

TOWN OF TUFTONBORO
NEW HAMPSHIRE

CAPITAL IMPROVEMENTS PROGRAM

FOR THE PERIOD

2023 to 2032

Presented
December 13, 2022

**Capital Improvements Program
Tuftonboro, New Hampshire
2023-2032**

Tuftonboro's Capital Improvements Program ("CIP") Committee wishes to acknowledge and to thank Tuftonboro's Board of Selectmen, Department Heads, Committee and Commission Chairs, the Trustees of the Trust Funds, the Governor Wentworth Regional School District, and the Carroll County Finance Office. 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. We also want to thank the Selectmen's Administrative Assistants, Cathy Pounder and Cami Wakefield, for providing support services.

Town of Tuftonboro Capital Improvements Program Committee - 2022

Jill Cromwell	Chair
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Tom Young	Secretary
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Gordon Hunt	Budget Committee Representative
Carol Bush	Planning Board Representative
David Carle	CIP Committee Member
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Board of Selectmen – 2022

William "Chip" Albee, 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 report included a great deal of background material for the interested reader. Material covered included the establishment of Tuftonboro's CIP Committee, the Revised Statutes Annotated (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 contained 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. This projection has now been carried forward to 2032. This year we renamed it "Historic Capital Capacity", since we examined another formula for the actual capacity of the town which included the growth in property values. We decided to research this further next year.

Previous CIP Committee reports can be viewed and downloaded through links found on the CIP Committee's page on Tuftonboro's website, www.tuftonboronh.gov. Copies of the reports are also available at the Tuftonboro Free Library and a limited supply is available at the Town Offices.

The CIP Committee is an advisory committee, which makes recommendations to the Planning Board, Selectmen, and Budget Committee on the town's anticipated capital expenditures for the next ten years. In this 2022 CIP report, covering the years 2023 -2032, we list projects proposed by Tuftonboro's various departments, committees, commissions, and boards. 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.

In addition, this report includes a summary list of what was recommended by the CIP Committee in the previous year, 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. Often more detailed information on projects is developed after CIP issues their report, prompting these other boards to propose different recommendations.

In the final two pages of this report, we include the history of tax rates from 2018 through 2022 broken down into "Town Only" and "County Only" and "School Only" expense components. The former includes Tuftonboro's own operating and capital expenses while the two latter components include school and county operating expenses 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 2023 – 2028, using the 2022 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 reviews each proposed project (often with the sponsors presenting their projects) and presents these on a single spreadsheet with a suggested financing method and a schedule for each year consistent with the Town's Historic Capital Capacity Projection. The CIP Committee then votes to accept the final version of the spreadsheet. The Committee prepares a report (this document) summarizing its work, 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
- Helps obtain grant funding

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

The use of Capital Capacity projections for future years is an accepted practice in budget planning. 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 historic capital expenditure levels since 1991 and a projection from the last completed 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.

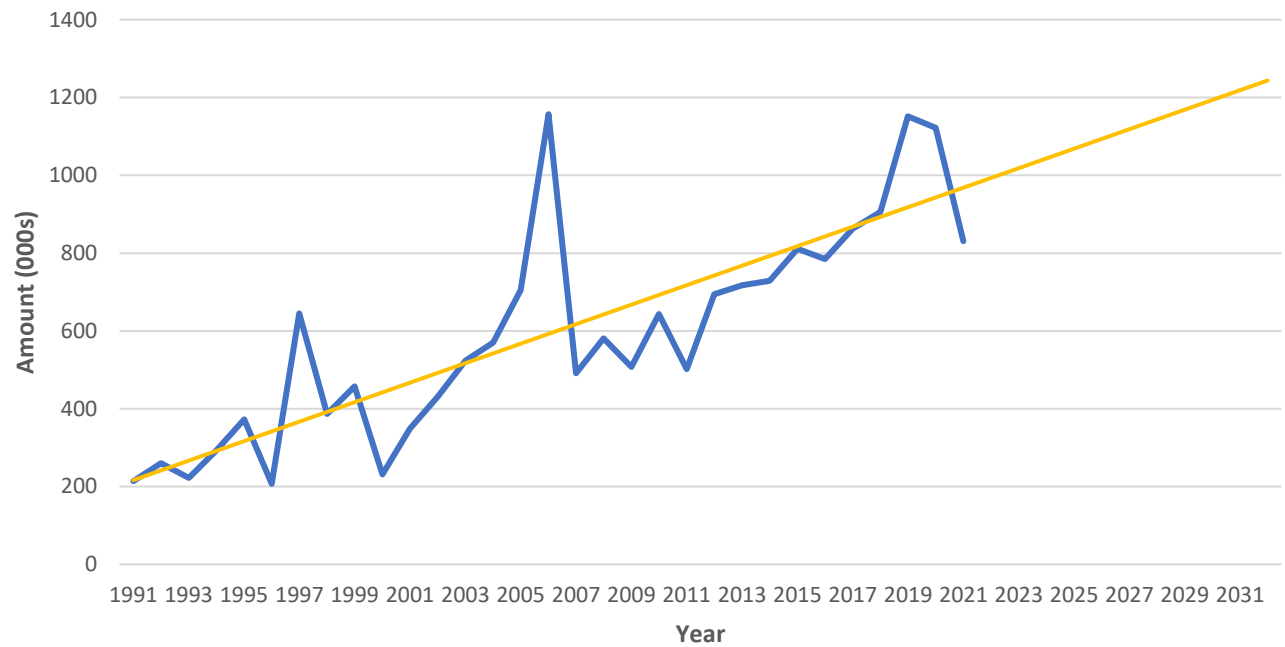
Table 1 (below) lists the historical data as well as the values for Tuftonboro's Historic Capital Capacity Projection utilized by the CIP Committee this year. These will also be found in the "Recommended Capital Projects Schedule", Table 3 on page 21.

Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Expense (000s)	\$214	\$260	\$222	\$ 293	\$ 373	\$207	\$645	\$387	\$457	\$231	\$349	\$431	\$523
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expense (000s)	\$570	\$705	\$1,157	\$491	\$581	\$508	\$643	\$502	\$694	\$717	\$729	\$811	\$785
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Expense (000s)	\$863	\$906	\$1,152	\$1,122	\$831								
Capacity (000s)						\$993	\$1,018	\$1,043	\$1,068	\$1,093	\$1,118	\$1,143	\$1,169
Year	2030	2031	2032										
Expense (000s)													
Capacity (000s)	\$1,194	\$1,219	\$ 1,244										

Table 1 - Tuftonboro's Historic Capital Expenditures and Capital Capacity Trend 1991-2032

The full graph of Tuftonboro's Historic 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 Capacity Projections 1991-2032



Blue = Actual Capital Expenses Gold = Capital Capacity Projection

Figure 1

Proposed Capital Projects & Purchases

The CIP Committee contacted the head of each department, committee, and commission in Tuftonboro during the summer of 2022 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

1. Paving (Updated)

Submission: This is the annual paving budget for major town roads that was previously listed under Highway Department. The request was for \$400,000, the same amount as approved last year. CIP Committee decided to increase this amount by 5% in each of the subsequent years to account for more town roads, price increases, and the need to keep up with repairs to bring town roads up to the goal established in the 2018 road surface report.

CIP Committee Comments: It is important to continue funding for road work.

CIP Committee Recommendation: A Paving article on the Town Warrant for \$400,000 in 2023.

2. Neighborhood Roads (Updated)

Submission: A separate submission was approved last year for neighborhood roads. This was resubmitted this year. CIP Committee decided to increase this amount by 5% in each of the subsequent years. Request \$100,000 in 2023.

CIP Committee Comments: Smaller town roads that are not major thoroughfares have been passed over in past paving budgets. It is important to maintain these town roads.

CIP Committee Recommendation: A Neighborhood Roads Paving article on the Town Warrant for \$100,000 in 2023.

3. Solar Installation (New)

Submission: An installation of solar panels on town-owned property to generate power for all town-owned sites is being explored. Various proposals are being considered with nothing finalized at the time of this report. Request \$270,000 in 2023.

CIP Committee Comments: With a 30% rebate available and the likelihood of substantial savings in annual utility costs, this project could be very cost effective.

CIP Committee Recommendation: A Solar Installation article on the Town Warrant for \$270,000 in 2023.

4. Lake Road Culvert Wall and Dredging (Updated)

Submission: Lake Road Boat Launch was replaced in 2017. The second part of the project is to rebuild the culvert wall and possibly dredge the channel to the lake. The estimated cost for the wall work is \$140,000 and the dredging is also estimated to be \$140,000.

CIP Committee Comments: The Town's boat access properties should be maintained in a condition that contributes to the recreational appeal of our town and region.

CIP Committee Recommendation: Schedule \$140,000 for wall in 2024 and \$140,000 for dredging in 2025 with the understanding that these amounts are merely placeholders.

5. Melvin Wharf (No change)

Submission: \$140,000 was submitted as a placeholder for work on Melvin Wharf bulkhead similar to the sheet piling repairs that will be done to Union Wharf. This project would be third in line after Union Wharf and Lake Road.

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

CIP Committee Recommendation: CIP recommends scheduling the project in 2026 at \$140,000.

B. Code Officer

1. Code Enforcement Vehicle (No change)

Submission: The current vehicle was purchased in 2018. A new vehicle will replace the existing one in eight years, 2026.

CIP Committee Comments: The vehicle replacement schedule is appropriate to support the code officer's duties.

CIP Committee Recommendation: Schedule \$35,000 for this project in 2026.

C. Conservation Commission

1. Great Meadow Trail (Update)

Submission: Supports Master Plan goal to conserve the Tuftonboro Great Meadow area and provide a rural, recreational experience. This trail will provide high quality natural resource education and wildlife viewing. This is a continuation of the trail system to allow public access into the conservation area. Request \$12,000 in 2024.

CIP Committee Comments: The committee was pleased to see that fundraising and volunteer labor was utilized for the first portion of the trail. It recommends that more grants and fundraising be sought for the second part.

CIP Committee Recommendation: Schedule \$12,000 for this project in 2024.

D. Fire / Rescue Department

This department is responsible for the majority of capital expenses in Tuftonboro. The CIP Committee thanks the department for their excellent planning and detailed descriptions of their capital projects.

1. Ambulance 1 Capital Reserve (New)

Submission: The scope of this project is to replace the existing Ambulance 1 at its 15-year replacement cycle. Time will tell if the current A1 will last that long or with the addition of a second ambulance the service life of this unit may be extended. The cost estimate for this project will need to be \$550,000 in 2032. A capital reserve fund should be considered for this project leading up to the year of purchase.

CIP Committee Comments: The committee is pleased to see that the Fire Department continues to plan ahead.

CIP Committee Recommendation: Schedule \$137,000 in a Capital Reserve Fund for this project in 2029-31 and \$139,000 in 2032.

2. Ambulance 2 Capital Reserve (Updated)

Submission: This project is adding an additional ambulance to the department. The existing ambulance would be kept and utilized in more of a back-up role, used in the event the first ambulance is out on a call or out for maintenance. In 2026 the current ambulance will be 10 years old and due to be replaced when it is at the 15-year mark. The calls for service are increasing all the time. The town has seen unprecedented growth over the last 18 months and there doesn't seem to be an end in sight. No one could have predicted the growth or planned for it. At the time of this request the calls for service are up 60 from the same date last year. This is causing some stress on the department staffing and equipment. The town currently contracts with Stewart's Ambulance for primary transport service. It has been and continues to be a great relationship and very cost effective for the town. They are seeing the same increase for calls in all of the towns they cover. Area resources are being stretched very thin and the need for the department to provide more transport services is looming. The intent of this request is to be proactive and be prepared in the event that Stewart's Ambulance can no longer provide services to Tuftonboro or if multiple calls come in we can continue to provide the townspeople the services they deserve. Last year CIP proposed to start a capital reserve fund in 2023 with \$63,000 for four years. The estimated cost is \$250,000.

CIP Committee Comments: The committee revised the dates and amounts for the Capital Reserve Fund due to the high cost of projects scheduled for 2023 and 2024. A Capital Reserve Fund could be established for this as long as the need is justified at Town Meeting when the first payment to the reserve is proposed.

CIP Committee Recommendation: Schedule \$125,000 as a Capital Reserve for this project in 2025 and 2026.

3. 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 may be available at the time of replacement but that is not guaranteed. A replacement cost of \$80,000 is estimated. Over the course of the last few years innovations and technology have opened up more doors when it comes to ATV/UTV multi-purpose utility vehicles. The package of ATV/UTV vehicle needs to include tracks, rescue trailer and an enclosed trailer for transport. The existing unit could remain as a backup/secondary piece of equipment. The department did have a demonstration of the Toolcat that was discussed last year. Although it is an amazing machine, the size and weight of it made it impractical for the department's needs. The estimated cost has been reduced. Requested in 2023.

CIP Committee Comments: Consistent with NFPA service life guidelines. Due to other priority projects in 2023, we decided to move it out one year and see what funds are raised by the Tuftonboro Fire Fighters Association towards this package.

CIP Committee Recommendation: Schedule \$80,000 in 2024.

4. 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 in 2025. 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 \$125,000. Cost is reflective of the volatile pricing on goods now.

CIP Committee Comments: Consistent with NFPA service life guidelines. The Tuftonboro Fire Fighters Association donated \$14,942 towards the cost of repairs to the polymer plastic protective coating on the boat in 2019.

CIP Committee Recommendation: Schedule \$125,000 for 2025 as requested.

5. Car 1 (Updated)

Submission: The scope of this project is to replace the current Car 1 on a 12-year replacement instead of the original 10-year plan, since the car had to have a new motor installed in 2017. Even though the engine was replaced all the other components of the vehicle are original and subject to the rigors of daily use. Car 1 is used primarily by the chief as his command vehicle. Car 1 is also used by members to respond to all types of calls, tow department trailers, boats and the EMD generator. Members take Car 1 to trainings outside of the department and any other department business. Although the car did get a new motor the department is finding that it is rusting through. Over the last 3 years approx. \$8,000 has been spent repairing the rust. So, this project and utility 1 have swapped years. The car is rusting out and needs to be replaced now. The current car is a Chevy Suburban. The department is looking to replace it with a ¾ ton 4-door pick up with

a cap and snowplow (for emergency use only.) We feel this would be a cost savings on the purchase price, give more versatility and a pickup may be easier to obtain than a full-size SUV.

CIP Committee Comments: Though originally requested in 2018 for 2020, in 2019 Chief Thompson thought it could be postponed until 2025 since it has a new engine and is now garaged and not kept running so that the medical equipment would not freeze. However, due to significant rusting, they have now requested it in 2023. A pickup truck would be able to haul the airboat, ATV, and emergency generator and transport 5 people.

CIP Committee Recommendation: Schedule \$100,000 on the Town Warrant in 2023 for purchase of a new Car 1(truck).

6. Engine 1 Capital Reserve (No change)

Submission: This request is for the normal 20-year replacement for Engine 1 in 2032 at \$1,300,000. The cost estimate is just that and as the project gets closer a better cost estimate can be accomplished.

CIP Committee Comments: The Committee wants to establish a Capital Reserve Fund for this to avoid interest costs of Lease/Purchase plans.

CIP Recommendation: We recommend establishing a Capital Reserve Fund for Engine 1 Replacement and funding it with \$100,000 be placed on the Town Warrant in 2023. Additional funding of \$100,000

7. Engine 2 Capital Reserve (No change)

Submission: After discussions on Lease/Purchase agreements versus saving in advance with a Capital Reserve Fund for Engine 4, the Committee and Department realized that if we choose the Capital Reserve Fund method, a fund should be started during this 10-year plan for the replacement of Engine 2 in 2038 at the end of its 20-year life.

CIP Committee Comments: The Committee believes it is better to establish a reserve fund than enter into another Lease/Purchase agreement.

CIP Recommendation: We recommend starting a Capital Reserve Fund for Engine 2 Replacement with \$100,000 a year allocated for ten years starting in 2029.

8. 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 \$850,000. As the project comes closer to fruition a better cost estimate will be available. The cost estimate for this project has increased to try and reflect the current increase in the cost of all materials and labor that is going on. Manufacturers are unwilling or simply cannot give a quote for more than 30 days from a build date. Manufacturers are extending out their build time times from 12 months to 24 months. They have also increased cost mid production based on the crazy supply issues the world is facing. It may be prudent to think about purchasing this truck in 2024 in the hopes of seeing it in 2026.

CIP Committee Comments: Consistent with NFPA service life guidelines. In 2018, the CIP Committee looked into starting a capital reserve fund instead of a Lease/Purchase, but it was not sent forward by the Selectmen due to other high priority expenses (e.g., the Library Expansion). We considered submitting our plan again in 2020 for 2021-25, but realized that it may not go forward again, due to the expenses for another priority, the planned new Police Facility. Therefore, the only reasonable option for acquiring this engine in 2025 is to enter into a Lease/Purchase agreement.

CIP Committee Recommendation: Schedule purchasing Engine 4 in 2024 with a five or six-year lease/purchase agreement at \$170,000 per year (skipping 2025 if the engine is not available for 24 months).

9. SCBA Compressor and Fill Station (New)

Submission: This project is to replace the current SCBA compressor and fill station. The current SCBA fill station was part of the original 2005 SCBA grant. The SCBA's from that grant were replaced in 2021. Compressors and fill stations usually last upwards of 20 years before repair cost start adding up. Our current compressor is starting to have some repairs due to the age. The Current model fill station is no longer manufactured, so if it has a major issue, there may not be parts to repair it.

CIP Committee Comments: It is important to plan for this replacement. There is over \$15,000 remaining in the SCBA Capital Reserve Fund which could be saved and used to offset this cost.

CIP Committee Recommendation: Schedule \$100,000 for 2025 as requested.

10. Utility/Forestry 1 (Updated)

Submission: The scope of this project is to replace the current Utility/Forestry 1 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 climate is changing. It is hotter and drier than ever and with current building that is happening the likelihood of wild land /urban interface fire is increasing. The new U-1 should be made to be more capable to fight forest fires. That would include carrying more water, hose, tools and be more off-road capable. The cost of this project is estimated to be \$200,000 in 2024.

CIP Committee Comments: Consistent with NFPA service life guidelines. The Tuftonboro Fire Fighters Association donated an extruded aluminum flat bed and associated parts for this vehicle in 2019. Planning for changing conditions is commendable.

CIP Committee Recommendation: Schedule \$200,000 for 2024 as requested.

E. Highway Department

Tuftonboro has an elected Road Agent responsible for maintaining and upgrading the Town's roads, bridges and docks. Tuftonboro maintains over 48 miles of roads. The Town also owns 5 bridges, 5 boat launch access locations and 2 wharves. Paving projects are listed under Board of Selectmen (BOS) as two articles on the Warrant, and regular road maintenance continues to be included in the operating budget. Wharf and lake access repairs are also included under the BOS.

1. Highway Garage Heating System (Updated)

Submission: Estimated Total Cost \$22,000; 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. The department obtained several quotes in 2021 and suggestions on the best method to heat this building. It is believed that radiant heat in the floor is best for facilities with large garage doors such as this building, but this is not an option since the slab is free-flowing. A forced hot air system is planned. Estimates range from \$19,000 to \$34,000. With the rising cost of fuel, completion of this project is due.

CIP Committee Recommendation: Schedule \$22,000 for a new heating system in the Town Garage on the Town Warrant in 2023.

2. Highway Garage Upper Pavement Section (Updated)

Submission: Upper pavement section that services the sand and salt shed and also the storage area needs to be repaved.

CIP Committee Comments: The lower portion of the Garage pavement was replaced in 2022. A cell phone tower is being installed to the rear of the garage now, which may require some patching of the side and rear pavement. When that is complete this project should be scheduled.

CIP Committee Recommendation: Schedule \$40,000 in 2024.

3. Tuftonboro Neck Bridge Replacement (No change)

Submission: Previous year's submission – "This bridge is close to being red-listed by the state. Estimated replacement cost were updated by the State from \$935,000 to \$905,000." The state bridge program will reimburse 80% of this cost but the project currently does not appear on the State list. 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 was at one time included in the state replacement program list, but now is not. Perhaps federal infrastructure funds will help bring the replacement to fruition.

CIP Committee Recommendation: Scheduled replacement of the Tuftonboro Neck Road Bridge for the net impact to the budget of \$184,000 in 2032.

F. Police Department

1. Body and Cruiser Cameras (Updated)

Submission: Body-worn and/or cruiser camera systems for five officers, estimated to cost \$44,000 the first year and \$11,000 for the next four years. Originally requested for 2022, but revised to 2027 after the Selectmen decided not to fund a fifth officer and this was not considered a priority.

CIP Committee Comments: The committee is in favor keeping the project on the plan for a future year when staffing may increase and grant funds may be available. The additional years' expense can be placed in the operating budget.

CIP Committee Recommendation: Schedule \$44,00 for 2027.

2. Police Vehicles (Updated)

Submission: In 2023 we will need to replace two vehicles. The costs to replace and repair have increased dramatically. I expect it will be over \$160,000 in 2023. The Selectmen also submitted a request to place \$50,000 into the Police Vehicle Expendable Trust Fund established in 2022.

CIP Committee Comments: The Police Vehicle Expendable Trust Fund started with \$80,000 approved at Town Meeting in 2022. A vehicle was ordered but still is not in operation due to the unavailability of certain parts. There is money remaining in the Fund which can be used in 2023 with the additional \$50,000 to purchase another vehicle.

CIP Committee Recommendation: Schedule the addition of \$50,000 to the Police Vehicle Expendable Trust Fund on the Town Warrant in 2023 and schedule more additions in future years.

G. Public Safety Facilities

1. Fire Station:

Continue loan payments of the previously approved Central Fire Station with \$173,000 scheduled out of the operating budget for 2023 and payments continuing through 2027.

2. Fire Station Renovations (Updated)

Submission: The scope of this project is to upgrade/renovate the Central Fire Station to accommodate 24/7 staffing for the fire department. When the building was built in 2012/2013 the town chose not to build it to accommodate 24/7 staff. There are no plans currently to increase staffing (it is talked about daily however) but with the increase demand for services it is not far off. The department currently has 2 full time staff (the second full time staff was hired in 2005) and a roster of paid call members. They volunteer to come to the call but get paid once they do. There is a national shortage of volunteers in general, say nothing of finding employees in general. At the time of this request calls for service are about where they were last year. 2021 was the highest call volume to date. This is causing stress on the staff and volunteers that the department depends on to respond to the calls. The department is aging and simply cannot continue to provide the services the town deserves at the current staffing levels. This request is to put the issue on the CIP radar to plan for the growth the town is seeing.

CIP Committee Comments: It is wise to plan ahead for full-time staffing and the need for an expanded facility.

CIP Committee Recommendation: Schedule \$300,000 for 2032 as requested.

H. Solid Waste Department (Transfer Station)

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

1. Backhoe Replacement (Updated)

Submission: The transfer station backhoe is currently operating daily. It is a 2005 model year. It has had several maintenance issues. Fortunately, they have been relatively minor to date, however it is time to do some preventative maintenance, so that we can utilize it as a reliable piece of equipment for another decade. Requested \$25,000 in 2023.

CIP Committee Comments: After discussion it was determined that the new Wheel Loader was a higher priority which would reduce the wear and tear on the backhoe. Repair funds could be found in the Operating Budget.

CIP Committee Recommendation: Delete this project from the CIP plan.

2. Compactor #2 Replacement (Updated)

Submission: Compactor #2 has been scheduled to be replaced in 2023. Compactor #2 is more than 15 years old. The replacement cost has been revised to reflect current pricing. This compactor is a crucial component of the operation of the transfer station, processing up to 20 tons of Municipal household waste weekly. Requested \$36,130 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.

CIP Committee Recommendation: Schedule \$36,130 to replace Compactor #2 on the Town Warrant in 2023.

3. Compactor #3 (New)

Submission: Adding a compactor #3 to the infrastructure would allow the transfer station to have a dedicated compactor, to service the commercial residential waste haulers. These haulers more times than not have multiple loads per day going in the compactor. Having this third compactor would remove the strain of having them over pack compactor #1 and #2 on busy weekends and holidays. Requested \$60,070 for an all-weather compactor in 2023.

CIP Committee Comments: Chris Ruel provided the Committee with a "6 Year Avoided Cost Comparison" which showed a spike in Municipal Solid Waste in 2020 but no continued growth since then. Other recyclables have declined. The Committee felt this was probably a pandemic anomaly. The data does not support this project at this time.

CIP Committee Recommendation: Delete this project from the CIP plan.

4. Wheel Loader (New)

Submission: The lease/Purchase of a loader will equip the transfer station staff with the ability to safely move heavy municipal waste containers around the complex, and efficiently place them. A loader will also provide a more suitable platform to attach the snow pusher which is used to clear snow and keep the transfer station open to the public.

348 Man hours were deployed last season by transfer station employees during 29 snow events. This is 348 hours the town had a plow truck on the other town roadways.

CIP Committee Comments: This more versatile piece of equipment makes sense for the needs of the Transfer Station. Funding it in one year will save interest charges.

CIP Committee Recommendation: Schedule \$178,500 for a Wheel Loader on the Town Warrant in 2023.

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 14.63% of the GWRSD budget, up from the 14.51% 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.

Tuftonboro's student census has been dropping slightly. The impact of the COVID pandemic of the last three years is unknown. There has been an increase in new homes. At this time, we are not projecting any new GWRSD capital 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 and rehabilitation center). The County Court is a state agency, paid for out of New Hampshire state appropriations.

The Mountain View Community 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 8.02%, up from 7.86% last year. The total County Budget to be raised from taxes in 2022 is \$17,780,549.00. Table 4, on page 24, 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

Tuftonboro has demonstrated an ability to 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 from 2006 - 2018 show much less variability and have been somewhat below our projected normal level. This suggests that the capital planning process is working, providing a more predictable effect on the budget and taxes. The spike in 2019 reflects the approval of expenditures for an addition to the town library to be paid in one year instead of bonding. The slight dip but still higher than normal expense in 2020 reflects a significant contribution to the Capital Reserve Fund for a new Police Station. In 2021 additional funds to build the Police Station were approved at Town Meeting but were not expended due to the sharp increase in construction costs. The graph point for expenditures would have risen above the 2019 point if the project had proceeded as planned. The funds for the Police Station have been incurred, but not spent, making the graph point dip significantly. These unusual variations made us question the validity of the trend line. It was suggested that we use a new formula for Capital Capacity – one that would also reflect the increase in total town property values. This proposal would generate a capacity of \$1,225,000 for 2023 – compared to the Historic Capital Capacity projection of \$1,018,000. The committee decided to do some research in early 2023 to see if this is a formula we want to adopt or if other towns have processes that might be helpful.

This year's project submissions included four projects which had not previously been submitted – three with funding requests for 2023. Of the three new requests for 2023 funding, the CIP Committee only recommends two, Solar Installation and Wheel Loader for the Transfer Station. Other previously submitted projects that are recommended for 2023 are shown in Table 3. Two project submissions were moved out to future years: the Fire Department's ATV Trailer/Rescue Sled and the Highway Garage Upper Pavement projects. The Transfer Station's Backhoe Maintenance project and Compactor #3 were not recommended. The Highway Department's Town Truck Replacement was deleted because it was purchased with existing 2022 funds.

The recommended capital expense schedule includes 3 types of funding: direct payment of total project cost in 2023, "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 Central Fire Station. The GWRSD and Carroll County both have their long-term financing in place.

Our schedule of recommended projects shown in Table 3 on page 22 is 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 Historic 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.

We recommend that more town departments conduct planning exercises and submit capital projects. In our opinion, the Parks Department in particular should be submitting projects which would align with the 2022 Master Plan update that listed "Provide access to parks, trail systems, outdoor recreation space" as the third highest ranked principle. They sent an email with some ideas for future projects, but did not submit any.

As Table 2 on page 20 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.

Table 2

CIP Recommendations for 2022 Compared to 2022 Town Meeting Decisions

<i>Project</i>	<i>CIP Committee Proposal</i>	<i>Selectmen Proposal</i>	<i>Budget Committee Proposal</i>	<i>Town Meeting Approval</i>	<i>Comments</i>
Board of Selectman					
Paving and Improvements on Town Roads	\$400,000	\$400,000 (Recommended 3-0)	\$400,00 (Recommended 5-0)	Passed	
Neighborhood Roads	\$100,000	\$100,000 (Recommended 3-0)	\$100,000 (Recommended 5-0)	Passed	
Union Wharf Bulkhead Reconstruction	\$245,000	\$287,500 (Recommended 3-0)	\$287,500 Recommended 5-0)	Passed	
Fire/Rescue					
Fourth Installment Payment on lease/purchase of Engine No. 2	\$125,000	\$124,625 (Recommended 3-0)	\$124,625 (Recommended 5-0)	Passed	Fourth Installment of Article Approved by Voters at 2018 Meeting
ATV/Trailer Rescue Sled	\$100,000	Not Addressed	Not Addressed	No Warrant Article Presented	
Highway Department					
Highway Garage Paving	\$28,000	Not Addressed	Not Addressed	No Warrant Article Presented	
New 10 Wheel Dump Truck	\$235,000	Not Addressed	Not Addressed	No Warrant Article Presented	
Police Department					
Police Facility	\$0	\$468,000 (Recommended 3-0)	\$468,000 (Recommended 4-1)	Failed	Additional Funding for the construction of the new Police Facility
Vehicles	\$80,000	\$80,000 (Recommended 3-0)	\$80,000 (Recommended 5-0)	Passed	Establish the Police Vehicle Trust Fund for the purpose of purchasing, equipping and refitting police vehicles for the Town of Tuftonboro
Solid Waste Department					
Backhoe Replacement Capital Reserve	\$50,000	Not Addressed	Not Addressed	No Warrant Article Presented	
Baler & Container	\$0	\$25,000 (Recommended 3-0)	\$25,000 (Recommended 5-0)	Failed	For Paper Recycling
Operating Budget					
Annual Payment for Fire Station	\$177,000	None	None		Included in Operating Budget
TOTALS	\$1,540,000	\$1,485,125	\$1,485,125	\$1,169,125	

Schedule of Articles Recommended to the Board of Selectmen for the 2023 Town Warrant

1. An Article to raise and appropriate \$400,000 for the paving and improvements on major town roads.
2. An Article to raise and appropriate \$100,000 for the paving and improvements on the town's neighborhood roads.
3. An Article to raise and appropriate \$270,000 for a Solar Installation.
4. An Article to raise and appropriate \$100,000 for the purchase of a new Car 1 for the Fire Department.
5. An Article to establish a Capital Reserve Fund for the replacement of Fire Engine 1 and to raise and appropriate \$100,000 to be placed into the fund.
6. An Article to raise and appropriate \$22,000 to replace the heating system at the Town Highway Garage.
7. An Article to raise and appropriate \$50,000 to be placed in the Police Vehicle Expendable Trust Fund.
8. An Article to raise and appropriate \$36,000 to replace Compactor #2 at the Transfer Station.
9. An Article to raise and appropriate \$179,000 to purchase a Wheel Loader for the Transfer Station.

In addition, the loan payment for the Fire Station for the approximate amount of \$173,000 should be added to the operating budget.

Table 3 – Recommended Capital Project Schedule

CAPITAL PROJECTS AND EXPENSES RECOMMENDED BY THE CAPITAL IMPROVEMENTS PROGRAM COMMITTEE														
Department/Projects*	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Addl.	Total	Comments	Financing Comments
Board of Selectmen														
Paving and Improvements on Major Town Roads	400	420	441	463	486	510	536	563	591	620		5,030	Assumes 5% increase per year	
Neighborhood Roads	100	105	110	116	122	128	134	141	148	156		1,260	Assumes 5% increase per year	
Solar	270													
Lake Road Culvert Wall and Dredging		140	140									280	Very rough cost estimate	
Melvin Wharf				140								140	Very rough cost estimate	
Code Officer														
Code Enforcement Vehicle				35								35	Existing vehicle 8 years old in 2026	
Conservation Commission														
Great Meadow Trail		12										12	Final phase of project	Look for grants or more donations
Fire/Rescue														
Ambulance 1 Capital Reserve							137	137	137	139		550	Replace existing, 15 years old in 2032	Start Cap Reserve in 2029
Ambulance 2			125	125								250	Add vehicle, keep old as back-up; growth of town and calls	Start Cap Reserve in 2025 for two years
ATV / Trailer, Rescue Sled		80										80	Existing equipment 20 years old in 2021	Some funding from donations to TFAssoc.
Boat 2/Air Boat			125									125	Existing craft 20 years old in 2025	
Car 1	100											100	Existing vehicle 12 years old in 2023	
Engine 1 Capital Reserve	100	100	138	138	138	138	138	138	138	138		1,304	Existing vehicle 20 years old in 2032	Est. Cost \$1.3 million. Start Cap Reserve ten years out.
Engine 2 Capital Reserve							100	100	100	100	800	1,200	Existing vehicle 20 years old in 2038	Start Cap Reserve ten years out.
Engine 4 (Lease Purchase)		170		170	170	170	170					850	Existing vehicle 20 years old in 2025	\$850K est. plus interest for Lease Purchase. Orders take 2yrs.
SCBA Compressor and Fill Station			100									100	Existing 20 years old in 2025	At least \$15,000 remain in SCBA CR
Utility/Forestry 1		200										200	Existing vehicle 15 years old in 2023	
Highway Department														
Highway Garage Heating System Upgrade	22											22		
Highway Garage Upper Pavement		40										40		
Tuftenboro Neck Bridge Replacement										184		184	Net impact of \$935K project	80% reimbursed from state bridge fund**
Police Department														
Body and Cruiser Cameras					48							48	Add'l staff required to administer.	Grants may be available for some of cost.
Police Vehicle Expendable Trust Fund	50		80			80		80	160			450	Replacement schedule every 8 years	Expendable Trust established in 2022
Public Safety Facilities														
Fire Station	173	169	165	161	156							824	Approved in 2012 (\$2,553,073)	15 year loan, matures in 2027
Fire Station Renovations										300		300	Very rough cost estimate	Consider Cap Reserve or Financing
Solid Waste Department (Transfer Station)														
Compactor #2 Replacement	36											36	Current one is over 15 years old	
Wheel Loader	179											179		Lease Purchase suggested by Dept.
TOTAL PROJECT EXPENSE	1430	1436	1424	1348	1120	1026	1215	1159	1274	1637	800			Total Project Expenses (Tax Burden)
HISTORIC CAPITAL CAPACITY	1018	1043	1068	1093	1118	1143	1169	1194	1219	1244			30 year history tracked and projected forward, using actual expense data.	Town's Normal Tolerance for Capital Expenses
CAPITAL CAPACITY MINUS TOTAL PROJECT EXPENSES	-412	-393	-356	-255	-2	117	-46	35	-55	-393				Negative number indicates expenses more than projected capacity.
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032				
*All project numbers are \$,000s												** State bridge funding was cut from State Budget for 2019 & 2020. Future funding unknown.		

Projected Tax Rates for 2023 to 2028

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.

Total property value assessments have been increasing slightly each year since 2014. The Town valuation was \$973 million in 2016, \$982 million in 2017, \$986 million in 2018, \$1,202 million in 2019, \$1,211 million in 2020 and \$1,216 million in 2021. With a town-wide re-evaluation in 2022 the total valuation jumped to \$1,849,167,828. An additional expenditure of \$10,000 results in an increase of about .5 cents in the tax rate, which would increase taxes on a property with an assessed value of \$400,000 by about \$2.00.

The data presented in Table 4 (on the next page) are from a variety of sources. All the data for 2018 through 2021 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 2022 are similarly certified and will appear in the upcoming Town Report. The data for 2023 through 2028 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 2023 through 2028. 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 22. 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 2022), the cost of the Nursing Home project, the School District’s operating budget (also assumed to increase at 3% annually beyond 2022) 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 2022 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 2023 - 2028

YEAR	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Town Net Operating Expenses Tax Rate (\$/,\$,000)	2.06	2.25	2.25	2.09	1.41	1.45	1.50	1.54	1.59	1.63	1.68
Town Net Capital Project Expense Tax Rate (\$/,\$,000)	0.89	0.94	0.97	1.06	0.63	0.77	0.78	0.77	0.73	0.61	0.55
Total Town Only Tax Rate (\$/,\$,000)	2.95	3.19	3.22	3.15	2.04	2.22	2.28	2.31	2.32	2.24	2.23
County Net Operating Expense Tax Rate (\$/,\$,000)	1.19	0.94	1.02	1.03	0.66	0.68	0.70	0.72	0.74	0.77	0.79
New Nursing Home Cost Tax Rate (\$/,\$,000)	0.14	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Total County Only Tax Rate (\$/,\$,000)	1.33	1.05	1.13	1.14	0.77	0.79	0.81	0.83	0.85	0.88	0.90
School Operating Expense Tax Rate (\$/,\$,000)	6.59	5.62	4.96	5.54	3.38	3.48	3.59	3.69	3.80	3.92	4.04
New School Building Cost Tax Rate (\$/,\$,000)	0.31	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total School Only Tax Rate (\$/,\$,000)	6.90	5.87	5.21	5.79	3.63	3.73	3.84	3.94	4.05	4.17	4.29
Total Tax Rate - (\$/,\$,000) -	11.18	10.11	9.56	10.08	6.44	6.74	6.92	7.09	7.22	7.29	7.42

NOTES:

Assumes a constant valuation of \$1.849 billion (2022 - 2028)

Numbers for 2018 to 2021 are actual from Town reports

Numbers for 2022 are actual from DRA calculation

All later years assume a 3% annual increase in Town, County, and School Operating Expenses

These growth assumptions are arbitrary.

Town Capital Project Expenses are projected from the Table 3

Table 4 - Projected Tax Rates