

Draft
Capital Improvement Plan
FY 2015-2020

Who

BOS Member – Mike Akillian

Town Ways & Means Representative –
Russell Thomas

Souhegan School Board Member –
Steve Coughlan

Amherst School Board Member –
Peg Bennett

SAU Representative –
Elizabeth Shankel

School Ways & Means Representative –
Michael Costolo

Planning Board Member – Eric Hahn

Planning Board Member – Marilyn Peterman

Citizen Member – Addie Hutchison

Citizen Member – Eric Swenson

BOS Alternate – John D'Angelo

SSB Alternate – Chris Janson

PB Alternate – Sally Wilkins

Citizen Alternate – Nate Jensen

What

- Our main goal is to link local infrastructure investments with long-term planning including: master plan goals, land use ordinances, and economic development.
- Last CIP was completed in 2006. Reviving the annual review was the highest priority of the Planning Board with the objective of providing a tool to the Town and School Districts' budget processes by outlining the capital needs of the community over six year periods.
- Our review done in conjunction with the Board of Selectmen's development of a Town Strategic Plan. We expect that future Department project request submissions will be developed from each Department's Strategic Plan.

General Observations

- Over past two fiscal years the Town has operated under a default budget and warrants for capital reserve funds were defeated. This has hindered the Town's ability to adequately fund fleet vehicle replacements and perform needed road and facility maintenance.
- The extent of rust damage on DPW, EMS, and Fire vehicles raises concern. It was repeatedly noted that Amherst's vehicles 'rust out before they wear out'.

General Recommendations

- CIP Committee feels the Town needs to make a major investment in its fleet of Fire and DPW vehicles, and in other projects that have been pushed off for years. As a result the CIP contains a significant number of projects included in FY 2015. We believe that these vital projects can no longer be postponed and will only increase the tax impact the longer they are delayed.
- CIP Committee strongly supports the need for a wash station for all Town vehicles and space to adequately shelter DPW, EMS and Fire vehicles. We hope that the 'On the Horizon' project associated with a wash station will move ahead in planning over the next year to become part of the CIP. It was pointed out during the Public Works presentation that this is a need of most surrounding communities.

Why

The purpose of the CIP is to present a realistic view of the cost and impact of attaining all the facilities, products, or services we've identified as necessary. We hope the CIP provides the following services:

- Identify needs that preserve public health, safety, and welfare.
- Anticipate the demands of growth.
- Improve communication and coordination between the Planning Board, municipal departments, administrative officials, the Ways & Means Committees, the Board of Selectmen, the School Boards to save money and avoid duplication of facilities and expenditures.
- Avoid undue tax increases.

- Develop a fair distribution of capital costs.
- Build a foundation for growth management and impact fees.
- Identify “scattered and premature” development based on an absence of public services and/or infrastructure.
- Support economic development.

Process

- CIP Committee began meeting regularly in the late spring.
- Committee hears presentations from department heads and representatives of the boards and commissions that submitted project requests.
- Committee discusses and develops a consensus on the recommendation for the year in which the Project should be placed on the Town Ballot either as part of the operating budget or a separate warrant article. The Committee adjusts recommended project request funding years to smooth the fiscal impact and maintain a reasonable debt level each year, considering the overall debt load from ALL bonded or lease purchase acquisitions by the Town and the School Districts.
- Prepare “Final” Draft report with the assistance of the Community Development Office and circulate it for review and comment by all affected constituencies. Present to the Planning Board, Board of Selectmen, and School Boards.
- Conduct a Public Hearing with the Planning Board and present the final report. The Planning Board votes on adoption.
- Distribute the final report to all affected constituencies.

What We Looked At

Table 1: Amherst Population 1940-2040

Year	Population	% Change	Numerical Change	Avg. Annual Change
1940	1174	-	-	-
1950	1461	24.45%	287	2.44%
1960	2051	40.38%	590	4.04%
1970	4605	124.52%	2554	12.45%
1980	8243	79.00%	3638	7.90%
1990	9068	10.01%	825	1.00%
2000	10769	18.76%	1701	1.88%
2010	11201	4.01%	432	0.40%
2020*	11454	2.26%	253	0.23%
2030*	11565	0.97%	111	0.10%
2040*	11523	-0.36%	-42	-0.04%

Source: US Census and NRPC Population Projections*

Based on past US Census numbers and Nashua Regional Planning Committee Population Projections, Amherst's population grew from 1174 in 1940 to 11,201 in 2010. It is anticipated that Amherst's population will continue to grow through the 2030s and then fall off slightly in the 1040s.

Table 2: Town Operating Budget FY'04-FY'14			
Year	Operating Budget	Dollar Change	Percent Change
FY-04	\$6,968,621.00	-	-
FY-05	\$7,249,780.00	\$281,159.00	4.03%
FY-06	\$7,677,763.00	\$427,983.00	5.90%
FY-07	\$8,496,448.04	\$818,685.04	10.66%
FY-08	\$9,393,309.98	\$896,861.94	10.56%
FY-09	\$9,543,985.86	\$150,675.88	1.60%
FY-10	\$9,729,570.00	\$185,584.14	1.94%
FY-11	\$9,760,644.00	\$31,074.00	0.32%
FY-12	\$10,474,053.00	\$713,409.00	7.31%
FY-13	\$10,853,361.00	\$379,308.00	3.62%
FY-14	\$11,269,800.00	\$416,439.00	3.84%
Source: Amherst Town Reports			

During the period from FY-04 to FY-14 the Town's operating budget grew from \$6,968,621.00 to \$11,269,800.00.

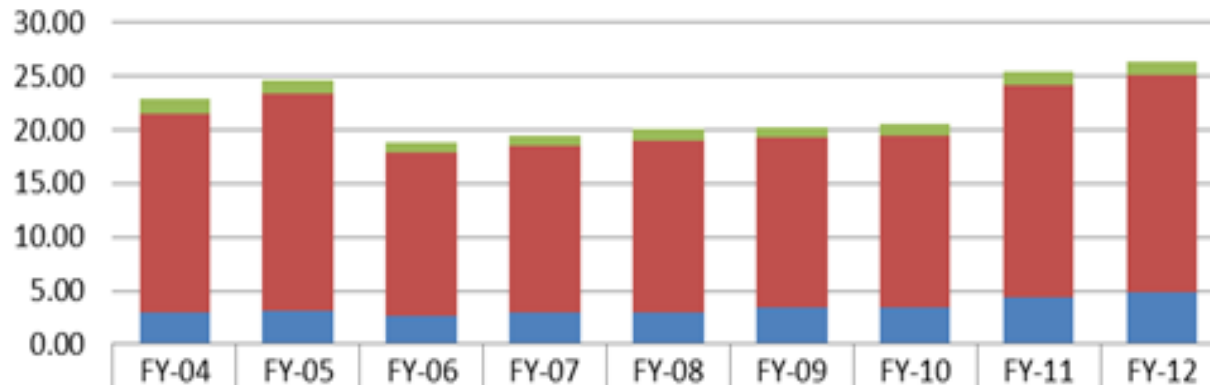
Table 3: Amherst School Operating Budget FY'04-FY'14			
Year	Operating Budget	Dollar Change	Percent Change
FY-04	\$18,311,555.00	-	-
FY-05	\$18,917,879.00	\$606,324.00	3.31%
FY-06	\$20,438,177.00	\$1,520,298.00	8.04%
FY-07	\$21,337,275.00	\$899,098.00	4.40%
FY-08	\$22,633,815.00	\$1,296,540.00	6.08%
FY-09	\$26,705,680.00	\$4,071,865.00	17.99%
FY-10	\$23,215,002.00	-\$3,490,678.00	-13.07%
FY-11	\$23,371,144.00	\$156,142.00	0.67%
FY-12	\$23,964,120.00	\$592,976.00	2.54%
FY-13	\$24,339,744.00	\$375,624.00	1.57%
FY-14	\$24,358,572.00	\$18,828.00	0.08%
Source: NH DRA Form MS-22 (Report of Appropriations actually voted)			

During the period from FY-04 to FY-14 the Amherst School District operating budget grew from \$18,311,555 to \$24,358,572.00 after dropping \$3,490,678 or 13.07% in FY-10.

Table 4: Souhegan School Operating Budget FY'04-FY'14			
Year	Operating Budget	Dollar Change	Percent Change
FY-04	\$13,761,839.00	-	-
FY-05	\$14,405,483.00	\$643,644.00	4.68%
FY-06	\$15,058,281.00	\$652,798.00	4.53%
FY-07	\$16,135,999.00	\$1,077,718.00	7.16%
FY-08	\$16,770,070.00	\$634,071.00	3.93%
FY-09	\$17,368,522.00	\$598,452.00	3.57%
FY-10	\$17,770,722.00	\$402,200.00	2.32%
FY-11	\$18,286,827.00	\$516,105.00	2.90%
FY-12	\$18,538,036.00	\$251,209.00	1.37%
FY-13	\$18,443,827.00	-\$94,209.00	-0.51%
FY-14	\$19,867,693.00	\$1,423,866.00	7.72%
Source: NH DRA Form MS-22 (Report of Appropriations actually voted)			

During the period from FY-04 to FY-14 the Souhegan Cooperative School District operating budget grew from \$13,761,839.00 to \$19,867,693.00 after dropping \$94,209 or .51% in FY-13.

Town of Amherst Tax Rates FY-04 thru FY-12



County Tax Rate	FY-04	FY-05	FY-06	FY-07	FY-08	FY-09	FY-10	FY-11	FY-12
School Tax Rate	1.31	1.33	0.98	1.00	1.02	0.97	1.01	1.22	1.16
Municipal Tax Rate	18.51	20.17	15.18	15.50	16.00	15.84	16.06	19.75	20.22
	3.02	3.15	2.67	2.97	3.04	3.38	3.41	4.40	4.90

■ Municipal Tax Rate ■ School Tax Rate ■ County Tax Rate

Through the period of FY-04 through FY-12, the County Tax Rate fluctuated from a high of \$1.33 in FY-05 to a low of \$.98 in FY-06; the School Tax Rate, which reflects the combined expenses of the Amherst and Souhegan School Districts, fluctuated from a low of \$15.18 in FY-06 to a high of \$20.22 in FY-12; and the Municipal Tax Rate fluctuated from a low of \$2.67 in FY-06 to a high of \$4.90 in FY-12.

Financing Strategy and Options

When evaluating project requests, the CIP Committee's financing strategy followed these three points:

- A capital financing strategy should limit the cost of providing capital infrastructure and equipment while meeting the community's needs by using a variety of financing methods.
- A capital financing strategy should ensure financial strength and flexibility in the future.
- A capital financing strategy should strengthen our Town's standing with the bond rating agencies, bond buyers, regulators, and the local community.

The CIP Committee reviewed the following funding methods:

- One-year Appropriation
 - Utilized for projects with a life expectancy of at least three years and an initial cost of up to \$200,000
- Capital Reserve
 - Utilized for projects with a life expectancy of at least five years and with an initial cost between approximately \$25,000 and \$300,000
- Lease Purchase
 - Utilized for projects with a life expectancy of between three and ten years and with an initial cost of between \$50,000 and \$175,000
- Bonding
 - Utilized for projects having a life expectancy of at least twenty years and an initial cost of at least \$200,000.

To strength the Town's overall financial position , the Committee believes that the Town should utilize a variety of these options.

FY'2015

The Committee reviewed 38 project requests from Town Departments and Committees, six from the Souhegan School District, and seven from the Amherst School District. It was proposed that several of those projects be implemented in phases and are consequently listed over multi-year periods.

When reviewing projects and placing them in the CIP Estimated Tax Impact Table, the CIP Committee also considered whether the project had a well-defined description or scope for implementation or if it was a project that had been identified but was still in the planning stages – an “On the Horizon” project. On the Horizon projects probably will be, based on information presented, required either within or just beyond the six-year capital improvements planning cycle and thus need to be included for planning and budget purposes.

The original of each project submission is attached to the Final Report as an Addendum. The report includes a brief synopsis of each request reflecting the project information provided by the department, along with notes of any concerns or suggestions the CIP Committee had.

Department of Public Works (DPW13-04) – Replace Ford/New Holland 675E Backhoe - \$115,000

Project Request– FY 2015 Funding

Project Request Justification – This project request is to replace a backhoe via a seven year lease/purchase financing method. This is a 4x4 backhoe with a 1.25 yard detachable front bucket with a power angle plow, for the hoe end it has a quarter yard bucket with thumb and extend-a-dig boom. The vehicle is used for summer and winter road maintenance, and serves as a back-up both as a snowplow and to our twelve year-old Transfer Station loader. The wiring harness in the existing backhoe has been spliced together, and the hoe will need refurbishing soon.

CIP Committee Recommendation – FY 2015 Funding: The CIP Committee supports the replacement of the backhoe and encourages the future use of a capital reserve funds to finance vehicle replacements to avoid the interest payments of a lease and setbacks of default budgets. At this time there is no capital reserve funding for the project.

Additional CIP Committee Recommendations

- The CIP Committee strongly supports the use of capital reserve funds for CIP projects; with annual contributions to eliminate the need to pay interest on projects, vehicles or equipment. We recognize that the Town has not shown consistent support for this type of funding.
- The CIP Committee acknowledges the comprehensive Equipment and Vehicle Maintenance and Replacement Schedules provided by the Fire Chief and EMS Director as a means to forecast timing and Capital Reserve funding needs. The Committee would recommend that the Department of Public Works utilize a similar approach in forecasting projected project submissions.

Thank You

Questions?