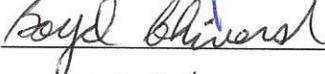
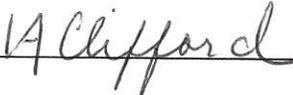


PLANNING BOARD
TOWN OF CANDIA

ADOPTION VERIFICATION

The attached regulations entitled **Capital Improvement Plan 2015-2020** have been adopted by the Candia Planning Board after a duly noticed public hearing on **February 5, 2015**.

Planning Board certification:

	Chairperson
	Vice-Chairperson
	Member
	Member
	Member
	Member
_____	Member

Date filed with the Board of Selectmen February 20, 2015

Date filed with the Town Clerk February 20, 2015

Date filed with the Office of State Planning February 20, 2015

Town of Candia
Capital Improvements Plan

2015 - 2020



Prepared for:
Town of Candia

Prepared by:
Stantec

December 15, 2014

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A. INTRODUCTION

The preparation and adoption of a Capital Improvements Plan (CIP) is an important part of Candia's planning process. A CIP aims to identify and work towards addressing deficiencies in existing public facilities and to anticipate and meet future demand for capital facilities. A CIP is a multi-year schedule that programs a series of municipal projects and their associated costs. Over the six-year time frame considered by the CIP, the plan shows how the Town should maintain, expand or renovate facilities and services as needed to meet the demands of existing and new residents and businesses.

A CIP is an advisory document that can serve a number of purposes, such as:

- Provide the Town of Candia with a guide to be used by the Budget Committee, Board of Selectman, and School Board for their annual budgeting process (RSA 674:5-8);
- Provide a forward looking planning tool for the purpose of contributing to the creation of a stable real property tax rate;
- Aid the Town's elected officials, appointed committees, and department heads in the prioritization, coordination, and sequencing of various municipal and school improvements; To inform residents, business owners and developers of needed and planned improvements; and
- Provide a necessary legal basis for the development and proper administration of the Town's impact fee system (RSA 674:21.V.(b)).

Candia's 2010 population of 3,909 represents a growth of -0.05 percent since 2000. This is lower than a growth rate of 6.0 percent for Rockingham County and 5.0 percent for the SNHPC region over the same period. Candia had 1,450 total households in 2010, with family households accounting for 76.7 percent of this total. There were 2.70 persons per household, while family size averaged 3.04 persons. The table below shows Candia's historical population growth:

TABLE 1: CANDIA POPULATION, LAST CENSUS 2010

Year	Population	Change (#)	Change (%)
2013**	3,919	3	0.08
2012**	3,916	3	0.08
2011**	3,913	4	0.1
2010*	3,909	(203)	-5.2 (-0.05% change from 2000 - 2010)
2009*	4,112	27	0.7
2008*	4,085	(15)	-0.4
2007*	4,100	9	0.2
2006*	4,091	180	4.4
2000*	3,911	354	9.1
1990	3,557	568	19.0
1980	2,989	992	49.7
1970	1,997	507	34.0
1960	1,490	256	20.7
1950	1,234	269	21.8

Source: U.S. Census (1950-2010)

*New Hampshire Office of State Planning

** Source NH Office of Energy & Planning

FIGURE 1: CANDIA HISTORICAL AND PROJECTED POPULATION

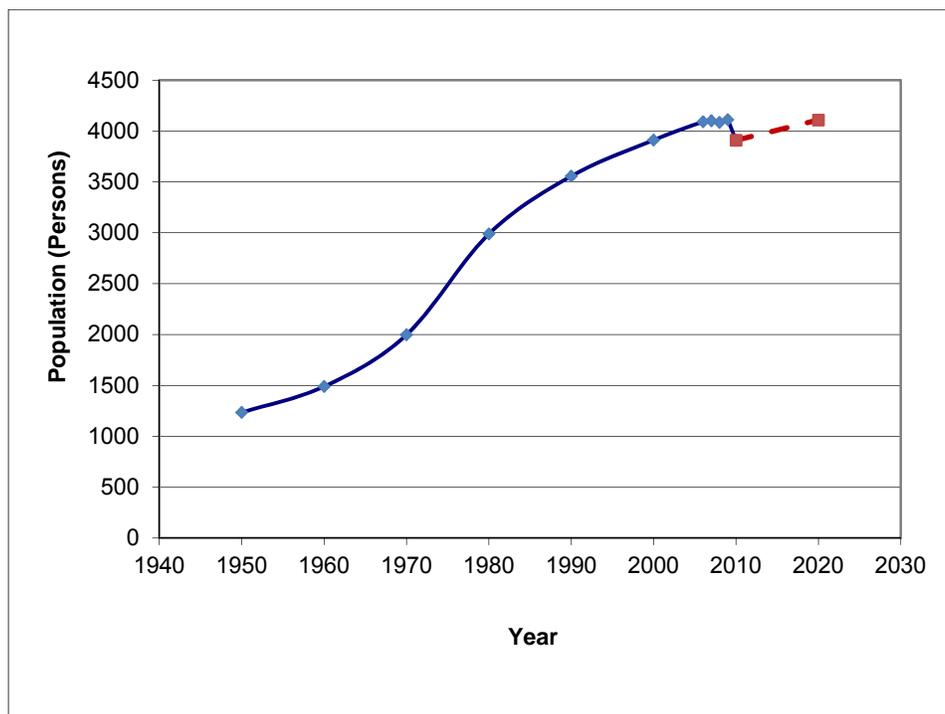


Figure 1 shows the actual population of Candia in light blue (from the US Census) and the projected population is shown in red. The projected population was generated by assuming an average growth rate of 0.5%.

A comparison of the Town’s annual operating costs over the last five years with capital outlay and debt suggests that while the overall budget of the Town has been between \$7.07 million and \$9.7 million, the portion devoted to capital outlay and debt service through 2013 has averaged \$290,221.80. The Candia School District’s annual budget over that same time period averages \$5,606,962.20 and represents 67.7% of the overall budget allocation. It is a principal goal of the CIP to increase the predictability and regularity of the Town’s budget for capital improvement items by planning for routine and anticipated major purchases of durable capital equipment and determining appropriate methods for meeting the Town’s capital facility needs.

TABLE 2: CAPITAL OUTLAY AND DEBT SERVICE

Total Expenditures					
Year	Capital Outlay & Debt (\$)	% Change	Operating Costs (\$)	% Change	Capital % of Total
2013	\$184,500.00	-3.33	\$9,703,956.40	1.3%	1.9%
2012	\$190,875.00	-44.97	\$9,582,807.70	7.8%	2.0%
2011	\$346,875.00	-1.2%	\$8,888,235.00	0.6%	3.9%
2010	\$351,259.00	-7.0%	\$8,836,721.91	24.9%	4.0%
2009	\$377,600.00	-13.5%	\$7,072,417.39	-14.2%	5.3%

This report has been prepared under the authority of the Planning Board and RSA 674:5-8 (Appendix A). It is the intention that this report reflects the capital needs of the Town of Candia for the years 2015 through 2020 and to offer recommendations to the Board of Selectmen,

Budget Committee, School Board, Department Heads and residents of the Town for consideration as part of the annual budget.

Information was submitted from the various Town Departments, Boards, and Committees, who helped form the basis of this document. Although this CIP includes a six year period, the CIP should be updated every year to reflect changing demands, new needs, and routine assessment of priorities. This document contains those elements required by law to be included in a Capital Improvements Plan.

As indicated, the adoption of a CIP by the Planning Board is a statutory prerequisite to the application of impact fees. Impact fees, however, have significant limitations. They can only be used to offset the proportion of capital expenses attributed to new development. They may not be used to meet existing capital deficiencies. Also, impact fees collected must be appropriately expended within six years, or the Town must return unused funds, plus accrued interest, to the developer(s) who paid them. Despite these constraints, which are more clearly delineated in the statute in Appendix A, it is a recommendation of the Master Plan that the Town of Candia use impact fees as a method to manage and reduce the future cost of capital improvements. Furthermore, many capital improvements recommended in this CIP are consistent with the long term goals of the Candia Master Plan as summarized in Appendix B.

For the purposes of this document, a capital improvement is defined by its cost and its useful life. Items included have a cost of at least \$10,000 and generally have a useful life of at least five years. Eligible items include new buildings or additions, land purchases, some studies, substantial road improvements and purchases of major vehicles and equipment. Operating expenditures for personnel and other general costs are not included. Expenditures for maintenance or repair are generally not included unless the cost or scope of a project is substantial enough to increase the capacity of a facility, or an improvement is a major long-term repair that maintains the useful life of a capital facility.

A brief description of each project prioritized by the CIP is provided. Starting dates are not provided for deferred projects or those categorized as needing research. Typically deferred projects are not placed on the six year schedule because: 1) there is insufficient information to determine the relative need for a capital improvement and additional research may be required before the Board would consider allocating the project within the CIP schedule; or 2) based on information available, the Board has determined there is not a demonstrated need for a project in the next six years.

In some cases, a municipal department head may have articulated a request for a project, but the project was outside of the six year CIP schedule. In other instances incomplete or unclear information may have been provided regarding a project start date. In these cases, the projects were included in the CIP but left unprogrammed, pending more info.

B. FINANCING METHODS

In the project summaries to follow, there are a number of different local financing methods referenced. Four of these methods require appropriations, either as part of the Town's annual operating budget or as independent warrant articles at Town Meeting. The **1-Year Appropriation** is most common, and refers to those proposed projects that are to be funded by real property tax revenues within a single fiscal year. The **Capital Reserve** method requires appropriations over more than one year, with the actual project being accomplished only when the total appropriations meet the project cost. The **Lease/Purchase** method has been used by

the fire department and other divisions for vehicle purchases. **Bonds** are generally limited to the most expensive capital projects, such as major renovations, additions, or new construction of buildings or infrastructure, and allow capital facilities requests to be met immediately while spreading out the cost over many years in the future. **Impact fees** are collected from new development to pay for new facility capacity and placed in a fund until they are either expended within six years as part of project financing or they are returned to the party they were collected from.

In addition, if there are instances where fiscal resources from outside the community have been committed to help finance a local capital project, then the offsetting revenues are shown in association with the proposed capital project. Typical examples are grants, such as for new education buildings or State Transportation Improvement Plan (TIP) matches.

C. IDENTIFICATION OF DEPARTMENT CAPITAL REQUESTS

The Capital Project Worksheet and Submission Form provided as a supplement to the CIP should be completed annually, submitted by department heads, committee chairs and residents, to identify and explain project requests. The Worksheet is tailored to prompt information that defines the relative need and urgency for projects and which enables long-term monitoring of the useful life and value to the community for these projects.

The Worksheet includes: a project description; the departmental priority, if more than one project is submitted; the facility service area; the rationale for a project; a cost estimate; and potential sources of funding. The form is included in Appendix C. After written descriptions of potential capital projects are submitted, department heads or the committee chairs are asked to come before a CIP Committee to fill information gaps, explain their capital requests and priorities in detail and to explore with a CIP Committee the alternative approaches available to achieve the optimum level of capital improvements while maintaining as level a tax rate as possible while funding needed improvements.

D. PRIORITY SYSTEM

The CIP establishes a system to assess the relative priority of projects requested by the various departments, boards, and committees. Each proposed project is individually considered by the Committee and assessed a priority rank based on the descriptions below:

“U”—Urgent	Cannot be delayed; needed for health or safety.
“C”—Committed	Part of an existing contractual agreement or otherwise legally required.
“N”—Necessary	Needed to maintain existing level and quality of community services.
“D”—Desirable	Needed to improve quality or level of services.
“F”—Deferrable	Can be placed on hold until after 7-year period, but supports community development goals.
“R”—Research	Pending results of ongoing research, planning, and coordination.
“I”—Inconsistent	Conflicts with an alternative project/solution recommended by the CIP. Contrary to land use planning or community development goals.

Table 3 contains the projects considered by Town Department. The information in Table 3 represents all requests for capital projects submitted by each municipal division. The 'CIP Priority Recommendations' in the column to the far right describes the rank assigned by the CIP to each of these projects within the seven categories of relative project priority.

TABLE 3: SUMMARY OF PROJECTS REQUESTED

	Department/Project	Department Cost Without Debt/Revenue	Starting Year (Dept. Request)	Financing Method (Method Recommended by Department)	CIP Priority Recommendations (DETERMINED BY BOARD)								
					U	C	N	D	F	R	I		
All Requests By Municipal Entities -- In the Order Requested													
I.	FIRE/POLICE DEPARTMENT												
	A. Add Shower / Decontamination area	\$3,000	2015				x						
	B. Replace Police Crusier	\$34,000	2015										
II.	SCHOOL DISTRICT												
	A. Upgrade Window / Door Systems	\$65,000	2015	?				x					
	B. Replace Roofing System	\$350,000	2016	?			x						
	C. Floor Replacement	\$75,000	2017	?			x						
	D. Parking Lot Playground Area	\$300,000	2018	?							x		
	E. New Gym / Community Center	\$500,000	2019	?			x						
III.	HIGHWAY DEPARTMENT												
	A. 15-Year Road Reconstruction Plan												
	Box Culverts on North Road	\$150,000	2015	Warrant Article					x				
	Critchett Road	\$300,000	2016	Warrant Article					x				
	Island Road	\$150,000	2017	Warrant Article					x				
	Chester Turnpike	\$300,000	2018	Warrant Article					x				
	Flint Road	\$150,000	2019	Warrant Article					x				
	Currier Road	\$150,000	2020	Warrant Article					x				
	Healey Road*	\$300,000	2021+	Warrant Article					x				
	Adams Road*	\$300,000	2021+	Warrant Article					x				
	Diamond Hill Road*	\$150,000	2021+										
	B. Gravel Road Upgrade to Paved Roads (In Order of Importance)			Funded Through Operating Budget									
	Bean Island Road									x			
	Currier Road (Southeast section)									x			
	Donovan Road									x			
	Flint Road									x			
	Hook Road									x			
	Currier Road (West End)									x			
	Podunk Road									x			
	Thresher Road									x			
	C. Capital Improvements									x			
	Salt/Sand Storage Capacity	\$60,000	2017						x				
IV.	HERITAGE COMMISSION												
	A. Smyth Memorial Building	\$200,000	2018	Grants / ?					x				
V.	SOLID WASTE												
	A. Horizontal Bailer	\$100,000	2019	War. Article / Grant					x				
VI.	EMERGENCY MANAGEMENT												
	A. Upgrade Radio Communications	\$250,000**											

* These items are outside the limits of the 6-year CIP

**ASSUMED - NO COST PROVIDED

E. NET TAXABLE VALUE

Table 4 shows the net assessed value of real property in Candia over the last 10 years. The projected assessed valuation in the CIP schedule is based on the average annual growth rate of the net taxable valuation of the Town. Between 2002 and 2011, the average annual growth rate was 2.01% percent. The 70.1% increase of net taxable value occurring in 2004 was due to a property value reassessment that occurred in that year. A figure of 2.0% annual growth in the local assessment from the reassessed 2004 property value was used in the **Projected Assessed Valuation** row in the **Schedule of Capital Improvement Projects, 2006-2011 Annual Costs and Revenues**, found in Appendix D.

TABLE 4: NET TAXABLE VALUE, 2004-2014 YEAR NET TAXABLE VALUE CHANGE

Year	Net Taxable Value	Change
2005	\$362,134,271	2.01%
2006	\$366,691,810	1.26%
2007	\$373,763,176	1.93%
2008	\$377,408,226	0.98%
2009	\$397,989,975	5.45%
2010	\$400,508,087	0.63%
2011	\$404,746,490	1.06%
2012	\$407,093,080	0.58%
2013	\$408,906,686	0.45%
2014	\$384,875,037	6.27%
Average Annual Change		2.01%

*Revaluation year

Source: Town of Candia Annual Reports

F. HISTORICAL ANNUAL OPERATING BUDGET AND REVENUES AND SCHEDULE OF CAPITAL IMPROVEMENT PROJECTS

Table 5 shows the operating budget and the revenues (excluding the current year property taxes) in Candia over the last 10 years. The ENR index is sometimes used to project future anticipated expenditures based on annual inflation rates. However, due to the fluctuations in capital expenditures in the past 10 years, as shown on Table 5, the ENR Index was not used for analysis of historical capital expenditures in this plan. Instead, the average percent increase in net taxable value of 2.06% as shown in Table 4 appeared to be a more reasonable approach to forecasting future expenditures and revenues and was used in the **Projected Assessed Valuation** row in the **Schedule of Capital Improvement Projects, 2015-2020 Annual Costs and Revenues**, found in Appendix D. It should be noted that the Town of Candia's average annual increase in operating budget over the past 10 years has been approximately 3.18% as shown in Table 5 shows. This average annual increase in capital expenditures is similar to the 3.05% average percent increase in net taxable value. However, the average annual increase in operating budget and average net taxable value are not equal.

See Appendix D, Schedule of CIP Projects, 2015-2018, Annual Cost and Revenues. The schedule in Appendix D displays the 6-year CIP schedule. It includes (a) project name and sources of revenue; (b) the priority rank of the project; (c) annual expenditures and revenues; (d) a 6-year expenditures total; (e) a 6-year revenues total; (f) the total cost of the project (including interest, where applicable); (g) outstanding debt; (h) net balance to be paid by the Town beyond the 6-year period; and (i) unprogrammed projects that fall within the six year timeframe. The bottom of the table shows the total capital expenditures, the projected assessed valuation, and the annual tax rate impact of those projects programmed on any given year. The ENR Cost Index was used to project present day project costs into the future to calculate either the bond payment or the lump sum payment. Bonded projects were assumed to have a 10-year bond with an annual interest rate of 4%.

TABLE 5: ANNUAL OPERATING BUDGETS AND REVENUES (2004-2013)

Department	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	\$493,343.53	\$887,732.68	\$421,534.88	\$378,319.15	\$518,063.76	\$507,462.08	\$505,480.69	\$540,537.00	\$520,933.00	\$482,719.00
Public Safety	\$745,245.73	\$211,269.90	\$799,021.11	\$838,965.58	\$846,349.01	\$821,354.33	\$807,345.47	\$813,944.00	\$880,085.00	\$872,028.00
Highway & Streets	\$276,603.14	\$369,738.77	\$284,872.37	\$561,464.05	\$475,343.80	\$380,058.02	\$381,783.33	\$396,732.00	\$592,065.00	\$623,240.00
Sanitation	\$337,582.01	\$390,414.74	\$354,005.83	\$336,370.65	\$336,373.10	\$307,075.50	\$316,442.53	\$305,102.00	\$295,627.00	\$272,099.00
Health & Welfare	\$62,295.56	\$55,359.50	\$66,600.97	\$85,029.81	\$104,859.92	\$65,682.38	\$123,450.35	\$123,993.00	\$62,796.00	\$62,117.00
Culture & Recs	\$143,100.70	\$150,172.57	\$202,688.93	\$176,691.94	\$166,557.69	\$136,013.91	\$135,400.54	\$5,445.00	\$129,490.00	\$154,202.00
Conservation	\$5,100.04	\$2,862.96	\$3,047.70	\$3,003.48	\$1,864.74	\$2,425.17	\$2,132.00	\$2,173.00	\$3,052.00	\$2,236.00
Capital Outlay	\$100,000.00	\$181,845.20	\$150,000.00	\$0.00	\$220,500.00	\$168,725.00	\$148,384.00	\$187,954.00	\$ -	\$ -
Interfund Operating Transfers Out	\$57,500.00	\$280,500.00	\$365,501.00	\$65,350.00	\$110,500.00	\$31,500.00	\$31,500.00	\$161,455.00	\$80,000.00	\$70,000.00
Payments to Other Gov'ts	\$5,009,230.00	\$5,261,041.00	\$5,466,482.00	\$5,919,908.00	\$5,245,151.00	\$4,441,237.00	\$6,179,918.00	\$6,355,352.00	\$6,708,533.00	\$6,304,939.00
Debt Payments	\$0.00	\$0.00	\$0.00	\$17,395.55	\$215,910.31	\$208,875.00	\$202,875.00	\$196,875.00	\$190,875.00	\$184,500.00
Total Annual Operating Expenditures	\$7,230,000.71	\$7,790,937.32	\$8,113,754.79	\$8,382,498.21	\$8,241,473.33	\$7,070,408.39	\$8,834,711.91	\$8,886,224.00	\$6,979,408.00	\$6,559,439.00
Percent Annual Increase	10.61%	7.76%	4.14%	3.31%	-1.68%	-14.21%	24.95%	0.58%	-21.46%	-6.02%
Average Percent Annual Increase	0.80%									
Revenues Applied to Project Costs (excluding current year property taxes)										
Federal Funds	\$37,450.24	\$7,219.09	\$0.00	\$49,110.77	\$29,834.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State Funds	\$285,394.70	\$307,325.56	\$286,390.36	\$307,321.47	\$319,884.44	\$302,692.03	\$296,601.38	\$292,802.00	\$284,178.00	\$275,653.00
Income From Departments	\$61,974.92	\$66,494.54	\$90,210.95	\$102,017.01	\$95,471.50	\$116,838.66	\$118,129.62	\$116,881.00	\$118,367.00	\$91,738.00
Miscellaneous Revenues ¹	\$76,894.29	\$83,527.77	\$139,327.75	\$167,704.18	\$72,381.47	\$45,888.57	\$51,302.11	\$51,203.00	\$61,771.00	\$25,862.00
Capital Reserve Withdrawal	\$14,453.10	\$16,848.46	\$20,698.91	\$21,315.24	\$56,929.73	\$15,459.36	\$0.00	\$10,353.73	\$0.00	\$26,215.00
Total Capital Expenditures	\$476,167.25	\$481,415.42	\$536,627.97	\$647,468.67	\$574,501.44	\$480,878.62	\$466,033.11	\$471,239.73	\$464,316.00	\$419,468.00

Error in 2011

NOTES:

- Miscellaneous Revenues Include (but not limited to): Cable TV Franchise Tax, Fines and Forfeits, Insurance Dividends and Reimbursements, Interest on Investments, Rental of Town Property, Welfare Lien Revenue.
- 1

G. CONCLUSIONS

The Program of Capital Expenditures herein provides a guide for budgeting and development of Candia public facilities. The Planning Board should review and update the CIP each year prior to budget deliberations. The CIP may be modified each year based on changes in needs and priorities. As noted above, certain projects were proposed that were determined contained inadequate information to make a recommendation. These projects should be reconsidered, when submitted with sufficient backup, during future CIP revisions.

The CIP recommends that impact fees be used as a funding mechanism to partially fund future capital needs. Impact fees cannot be used to cover the cost of operation, maintenance and repairs, or facility replacements that do not increase the capacity or level of service.

The CIP seeks to accurately evaluate the fiscal impacts of projects, and return on investment of public funds in capital facilities replacement and development. Information was requested regarding the value, condition and worth of the Town's assets, as required by the Government Accounting Standards Board, "GASB Statement 34". Towards this end, one piece of information the Town needs to identify is how a project's funding is proposed and if specific funding sources have been identified. This data is presented in the Cost Estimate section of the Project Worksheet and is important in assessing the cost/benefit of one solution versus another to meet a department's needs.

There also may be merit in attempting to track the performance of investments in facilities renovation or upgrades and also monitoring and forecasting when future replacements or upgrades may be necessary. One recent external development that could impact the municipality is the Government Accounting Standards Board (GASB) adoption of Statement 34 protocols for reporting infrastructure assets. The program's objective is to promote more consistent evaluations of municipal financial conditions by providing more detailed and relevant information on the characteristics and conditions of capital equipment. The CIP planning process may provide a forum for encouraging the development of capital asset inventories, accounting for the value of these assets and tracking the useful life and depreciation of municipal equipment and infrastructure. The CIP recommends that all Town and School assets are tracked for life expectancy so that future capital needs can be better anticipated and planned for. Updated information regarding the age of existing Town road surfaces will help with that planning in the highway department. Future meetings with the Board of Selectman and School Board regarding better long term planning will result in tax savings.

H. RECOMMENDATIONS

Recommendations for the Board of Selectman

1) The CIP has recommended that the Board of Selectman look at every existing Town owned building and capital assets within those buildings that are over \$20,000 in cost and have a useful life of at least 3 years. Next, estimate the age, condition, and remaining life of those assets. This includes not only equipment, but also the age of roofs, flooring etc. This information would aid the CIP and Budget Committee in determining the maximum value of a needed town wide Capital reserve to maintain buildings properly and at the same time stabilize the tax rate.

2) The CIP recommends that the Board of Selectman and Budget Committee work out an acceptable balance and proper use for a "Town Buildings Emergency Repair Capital Reserve" fund.

3) The CIP recommends that the Board of Selectman make it a priority to direct the Culture and Recreation department to develop a detailed 5-year plan. This will permit the Town to create an impact fee schedule if so desired to fund necessary projects, which then will be incorporated as a component of the CIP.

4) Existing road conditions in Candia should strive to be equal to or better than surrounding communities and should diligently pursue the road agents reconstruction and repaving schedule. The CIP realizes that many roads built over the last 20 years will need substantial repair in the years ahead including the road surface, catch basins and drainage pipes. Roads have a known useable life span. Minimal provision has been made in the Town's budget for this anticipated need, which we expect to be substantial in the years ahead.

Recommendations for the Candia School Board.

1) The CIP recommends that a complete list of current assets worth over \$20,000, having a useful life of 3 years or more and owned by the school district needs to be compiled and distributed to the CIP.

2) The age of these assets needs to be determined so that a remaining useful life can be determined so that the school district can determine a more proper figure for funding of a Capital Reserve. Current funding amount may be too low to meet existing and projected needs and may cause unnecessary swings in the tax rate.

3) Accomplishing #1 and #2 above will allow the CIP to evaluate needed repair projects for inclusion in the current year's project list. This information would allow for better projection and budgeting for them and help prevent unnecessary swings in the Candia tax rate.

4) We recommend that the Candia School Board fund the School Building Maintenance Capital reserve fund annually. An appropriate amount, recommended fund balance and appropriate use for this emergency fund should be determined in consultation with the Budget Committee.

5) Based on a roughly estimated full build out of the Town projected, we would also recommend that all future school building plans take into consideration a 20-year need and full Town build out.

Recommendations for the Candia Budget Committee

1) The CIP recognizes that both the Budget Committee and CIP are advisory in nature. While the Budget Committee tries to minimize the tax impact of all budget items, the CIP only concentrates on capital expenditures. While we understand this difference, capital projects delayed because of concerns for operating budgets only increase the costs of postponed projects in the long the run.

2) Based on the expected increases in the cost of construction and financing going forward, the Budget Committee is urged to recommend passage of the CIP's recommendations and strive to maintain more stable operating budgets.

3) Critical items, such as police and fire department replacements should be taken off the ballot as part of the town warrant articles and placed within the operating budget. We feel this would make for a better managed Town ballot as well as ensure that these items become part of the Town's default budget. If the Town's requested budget is not fully funded by the voters, ensuring the safety of the Town's citizens may become an issue. We recommend that requests for additional emergency equipment be placed on the ballot one time before becoming part of the default budget.

APPENDIX A

N.H. REVISED STATUTES ANNOTATED

Chapters 674: 5-8

Capital Improvements Program

and

Chapter 674: 21

Innovative Land Use Controls

**TITLE LXIV
PLANNING AND ZONING**

CHAPTER 674 - LOCAL LAND USE PLANNING AND REGULATORY POWERS

Capital Improvements Program

Section 674:5 Authorization. – In a municipality where the planning board has adopted a master plan, the local legislative body may authorize the planning board to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least 6 years. As an alternative, the legislative body may authorize the governing body of a municipality to appoint a capital improvement program committee, which shall include at least one member of the planning board and may include but not be limited to other members of the planning board, the budget committee, or the town or city governing body, to prepare and amend a recommended program of municipal capital improvement projects projected over a period of at least years. The capital improvements program may encompass major projects being currently undertaken or future projects to be undertaken with federal, state, county and other public funds. The sole purpose and effect of the capital improvements program shall be to aid the mayor or selectmen and the budget committee in their consideration of the annual budget.

Source. 1983, 447:1, eff. Jan. 1, 1984. 2002, 90:1, eff. July 2, 2002

Section 674:6 Purpose and Description. – The capital improvements program shall classify projects according to the urgency and need for realization and shall recommend a time sequence for their implementation. The program may also contain the estimated cost of each project and indicate probable operating and maintenance costs and probable revenues, if any, as well as existing sources of funds or the need for additional sources of funds for the implementation and operation of each project. The program shall be based on information submitted by the departments and agencies of the municipality and shall take into account public facility needs indicated by the prospective development shown in the master plan of the municipality or as permitted by other municipal land use controls.

Source. 1983, 447:1, eff. Jan. 1, 1984.

Section 674:7 Preparation. – I. In preparing the capital improvements program, the planning board or the capital improvement program committee shall confer, in a manner deemed appropriate by the board or the committee, with the mayor or the board of selectmen, or the chief fiscal officer, the budget committee, other municipal officials and agencies, the school board or boards, and shall review the recommendations of the master plan in relation to the proposed capital improvements program. II. Whenever the planning board or the capital improvement program committee is authorized and directed to prepare a capital improvements program, every municipal department, authority or agency, and every affected school district board, department or agency, shall, upon request of the planning board or the capital improvement program committee, transmit to the board or committee a statement of all capital projects it proposes to undertake during the term of the program. The planning board or the capital improvement program committee shall study each proposed capital project, and shall advise and make recommendations to the department, authority, agency, or school district board, department or agency, concerning the relation of its project to the capital improvements program being prepared.

Source. 1983, 447:1. 1995, 43:1, eff. July 2, 1995. 2002, 90:2, eff. July 2, 2002.

Section 674:8 Consideration by Mayor and Budget Committee. – Whenever the planning board or the capital improvement program committee has prepared a capital improvements program under RSA 674:7, it shall submit its recommendations for the current year to the mayor or selectmen and the budget committee, if one exists, for consideration as part of the annual budget.

Source. 1983, 447:1, eff. Jan. 1, 1984. 2002, 90:3, eff. July 2, 2002.

**TITLE LXIV
PLANNING AND ZONING**

**CHAPTER 674
LOCAL LAND USE PLANNING AND REGULATORY POWERS**

Zoning

Section 674:21 Innovative Land Use Controls. –

I. Innovative land use controls may include, but are not limited to:

- (a) Timing incentives.
- (b) Phased development.
- (c) Intensity and use incentive.
- (d) Transfer of development rights.
- (e) Planned unit development.
- (f) Cluster development.
- (g) Impact zoning.
- (h) Performance standards.
- (i) Flexible and discretionary zoning.
- (j) Environmental characteristics zoning.
- (k) Inclusionary zoning.
- (l) Accessory dwelling unit standards.
- (m) Impact fees.
- (n) Village plan alternative subdivision.

II. An innovative land use control adopted under RSA 674:16 shall contain within it the standards which shall guide the person or board which administers the ordinance. An innovative land use control ordinance may provide for administration, including the granting of conditional or special use permits, by the planning board, board of selectmen, zoning board of adjustment, or such other person or board as the ordinance may designate. If the administration of the innovative provisions of the ordinance is not vested in the planning board, any proposal submitted under this section shall be reviewed by the planning board prior to final consideration by the administrator. In such a case, the planning board shall set forth its comments on the proposal in writing and the administrator shall, to the extent that the planning board's comments are not directly incorporated into its decision, set forth its findings and decisions on the planning board's comments.

III. Innovative land use controls must be adopted in accordance with RSA 675:1, II.

IV. As used in this section:

- (a) "Inclusionary zoning" means land use control regulations which provide a voluntary incentive or benefit to a property owner in order to induce the property owner to produce housing units which are affordable to persons or families of low and moderate income. Inclusionary zoning includes, but is not limited to, density bonuses, growth control exemptions, and a streamlined application process.
- (b) "Accessory dwelling unit" means a second dwelling unit, attached or detached, which is permitted by a land use control regulation to be located on the same lot, plat, site, or other division of land as the permitted principal dwelling unit.

V. As used in this section "impact fee" means a fee or assessment imposed upon development, including subdivision, building construction or other land use change, in order to help meet the needs occasioned by that development for the construction or improvement of capital facilities owned or operated by the municipality, including and limited to water treatment and distribution facilities; wastewater treatment and disposal facilities; sanitary sewers; storm water, drainage and flood control facilities; public road systems and rights-of-way; municipal office facilities; public school facilities; the municipality's proportional share of capital facilities of a cooperative or regional school district of which the municipality is a member; public safety facilities; solid waste collection, transfer, recycling, processing and disposal facilities; public library facilities; and public recreational facilities not including public open space. No later than July 1, 1993, all impact fee ordinances shall be subject to the following:

(a) The amount of any such fee shall be a proportional share of municipal capital improvement costs which is reasonably related to the capital needs created by the development, and to the benefits accruing to the development from the capital improvements financed by the fee. Upgrading of existing facilities and infrastructures, the need for which is not created by new development, shall not be paid for by impact fees.

(b) In order for a municipality to adopt an impact fee ordinance, it must have enacted a capital improvements program pursuant to RSA 674:5-7.

(c) Any impact fee shall be accounted for separately, shall be segregated from the municipality's general fund, may be spent upon order of the municipal governing body, shall be exempt from all provisions of RSA 32 relative to limitation and expenditure of town moneys, and shall be used solely for the capital improvements for which it was collected, or to recoup the cost of capital improvements made in anticipation of the needs which the fee was collected to meet.

(d) All impact fees imposed pursuant to this section shall be assessed prior to, or as a condition for, the issuance of a building permit or other appropriate permission to proceed with development. In the interim between assessment and collection, municipalities may require developers to post bonds, issue letters of credit, accept liens, or otherwise provide suitable measures of security so as to guarantee future payment of assessed impact fees. Impact fees shall normally be collected as a condition for the issuance of a certificate of occupancy. The above notwithstanding, in projects where off-site improvements are to be constructed simultaneously with a project's development, and where a municipality has appropriated the necessary funds to cover such portions of the work for which it will be responsible, that municipality may advance the time of collection of the impact fee to the issuance of a building permit. Nothing in this subparagraph shall prevent the municipality and the assessed party from establishing an alternate, mutually acceptable schedule of payment.

(e) The ordinance shall establish reasonable times after which any portion of an impact fee which has not become encumbered or otherwise legally bound to be spent for the purpose for which it was collected shall be refunded, with any accrued interest. Whenever the calculation of an impact fee has been predicated upon some portion of capital improvement costs being borne by the municipality, a refund shall be made upon the failure of the legislative body to appropriate the municipality's share of the capital improvement costs within a reasonable time. The maximum time which shall be considered reasonable hereunder shall be 6 years.

(f) Unless otherwise specified in the ordinance, any decision under an impact fee ordinance may be appealed in the same manner provided by statute for appeals from the officer or board making that decision, as set forth in RSA 676:5, RSA 677:2-14, or RSA 677:15, respectively.

(g) The ordinance may also provide for a waiver process, including the criteria for the granting of such a waiver.

(h) The adoption of a growth management limitation or moratorium by a municipality shall not affect any development with respect to which an impact fee has been paid or assessed as part of the approval for that development.

(i) Neither the adoption of an impact fee ordinance, nor the failure to adopt such an ordinance, shall be deemed to affect existing authority of a planning board over subdivision or site plan review, except to the extent expressly stated in such an ordinance.

VI. (a) In this section, "village plan alternative" means an optional land use control and subdivision regulation to provide a means of promoting a more efficient and cost effective method of land development. The village plan alternative's purpose is to encourage the preservation of open space wherever possible. The village plan alternative subdivision is meant to encourage beneficial consolidation of land development to permit the efficient layout of less costly to maintain roads, utilities, and other public and private infrastructures; to improve the ability of political subdivisions to provide more rapid and efficient delivery of public safety and school transportation services as community growth occurs; and finally, to provide owners of private property with a method for realizing the inherent development value of their real property in a manner conducive to the creation of substantial benefit to the environment and to the political subdivision's property tax base.

(b) An owner of record wishing to utilize the village plan alternative in the subdivision and development of a parcel of land, by locating the entire density permitted by the existing land use regulations of the political subdivision within which the property is located, on 20 percent or less of the entire parcel available for development, shall provide to the political subdivision within which the property is located, as a condition of approval, a recorded easement reserving the remaining land area of the entire, original lot, solely for agriculture, forestry, and conservation, or for public recreation. The recorded easement shall limit any new construction on the remainder lot to structures associated with farming operations, forest management operations, and conservation uses. Public recreational uses shall be subject to the written approval of those abutters whose property lies within the village plan alternative subdivision portion of the project at the time when such a public use is proposed.

(c) The village plan alternative shall permit the developer or owner to have an expedited subdivision application and approval process wherever land use and subdivision regulations may apply. The submission and approval procedure for a village plan alternative subdivision shall be the same as that for a conventional subdivision. Existing zoning and subdivision regulations relating to emergency access, fire prevention, and public health and safety concerns including any setback requirement for wells, septic systems, or wetland requirement imposed by the department of environmental services shall apply to the developed portion of a village plan alternative subdivision, but lot size regulations and dimensional requirements having to do with frontage and setbacks measured from all new property lot lines, and lot size regulations, as well as density regulations, shall not apply. The total density of development within a village plan alternate subdivision shall not exceed the total potential development density permitted a conventional subdivision of the entire original lot unless provisions contained within the political subdivision's land use regulations provide a basis for increasing the permitted density of development within a village plan alternative subdivision. In no case shall a political subdivision impose lesser density requirements upon a village plan alternative subdivision than the density requirements imposed on a conventional subdivision.

(d) Within a village plan alternative subdivision, the exterior wall construction of buildings shall meet or exceed the requirements for fire-rated construction described by the fire prevention and building codes being enforced by the state of New Hampshire at the date and time the property owner of record files a formal application for subdivision approval with the political subdivision having jurisdiction of the project. Exterior walls and openings of new buildings shall also conform to fire protective provisions of all other building codes in force in the political subdivision. Wherever building code or fire prevention code requirements for exterior wall construction appear to be in conflict, the more stringent building or fire prevention code requirements shall apply.

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

Source. 1983, 447:1. 1988, 149:1, 2. 1991, 283:1, 2. 1992, 42:1. 1994, 278:1, eff. Aug. 5, 1994. 2002, 236:1, 2, eff. July 16, 2002.

APPENDIX B

MAY 2004 MASTER PLAN SUMMARY OF RECOMMENDATIONS Applicable to the CIP

- 1) Encourage provisions for community facilities and services, utilities and energy to meet present and future demands of Candia residents in a cost efficient and environmentally sound manner.
- 2) Ensure a safe, efficient and cost effective transportation network that provides accessibility for all residents and is designed to maintain the historic, rural character of the community.
- 3) Maintain and upgrade Candia's historic built environment and promote greater appreciation of the town's heritage.
- 4) Encourage the preservation and use of historic properties, both publicly and privately owned (e.g., Fitts Museum and original Smyth Library).
- 5) Maintain and enhance existing town properties to meet the current and anticipated needs of the community. To the extent feasible, the most effective and efficient use of existing services, structures, facilities and utilities should be made before expanding capacity or constructing new buildings or facilities.
- 6) Continue to provide adequate facilities and space to meet current and projected educational needs.
- 7) Ensure that all development is accessible to emergency service vehicles and require all new development to provide fire protection facilities as deemed necessary.
- 8) Continue to maintain the town road network in a manner that maintains safe and efficient traffic conditions for current and future demand. To this end, the road reconstruction program initiated 13+ years ago should be continued and completed as described in Volume II of this plan.
- 9) Retain the current scale, rural quality and capacity of town roads while conducting improvements and maintaining roads. Consider addressing the needs of cyclists and pedestrians when making said improvements.
- 10) Develop a listing of endangered properties, including historic buildings, barns, landscapes and/or open space settings for historic districts. Explore ways to preserve such features (e.g., through regulatory "adaptive reuse" provisions, overlay districts).
- 11) Investigate preservation alternatives for the original Smyth Public Library building which ensure the preservation of the structure and continued public use.
- 12) Develop a Capital Budget and Program that forecasts needs for fire and police protection, ambulance service, solid waste management, recreation, land purchase, roads, schools and general governmental costs.
- 13) Establish a procedure to evaluate new development proposals for demands on municipal facilities services and the local road network, and for ensuring that the costs associated with new development are funded by the developer, and to prevent development from overburdening the town's ability to provide services and facilities in a cost effective manner.
- 14) Consider the adoption of impact fees for one or more public facilities to ensure that the costs of new or expanded public facilities that are necessary to support new development are funded by that development.
- 15) Monitor firefighting, rescue services and police protection needs.
- 16) Include proposed municipal road and bridge reconstruction projects in annual capital improvements program and budget.
- 17) Identify options for use of the old Smyth Library.
- 18) Allocate between \$100,000 and \$150,000 to fund town road reconstruction projects on an annual basis per road reconstruction program.

APPENDIX C

CANDIA CIP PROGRAM

Capital Project Worksheet and Submission Form

CANDIA CIP PROGRAM Capital Project Worksheet and Submission Form

Town of Candia
 Capital Improvements Plan
 2013-2018

TOWN OF CANDIA CAPITAL IMPROVEMENT PLAN PROJECT WORKSHEET

Priority ranking _____ Year First Scheduled _____ Year needed _____

Department _____ Department Priority ____ of ____ projects Date of this submission _____

Type of Project: Primary purpose of project is to: (check one)

- Replace or repair existing facilities or equipment
- Improve quality of existing facilities or equipment
- Expand capacity of existing service level/facility
- Provide new facility or service capability

Service Area of Region Business District

Project Impact: Municipality Neighborhood School District Street
 (check one) _____ District Other Area

Project Description:

Project Rationale: Removes imminent threat to public health or safety

- Alleviates substandard conditions or deficiencies
- Responds to federal or State requirement for implementation
- Improves the quality of existing services
- Provides added capacity to serve growth
- Reduces long-term operating costs
- Provides an incentive to economic development
- Eligible for matching funds available until _____

Narrative Justification: (Attach all backup material if possible)

a. Cost Estimate:

(Itemize as Necessary)

Dollar Amount (in current \$)

\$ _____ Planning/feasibility analysis
 \$ _____ Architecture & engineering fees
 \$ _____ Real Estate acquisition
 \$ _____ Site preparation
 \$ _____ Construction
 \$ _____ Furnishings & equipment
 \$ _____ Vehicles and capital equipment
 \$ _____
 \$ _____ Total project cost

Impact on Operating & Maintenance

Costs or Personnel Needs

- Increases personnel requirements**
- Increases O & M costs
- Reduces personnel requirements
- Reduces O & M costs

Dollar Cost of Impacts if known:

(+) \$ _____ annually
 (-) \$ _____ annually
 Estimated useful life is ____ years

Sources of Funding:

Grant from: _____ \$ _____ show type
 Loan from: _____ \$ _____ show type
 Donation/bequest/private _____
 User charge or fee _____
 Capital reserve withdrawal _____
 Impact fee account _____
 Warrant article _____
 Current revenue _____
 General obligation bond _____
 Revenue bond _____
 Special assessment _____ (Department/Agency)

Form Prepared by:

 (Signature)

 (Title)

 (Date prepared)

Total Project Cost \$ _____

APPENDIX D: SCHEDULE OF CIP PROJECTS, ANNUAL COSTS AND REVENUES

PROJECT OR EQUIPMENT	Department Cost Without Debt/Revenue	Priority Rank (by PB)	Existing Capital Reserve(CR) or Warrant Art.(WA)	2015	2016	2017	2018	2019	2020	6-Year Total Costs	6-Year Total Revenues	Total Project Cost	Outstanding Revenues	Total Bond Payment	Balance to be Paid by Town Beyond Year 6
Projected ENR (Boston CCI based on avg. growth over past 10-years)				13806	14288	14770	15252	15734	16217						
FIRE/POLICE DEPARTMENT															
Replace Engine #1	\$450,000	N	YES						\$450,000.00	\$450,000.00					
Add Shower Decontamination Area	\$3,000	N	NO	\$3,000.00						\$3,000.00					
Replace Police Cruiser	\$34,000	N	NO	\$34,000.00						\$34,000.00					
SCHOOL DISTRICT															
Upgrade Window Door Systems	\$65,000	N	NO	\$65,000.00						\$65,000.00					
Replace Roofing System	\$350,000	N	NO		\$350,000.00					\$350,000.00					
Floor Replacement	\$75,000	N	NO			\$75,000.00				\$75,000.00					
Parking Lot/Playground Area	\$300,000	N	NO				\$300,000.00			\$300,000.00					
New Gym/Community Center	\$500,000	N	NO					\$500,000.00		\$500,000.00					
HIGHWAY DEPARTMENT															
15-Year Road Reconstruction Plan															
Box Culverts on North Road	\$150,000	D	WA	\$150,000.00						\$150,000.00					
Critchett Road	\$300,000	D	WA		\$300,000.00					\$300,000.00					
Island Road	\$150,000	D	WA			\$150,000.00				\$150,000.00					
Chester Turnpike	\$300,000	D	WA				\$300,000.00			\$300,000.00					
Flint Road	\$150,000	D	WA					\$150,000.00		\$150,000.00					
Currier Road	\$150,000	D	WA						\$150,000.00	\$150,000.00					
Healey Road	\$300,000	D	WA								See note 1 below				
Adams Road	\$300,000	D	WA								See note 1 below				
Diamond Hill Road	\$150,000	D	WA								See note 1 below				
Gravel Road Upgrade to Paved Roads (In Order of Importance)															
Bean Island Road		D	See note 2												
Currier Road (Southeast Section)		D	See note 2												
Donovan Road		D	See note 2												
Flint Road		D	See note 2												
Hook road		D	See note 2												
Currier Road (West End)		D	See note 2												
Podunk Road		D	See note 2												
Thresher Road		D	See note 2												
Capital Improvements															
Salt/Sand Storage Capacity	\$60,000	N	See note 2			\$60,000.00				\$60,000.00					
HERITAGE COMMISSION															
Smyth Memorial Building	\$200,000	C	See note 3				\$200,000.00			\$200,000.00					

Town of Candia
Capital Improvements Plan
2015 - 2020

PROJECT OR EQUIPMENT	Department Cost Without Debt/Revenue	Priority Rank (by PB)	Existing Capital Reserve(CR) or Warrant Art.(WA)	2015	2016	2017	2018	2019	2020	6-Year Total Costs	6-Year Total Revenues	Total Project Cost	Outstanding Revenues	Total Bond Payment	Balance to be Paid by Town Beyond Year 6
SOLID WASTE															
Horizontal Bailer	\$100,000	N	WAGrants					\$100,000.00		\$100,000.00					
EMERGENCY MANAGEMENT															
Upgrade Radio Communications	\$250,000	D	See note 4			\$250,000.00				\$250,000.00					
TOTAL CAPITAL EXPENDITURES				\$252,000.00	\$650,000.00	\$535,000.00	\$800,000.00	\$750,000.00	\$600,000.00						
PROJECTED ASSESSED VALUATION				\$400,392,612	\$412,623,152	\$425,227,290	\$425,227,290	\$425,227,290	\$438,216,439						
ANNUAL TAX RATE IMPACT				\$0.63	\$1.58	\$1.26	\$1.88	\$1.76	\$1.37						

Note 1 - Listed projects are outside of the 6 year planning period

Note 2 - Funded through Operating Budget

Note 3 - Possible Grant Funding

Note 4 - Guestimate - No detailed estimated provided

APPENDIX E
CANDIA CIP PROGRAM
Schedule of Outstanding Debt Payment

Bond Schedule - Candia School District (Series B)					
Year	Principal Outstanding	Principal	Rate	Interest	Total Payment
2013	\$735,000.00	\$150,000.00	4.3%	\$34,500.00	\$184,500.00
2014	\$585,000.00	\$150,000.00	4.3%	\$28,125.00	\$178,125.00
2015	\$435,000.00	\$145,000.00	5.0%	\$21,750.00	\$166,750.00
2016	\$290,000.00	\$145,000.00	5.0%	\$14,500.00	\$159,500.00
2017	\$145,000.00	\$145,000.00	5.0%	\$7,250.00	\$152,250.00
2018	\$0.00				
TOTALS		\$735,000.00		\$106,125.00	\$841,125.00

Bond schedule information provided by the Town. New Hampshire Municipal Bond Bank currently holds bond.