is closer to the town's Capital Capacity.

CIP Committee Recommendation: An article on the Town Warrant to add \$50,000 to the existing Police Facility capital reserve (which was \$390,991 as of 10/31/16).

2. Police Department Facility (updated)

Submission: This project has never been placed on the schedule. This significantly hinders the ability of the Town to get an accurate cost estimate. The estimated size is 4,000 square feet and was previously estimated at \$250 a square foot. Recent examples in Hinsdale and Brookline were \$267 and \$336 per square foot respectively. This may also be a low estimate as the prior designs have been 4,000 feet when sharing some facilities with the fire station. However, a better estimate cannot be given without knowing when it will be scheduled. The cost will vary significantly if it is done in 2017 or 2024.

There have been multiple studies going back to 2004 outlining the issues with the present facility. The issues jeopardize the safety of town employees, hinder efficient service to the town, and expose the town to liability for violations of state and federal laws on privacy and accessibility. Despite the multiple studies, the clear deficiencies, the hazards to the employees, a hindrance to efficient delivery of public service and risk of lawsuits,

the committee has never scheduled it. Failing to schedule this major project is hindering the ability of the Town to get an accurate assessment of the cost and plan other projects accordingly. Delivery of safety services is a basic government function more primary to human needs than the library yet that has been scheduled more than once and the police station has not.

The department has been staffed at four officers for over 10 years; no other department in the area has remained at the same staffing during that period. The present facility cannot accommodate additional staffing, part or full time, should the need arise. Adding an officer within five years should be expected.

There should be a warrant article in 2017 to allow the Town to hire/pay for professionals such as an architect and construction management firm to plan the facility and get accurate cost estimates. There is no money appropriated for that now, but there is money set aside in a capital reserve fund. The capital reserve fund does not allow spending of funds without approval at Town meeting. These professional fees will most certainly exceed \$10,000 (the threshold to be considered a Capital Expense) however they could be withdrawn from the Capital Reserve fund set aside for this purpose so there is no immediate need to raise this money from taxes. That warrant article is predicated upon the facility being built sooner rather than later. There is no point in creating plans or spending any money if the committee does not schedule this in the next few years. If it is scheduled out into the future, the plans would be out of date and unworkable due to changes in material costs, construction codes and other requirements. Given the more recent example of Hinsdale in 2015, the estimated cost would be over \$1 million and should be scheduled within the next five years.

CIP Committee Comments: It is important to address the needs of the Police Department. Since the current plan is to renovate the Library to become a Police Station after the Library moves to a new facility, this project cannot be scheduled until 2020. If a new Library building is not approved, other options for the Police Station must be immediately explored and acted upon.

CIP Committee Recommendation: Schedule \$818,000 as a 20 year loan starting in 2020 for the net amount of a \$1,200,000 project minus the Capital Reserve funds.

J. Solid Waste Department (Transfer Station)

The projects outlined below are part of the Transfer Station strategic vision and long range plan.

1. Compactor Replacements (updated)

Submission: Compactor life is 12-15 years. Compactor #1 is currently 15 years old. In 2012, the piston was rebuilt at a cost of nearly \$4,500, because that particular piston is no longer available. Compactor #1 replacement could be pushed out to 2019. It has been serviced every year for upkeep and preventative maintenance. Compactor #2 could be scheduled to be replaced in 2023.

CIP Committee Comments: The refuse compactors are critical components in the town's ability to collect solid waste for transfer to a land fill. Compactor #1 was new in 2001 and #2 was new in 2005.

CIP Committee Recommendation: Schedule \$20,000 to replace Compactor #1 in 2019 and \$25,000 to replace Compactor #2 in 2023.

2. Maintenance / Storage Facility (updated)

Submission: The new building will be a simple, covered, modestly heated (using mostly waste oil) structure. It will enable the Transfer Station to further increase efficiency. It will provide the ability to segregate and store recyclable materials, ship out full truckloads of recycled material on open days, operate both a consumer swap shop and a contractor swap shop, and provide space to store and maintain equipment during the winter. In the details below, projections are based on 2013 material volumes and commodity prices effective in October 2013.

This building will allow segregation, baling and storage of plastics into grades 1, 2 and 3-7. Plastics are not currently separated and disposal costs \$17.50 per ton plus shipping, about \$5,800 per year. By segregating and baling plastic into these three categories, these costs are eliminated and replaced with revenue of about \$19,100 per year.

Baling the mixed paper stream, instead of shipping it out in open containers, will save about \$1,000 in shipping costs since there will be fewer outgoing loads. Baled paper may also sell at a higher price if the bales are stored dry.

Shipping full instead of partial truckloads of aluminum cans will increase revenue by about \$2,500 per year, and for steel cans, the corresponding increase will be about \$600 per year. No savings are currently expected from baling and storing cardboard dry.

Being able to load outgoing shipments in a separate building on open days saves about \$1,000 in labor costs currently being incurred to bring in people on closed days, since intermingling the public presence and the outgoing shipments currently presents an unacceptable safety hazard.

Both the consumer swap shop “Tuftonboro Mall” and the contractor swap shop “Second Life Shop” will divert material from the outgoing streams, which reduces disposal costs. Given current experience with the consumer swap shop, estimated cost savings of about \$3,000 are expected for each shop. It is anticipated that the “Second Life Shop,” open to all residents, could evolve into a very important asset for the Town, and an additional incentive for people to use the Transfer Station. More research is required to identify the best facility design and construction.

Priority for this project may be moved higher if a possible \$200,000 grant (up to 50% of actual cost) from NH Dept. of Resources and Economic Development and the Lakes Region Planning Commission can be obtained.

CIP Committee Comments: This facility will allow for increases in operating efficiency, reduction in costs and increases in commodity prices that may improve the transfer station revenue contribution. It is consistent with best practices for transfer station recycling operations in the state of New Hampshire.

CIP Committee Recommendation: Schedule this project for 2020 at a net cost to the town of \$200,000 after a grant of \$200,000 with a ten year loan starting in 2020.

3. Time Warner Cable Spectrum Connectivity (new)

Submission: Get TWC/Spectrum connectivity to the Transfer Station. Numerous other avenues for connectivity have been tried to no avail other than substandard and non-effective connectivity. Today's technology is required to sell recyclables for direct export - need to take and send numerous pictures and files to get the best pricing for our product in a fast efficient method. Hard line cable connectivity is necessary for us to accomplish our mission. All Town departments should be on cable for connectivity to each other for emergencies and for day to day coordination and work accomplishment.

The cost to run the line on the electric poles is estimated to be \$12,000 and the expected useful life is 25 years.

CIP Committee Comments: This will bring operations up to speed and be more efficient for the Supervisor who now must travel off-site to connect to the internet.

CIP Committee Recommendation: Schedule this project for 2018 for \$12,000.

Governor Wentworth Regional School District Capital Projects

Tuftonboro belongs to the Governor Wentworth Regional School District (“GWRSD”), which also includes the towns of Brookfield, Effingham, New Durham, Ossipee and Wolfeboro. Each town’s share of the school district budget is based 75% on the town’s proportion of school age children attending one of the district’s schools and 25% on the town’s proportion of assessed valuation. Tuftonboro currently is responsible for 15.8% of the GWRSD budget up from the 15.2% last year.

The Kingswood Complex project was completed in 2011. The project was financed with general obligation bonds totaling \$57.5 million with an effective interest rate of 4.39% and a final maturity of 8/15/2039.

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.

Carroll County Capital Projects

The Carroll County government is responsible for County Administration, the County Jail, the Sheriff’s Department, the County Farm and Mountain View Community, the county’s nursing home. The County Court is a state agency, paid for out of New Hampshire state appropriations.

The Mountain View Community continues to be fully occupied. The future of the remaining sections of the former nursing home structure is still undecided. However, there are currently promising new uses under consideration that would productively utilize the space without requiring taxpayer support. The Mountain View project was financed with general obligation bonds totaling \$23.5 million with an effective interest rate of 3.38% and a final maturity of 12/31/2030.

Tuftonboro’s share of the County’s tax burden is 8.1% this year, down from the 8.4% last year. The combined operating budget and financing costs of existing capital projects (other than the nursing home project) is \$17.6 million in 2016, similar to the amount in 2015. Table 4, on page 27, shows the portion of a Tuftonboro property owner’s tax bill dedicated in support of the County. The Mountain View bond debt service is broken out for clarity. Apportioned shares of the County tax burden are adjusted annually based upon the total valuation of the 19 localities in the County. Tuftonboro’s share has been as high as 8.5% (2008).

Conclusions and Recommendations

As the US economy continues to grow slowly, Tuftonboro has demonstrated an ability to cope with current economic realities and move forward to address major capital needs.

A review of the Capital Capacity graph on page 7 shows that Tuftonboro's capital expenditures from 1991 through 2006 varied widely from one year to the next. However, expenditures since 2006 show much less variability and have been consistently below our projected normal level except in 2015 when the town meeting voted to appropriate \$150,000 for a new town truck instead of placing \$25,000 into a capital reserve account as recommended. This suggests that the capital planning process is working, providing a more predictable effect on the budget and taxes.

This year's CIP Report recommends funding in 2017 for several new projects that we believe should move ahead and additions to existing capital reserve funds. The recommended capital expense schedule includes 3 types of funding: direct payment of total project cost in 2017, "saving" for future major projects by accumulating funds in capital reserve accounts, and "borrowing" to complete projects through lease/purchase agreements or long-term loans. Tuftonboro currently has 15 year financing for the new fire station. The GWRSD and Carroll County both have their long term financing in place and neither anticipates significant increases in capital spending.

Our schedules of recommended projects and accompanying Table 3, found on pages 24 and 25 respectively, are the product of several months of work. At the bottom of the table, 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.

As Table 2 on page 23 shows, there will never be perfect alignment between CIP recommended actions and the final list of Warrant Articles presented to the voters at Town Meeting and other capital expenditures included in the Town Budget. 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 public 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.

CIP RECOMMENDATIONS FOR 2016 COMPARED TO 2016 TOWN MEETING DECISIONS					
Project	CIP Committee Proposal	Selectmen Proposal	Budget Committee Proposal	Town Meeting Approval	Comments
Rescue 1	5 year lease purchase at \$85,000 per year for Rescue 1 & Ambulance	\$260,000 (Recommended 3-0)	\$260,000 (Recommended 7-0)	Passed	Five year lease purchase. First year's payment \$54,641. Lease agreement contains an escape clause.
Ambulance		\$165,000 (Recommended 3-0)	\$165,000 (Not recommended 3-4)	Passed	Five year lease purchase. First year's payment \$34,775. Lease agreement contains an escape clause.
Named Road Repaving & Road Improvement	\$235,000	\$235,000 (Recommended 3-0)	\$235,000 (Recommended 7-0)	Passed	
Lang Pond Road	\$150,000	\$160,000 (Recommended 3-0)	\$160,000 (Recommended 7-0)	Passed	\$100,000 from Unassigned Fund Balance, \$60,000 from taxation.
Library Building (Capital Reserve)	\$50,000	\$50,000 (Recommended 3-0)	\$50,000 (Recommended 4-3)	Passed	Capital reserve created in 2009. Balance as of 12/31/15 was \$278,293.
Master Plan Update	\$3,000	\$5,000 In operating budget (Recommended 3-0)	\$5,000 In operating budget (Recommended 4-3)	N/A	
Police In-Car Video Replacement	\$11,000	\$11,000 In operating budget (Recommended 3-0)	\$11,000 In operating budget (Recommended 4-3)	N/A	
Police Facility (Capital Reserve)	\$50,000	\$50,000 (Recommended 3-0)	\$50,000 (Recommended 4-3)	Passed	Capital reserve created in 2012. Balance as of 12/31/15 was \$332,350.
Dearborn House Demolition	\$16,000	\$16,000 In operating budget (Recommended 3-0)	\$16,000 In operating budget (Recommended 4-3)	N/A	

Table 2 – Town Decisions v. CIP Recommendations

**Schedule of Articles Recommended to the Board of Selectmen
for the 2017 Town Warrant**

1. An Article to raise and appropriate \$15,000 to complete a Watershed Management Plan.
2. An Article to raise and appropriate \$180,000 to purchase new portable and mobile radios for the Fire/Rescue Department.
3. An Article to raise and appropriate \$42,000 to be added to the previously established Fire /Rescue Department SCBA (Self Contained Breathing Apparatus) Equipment Capital Reserve Fund.
4. An Article to raise and appropriate \$235,000 for the paving of town roads and road improvement projects.
5. An Article to raise and appropriate \$13,000 to purchase and install a new air filtration system in the Town Garage.
6. An Article to raise and appropriate \$25,000 to replace the boat ramp into Lake Winnepesaukee at Lake Road in Melvin Village.
7. An Article to raise and appropriate \$50,000 to be added to the previously established Library Building Capital Reserve Fund.
8. An Article to raise and appropriate \$55,000 for the purchase of a new police vehicle.
9. An Article to raise and appropriate \$50,000 to be added to the previously established Police Facility Capital Reserve Fund.

CAPITAL PROJECTS AND EXPENSES RECOMMENDED TO THE BOARD OF SELECTMAN

Department	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Addl.	Total	Comments	Financing Comments
Conservation Commission														
Watershed Management Plan	15											15	Net impact of \$70K project.	Direct from taxes. DES Grant \$55K
Code Officer														
Code Enforcement Vehicle		35										35	Existing vehicle 10 years old in 2018	Direct from taxes
Emergency Management														
Emergency Radio Coverage		100										100	Tower, radio repeater, backup power	Direct from taxes
Fire/Rescue														
Rescue 1 & Ambulance (Lease Purchase)	89	89	89	89								356	Approved 2016	Lease Purchase
Engine 2 (Lease Purchase)		110	110	110	110	110						550	Existing vehicle 20 years old in 2018	Lease Purchase
Engine 4 (Lease Purchase)									160	160	480	800	Existing vehicle 20 years old in 2025	Lease Purchase
Car 1				90								90	Existing vehicle 10 years old in 2020	
Utility/Forestry 1							100					100	Existing vehicle 15 years old in 2023	
Boat 2/Air Boat									100			100	Existing craft 20 years old in 2025	
ATV / Trailer, Rescue Sled					50							50	Existing equipment 20 years old in 2021	
Radio Replacement	180											180	Existing equipment 13 or 11 years old in 2017	
SCBA (Capital Reserve)	42	44	44	44	44	44						262	End of equipment service life is 2022	Cap Reserve currently has \$92,844
Highway Department / Board of Selectmen														
Paving and Improvements on Town Roads	235	235	235	235	235	235	235	235	235	235		2,350	Projects to be defined by Selectmen	Direct from taxes
Air Filtration System for Town Garage	13											13		
Heating System Upgrade at Town Garage				15								15		
Lake Road Boat Launch and Bulkhead	25	50	50									125		
Union Wharf Bulkhead		16										16		Direct from taxes
Sodom Road Bridge Replacement					47							47	Net impact of \$235K project	80% reimbursed from state bridge fund
Tuftonboro Neck Bridge Replacement							187					187	Net impact of \$935K project	80% reimbursed from state bridge fund
Library														
New Library Building		30	137	134	131	128	124	121	118	115	408	1,446	Net of \$2.5 Mil project	Assumes net \$1.4M to be financed -20 yr loan
New Library Building (Capital Reserve)	50											50		Cap Reserve currently has \$335,625
Police Department														
Vehicles	55		55		55		55		55			275	8 year vehicle replacement cycle	Direct from taxes
Software Data Transfer				19								19		
Public Safety Facilities - Board of Selectmen														
Fire Station	196	192	188	184	181	177	173	169	165	161	156	1,942	Approved in 2012 (\$2,553,073)	15 year loan, matures in 2027
Police Facility (Capital Reserve)	50	50	50									150		Cap Reserve currently has \$390,991
New Police Department Facility				10	78	76	74	72	70	68	370	818	\$1.2M remodel of old library building	Assumes net \$818K to be financed -20 year loan
Solid Waste Department (Transfer Station)														
Compactor Replacements (2)			20				25					45	15 year service life	Direct from taxes
Maintenance / Storage Facility				5	28	27	26	26	25	24	39	200	Net of \$400K project	Assumes \$200K to be financed + 200K grant
TWC Spectrum Connectivity		12										12		
TOTAL PROJECT EXPENSE	950	963	978	935	959	797	999	623	928	763				Total Project Expenses (Tax Burden)
CAPITAL CAPACITY	819	841	863	886	908	930	952	975	997	1019			20+ year history trended and projected forward, using actual expense data	Town's Normal Capacity for Capital Expenses
CAPITAL CAPACITY MINUS TOTAL PROJECT EXPENSE	-131	-122	-115	-49	-51	133	-47	352	69	256				
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Addl.	Total		

Table 3 - Proposed Project Schedule

Projected Tax Rates for 2016 to 2022

Each year, the CIP Committee receives information and projections about 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 in 2014, a reassessment of property values was completed. This reassessment reduced the total Town valuation from \$1.025 billion to \$967 million. For 2015, total Town valuation increased slightly to \$970 million. For 2016 the Town valuation increased to \$973 million. An additional expenditure of \$10,000 results in an increase of about 1 cent in the tax rate, which would increase taxes on a property with an assessed value of \$200,000 by about \$2.

The data presented in Table 4 (on the next page) are from a variety of sources. All the data for 2011 through 2015 are from the “Tax Rate Calculation” page in Tuftonboro’s Town reports and are certified by the New Hampshire Department of Revenue Administration (DRA). The data for 2016 are similarly certified and will appear in the upcoming Town Report. The data for 2017 through 2022 are estimates from sources 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 2017 through 2022. The next line is for the Capital Project expense contributions. The future projections are taken from Table 3, the schedule of projects, found on page 25. 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 2016), the cost of the Nursing Home project, the School District’s operating budget (also assumed to increase at 3% annually beyond 2016) and the School District’s Capital Projects.

The last line in the table summarizes all these components to provide a projected overall tax rate. Projections are made using the 2016 net assessed property valuation.

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 2017 - 2022

YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Town Net Operating Expenses Tax Rate (\$/\$,000)	1.53	1.65	1.67	1.94	2.05	2.07	2.13	2.20	2.26	2.33	2.40	2.47
Town Net Capital Project Expense Tax Rate (\$/\$,000)	0.49	0.62	0.67	0.76	0.84	0.84	0.98	0.99	1.01	0.96	0.99	0.83
Total "Town Only" Tax Rate (\$/\$,000)	2.02	2.27	2.34	2.70	2.89	2.91	3.11	3.19	3.27	3.29	3.39	3.30
County Net Operating Expense Tax Rate - (\$/\$,000) - +3%pa.	0.80	0.90	0.95	1.08	1.38	1.33	1.37	1.41	1.45	1.50	1.54	1.59
New Nursing Home Cost Tax Rate (\$/\$,000)	0.20	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Total "County Only" Tax Rate (\$/\$,000)	1.00	1.04	1.09	1.22	1.52	1.47	1.51	1.55	1.59	1.64	1.68	1.73
School Operating Expense Tax Rate - (\$/\$,000) - +3%pa.	5.48	5.55	5.46	5.78	5.69	5.75	5.92	6.10	6.28	6.47	6.67	6.87
New School Building Cost Tax Rate (\$/\$,000)	0.21	0.28	0.29	0.29	0.29	0.30	0.31	0.31	0.31	0.31	0.31	0.31
Total "School Only" Tax Rate (\$/\$,000)	5.69	5.83	5.75	6.07	5.98	6.05	6.23	6.41	6.59	6.78	6.98	7.18
Total Tax Rate - (\$/\$,000) -	8.71	9.14	9.18	9.99	10.39	10.43	10.85	11.15	11.46	11.71	12.05	12.21

NOTES: Assumes a constant 2016 town valuation of \$973 million (2017-2022).

Numbers for 2011 to 2015 are actual from Town reports. Numbers for 2016 are actual from DRA calculation.

Capital Project Expenses are calculated from projections.

For all later years, assumes:

- a) 3% annual increase in Town Operating Expenses
- b) 3% annual growth rate in County Operating Expenses
- c) 3% annual growth rate in School District Operating Expenses

These 3% growth assumptions are arbitrary and may be too low.

Table 4 - Projected Tax Rates