

TOWN OF HOOKSETT, NH

Capital Improvement Program

2001-2007

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Hooksett Capital Improvements Program

CIP Committee Handbook

Introduction

This Handbook describes the Hooksett Capital Improvements Program. It provides overall policy, CIP Committee operating procedures, and capital improvement project submission procedures for the Departments.

This Handbook is divided into two sections.

Section I discusses the benefits the Town of Hooksett seeks to obtain from its Capital Improvement Program and provides the Planning Board's Charge to the Committee. The Charge gives the Committee specific goals to achieve through its annual report to the Board and the citizens of the community.

Section II and Appendices contain operating and submission procedures and guidance for the Committee and Town departments who are submitting capital projects for consideration. These procedures are documented to enable all concerned to focus their efforts on achieving the goals of the CIP and minimizing the time spent on administration and process definition.

The final Appendix contains Section III, the in-force CIP as approved by the Town for the previous year.

The term "Department" is used throughout this document to refer to Town, School District, Precincts, Boards, departments, committees, and trustee commissions.

Hooksett Capital Improvements Program

Section I

Benefits

The Hooksett Capital Improvements Program (CIP) is a valuable part of the community planning process. The CIP links local infrastructure investments with master plan goals, land use ordinances, and economic development efforts. The CIP bridges the gap between planning and spending, between the visions of the master plan and the fiscal realities of improving and expanding community facilities.

The following are the major benefits of the CIP for the community:

- Preserving public health, safety, and welfare. Providing the basic services that ensure citizen health and safety is the fundamental responsibility of local government. Programs of regular facility maintenance upgrades and expansion of government services to meet minimum federal, state and local standards are essential to any community. The cumulative effect of deferring major maintenance expenditures and basic improvement of essential services is often an expensive series of stopgap measures that fail to address comprehensive, long-term needs.
- Anticipating the demands of growth. When related to the master plan, the capital improvements programming process works to anticipate investments in community facilities which are needed to serve or shape the pattern of growth and development. The portions of selected capital improvement expenditures which are necessitated by growth may be eligible for funding by impact fees as authorized in RSA 674:21.
- Building a foundation for growth management and impact fees. The development and formal adoption of a CIP is a statutory prerequisite to the enactment of growth management and impact fee ordinances. A properly constructed CIP should be an integral part of a land use regulatory process that implements either type of ordinances. The CIP is the principal resource for determining the growth related share of capital costs that may be chargeable as impact fees; a growth management strategy and ordinance may link future development approvals to the local schedule for installation of particular utilities or services. Unfortunately, some CIPs have been prepared as simple “wish lists” and remain unrelated to land use planning or growth management strategies.

- Identifying “scattered and premature” development. New Hampshire statutes allow planning boards to adopt subdivision regulations that provide insurance against scattered and premature subdivision of land. The CIP is one measure that a planning board may use to judge whether or not a development is scattered or premature based on an absence of essential public services, where the development could require excessive public expenditures to supply these services. The CIP may provide information needed for planning board policies requiring the provisions of capital facilities or services by developers of property in unserviced areas.
- Supporting economic development. Communities having sound fiscal health and high quality facilities and services are attractive to business and industry. New corporate investment and reinvestment in a community may be influenced by improvements that enhance the quality of life for the chief executives and managers of a company, and for their labor force. Private decisions that bring jobs to an area and new taxes to a community are based not only on the availability of water and sewer utilities, but also upon the quality of community schools, public safety facilities, recreation opportunities and other services.
- Developing a fair distribution of capital costs. The CIP process allows for a public discussion of the preferred means of distributing capital costs not only over time, but also among users of the facilities to be financed. Some communities prefer to pay for some capital costs out of current revenues and absorb a high but single year tax increase. Other communities prefer to establish annual appropriations to capital reserve accounts to save for future projects. Still others feel that construction should take place as needed, and be funded by bonded debt, returned by both existing and future users of the facility. In some cases, user fees may be deemed more appropriate than property taxes. Federal or state funds may also be available to help finance specific project costs, for the cost of infrastructure improvements to lower income neighborhoods. A CIP process can promote discussion of fairness in fiscal policy.
- Avoiding undue tax increases. Capital improvements programming is a means of avoiding the unpleasant surprise of expensive projects generating large property tax increases. While cost impacts cannot always be precisely determined in advance, the CIP fosters discussion of the distribution of the tax burden of new capital expenditures over time. A corollary benefit of fiscal stability and sound community facility planning may be an improved bond rating.
- Improving communication and coordination. Communication among the planning board, municipal department heads, elected officials, the budget committee, and citizens can result in cost savings and avoidance of duplication of facilities and expenditures. For example, certain local recreation needs might be address in the planning of new school sites. Schedules for road construction projects might be modified where there are imminent plans for the installation of water and sewer utilities. Development of centralized core of consolidated municipal offices might

prove a better long-term solution than separate buildings planned independently by several municipal departments.

CIP Applicable RSAs:

- 674:5 Authorization
- 674:6 Purpose and Description
- 674:7 Preparation
- 674:8 Consideration by Mayor and Budget Committee

Charge to the CIP Committee

To realize these and other benefits of the CIP, the Hooksett CIP Committee is hereby charged by the Hooksett Planning Board, with the consent* and support of the Hooksett Town Council, the Hooksett School Board, the Hooksett Sewer Commission, the Hooksett Village Water Precinct, and the Hooksett Central Water Precinct, to provide annually to the Planning Board a detailed report:

1. In accordance with the stated purposes of the CIP as defined by RSA 674:6, providing for each project:
 - The classification according to urgency and need for realization;
 - Recommended time sequence for implementation;
 - Estimated total costs, probable operating and maintenance costs, and probable revenues of each project; and
 - The description and amounts of existing sources of funds, or additional sources and amounts of funds needed for implementation and operations.
2. Which coordinates and unifies the long-range Master Plan and CIP planning for the Town, School, Precincts, Boards, departments, trustee Commissions, committees, and personnel. Specifically, the report should:
 - Review, clarify, and prioritize goals, needs, and recommendations identified in the Town's Master Plan and provide a recommended plan for implementing the projects and improvements necessary to effect those goals, needs, and recommendations;
 - Identify the community's development goals, needs, and priorities over the next six (6) years and identify projects, capital improvements, and other issues or items that must be addressed or implemented to reach those goals;
 - Review and analyze the financial consequences of the community's long range and capital improvement goals, needs, and priorities and provide a recommended plan for financing;
 - Fulfilling budgetary and land use planning responsibilities;
 - Review and analyze the planning and decision-making mechanisms used by the community in meeting its capital improvement needs and otherwise implementing its goals and priorities and provide recommended planning and review process and procedure to coordinate existing personnel, committees, departments, budgets, and projects.

* Note that this document has not yet been presented to the named groups; since this process is not significantly altered from previous years, support for the general CIP process is all that is implied herein.

Definition of CIP Projects

The Hooksett CIP defines a capital improvements project or program as a major, not-often-recurring, expenditure that costs or commits at least \$50,000 before any external funding, which has an expected life of at least five (5) years, and which falls into one of the following categories:

1. Acquisition, or lease, of land or interests in land for public purposes.
2. To address the growth of the community and improve delivery of services to the citizens, the purchase, lease, construction, rehabilitation, or replacement of:
 - A building or physical facility;
 - Public infrastructure such as highways, sewer or water lines, or similar projects;
 - Equipment purchase, lease, replacement, or refurbishing supporting the above.

In addition, the following items, that are not subject to the above limits, are included in the CIP:

- The purchase or lease of wheeled vehicles, or motorized equipment, having an expected life of at least three (3) years, provided a department maintains a written vehicle plan and submits same to the CIP Committee;
- Projects designed to bring the community into immediate compliance with state or federal law or court order;
- The cost or obligation to conduct, prepare, and present surveys or studies relative to items above, if the total cost is at least \$10,000.

Routine or recurring expenses or obligations for services to the community or maintenance of Town assets which are the mission and normal duties of a Department are *not* capital improvement projects, even when their individual or combined cost or obligation is at least fifty thousand dollars (\$50,000.) and/or five (5) years.

Departments shall refer immediately all items to address an imminent danger or threat to the public health or safety to the Town Council through the Town Administrator (or to the School Board through the Superintendent of Schools, etc.), as appropriate, for decision and action. If the cost or obligation is at least fifty thousand dollars (\$50,000.) and the duration exceeds one budget year, the item will become a CIP project or program.

The CIP Committee may reject any project it determines is inconsistent with the objectives of the CIP Program or the Definition of CIP Projects.

Note: Projects on the in-force CIP approved by the Planning Board that are beyond the current budget year are *not* binding on the CIP Committee and must be resubmitted.

Section II

CIP Committee Organization and Meetings

Committee Term, Membership, and Structure

The CIP Committee is an *ad hoc* subcommittee of the Town of Hooksett Planning Board.

The term of the CIP Committee begins with the appointment of the members by the Planning Board at the first Board meeting each September; and ends when the Board accepts the Committee's report. The Committee presents its recommendations to the Board each December.

The Planning Board will appoint one of its members to serve as the CIP Committee Chairperson together with four (4) other members for one term.

Committee Procedures

Meetings, General

CIP Committee meetings will be conducted in accordance with town procedures. The Committee Chairperson will ensure that there is a written record of proceedings. Meetings are open to the public.

Prior to First Meeting

The Planning Board will appoint its representatives to act as the CIP Committee by a stated deadline.

The CIP Committee Chairperson ensures that all members are provided with:

- Hooksett Master Plan;
- Prior year's CIP Committee Report, updated with the current budget decisions;
- The past and future CIP expenditures and their impact on the tax rate;
- A copy of this Handbook; and
- A copy of all current State RSAs.

The CIP Committee Chairperson coordinates a date, time, and location for the first meeting and ensures members receive the above documents in advance or at the first meeting. The Finance Director sends all appropriate documents and forms to participating Departments on or before September 15th.

First Meeting

At the first meeting the Committee will:

- Establish a calendar for the receiving (usually during the first week in November of the CIP proposals from Departments, and for deliberating and making recommendations to the Planning Board;
- Announce and discuss specific Planning Board guidance to the Committee; and
- Review the general methodology of the Committee as described in this handbook.

The Chairperson will distribute required documents (see above) if not already accomplished.

Immediately Following the First Meeting

The CIP Committee Chairperson communicates in writing, through the Town Planner, the Committee's calendar and procedures to all department heads outlining submission of their CIP projects.

The CIP Committee Calendar and Public Notification of Meetings

The Committee Chairperson informs the Planning Board of the Committee calendar and ensures that the public has been notified of Committee meetings according to Town procedures.

Department Project Submissions and Briefing

The CIP projects are those that meet the objectives of the CIP and fall within the Definition of Capital Improvements Projects in Section I. Projects that do not meet these objectives are returned to the departments to be addressed within their operating budgets.

NOTE: Departments should be prepared to make an oral presentation to the CIP Committee at a date to be determined by the Committee.

Submissions are made in writing on the form provided in *Appendix A*. CIP Committee members must receive this form at least three (3) days prior to the scheduled meeting with the Department head.

The submission form is designed to help the Department to describe how the project contributes to the Town's Master Plan, and to describe the cost/benefits of the project. Further, the department must provide a written justification of the project to preclude ambiguity.

Project Classification System

Department first, and then CIP Committee classify projects as follows:

<u>Class I</u>	Urgent	Cannot be delayed; needed immediately for health or safety. *
<u>Class II</u>	Necessary	Needed within 3 years to maintain basic level and quality of community services.
<u>Class III</u>	Necessary	Needed within 4-6 years to improve quality or level of services.
<u>Class IV</u>	Deferrable	Can be placed on hold until after the 6-year period, but supports community goals.
<u>Class V</u>	Premature	Needs more research, analysis, planning, or coordination.
<u>Class VI</u>	Inconsistent	Contrary to land use planning or community goals.

*Projects which address imminent danger to life, property, or the viability of Town government are brought to the attention of the Town Council immediately and not before the CIP Committee. Subsequently they may be placed in the CIP if they comprise multi-year efforts.

Items on the in-force CIP approved by the Planning Board that go on beyond the current budget year are not binding on the CIP Committee and must be resubmitted by the departments.

At the scheduled meeting, the Department may make an oral presentation to supplement its written submission. CIP Committee members may question the department's representative(s) to fully understand the proposal and its implications and impacts, and ask for additional, clarifying documents.

CIP Report Matrix

Projects are managed by the CIP Committee using a matrix (spreadsheet) maintained by the Town Planner and Land Use Clerk. This staff ensures each committee member has the current edition prior to each meeting.

Appendix B describes how the matrix is constructed and how the data is displayed.

Deliberations and Recommendations

The Committee enters the deliberation and recommendation phase after all departments have submitted their proposals and have had the opportunity to make an oral presentation. The objective of the deliberation and recommendation phase is to produce an annual report that ultimately meets the Planning Board's goals (CIP Charge).

During deliberations the Committee gives consideration to:

- Requirements of the applicable State RSAs;
- Specific guidance from the Planning Board;
- Any guidance relating to the size of the CIP budget for the next several budget years and/or outyears;
- The Town of Hooksett Master Plan;
- Department proposals (see forms) including:
 - a. How the department's proposal directly supports the Mast Plan;
 - b. The description and project classification and duration of the proposal;
 - c. The rigor to which the Department has analyzed and forecasted advance planning costs, engineering, special studies, environmental impact, and land acquisition or other short-term investments which should be made;
 - d. Availability of external funding (e.g., matching state or federal funds);
 - e. The adequacy of data and justification supporting the proposal such as costs, benefits, implementation planning, operating costs, impact on other departments, risks, revenues, and funding sources;
- The Committee's own assignment of priority and scoring of the proposal.
- Long-term contributions of the proposal to:
 - a. Preserving public health and welfare;
 - b. Anticipating the demand of growth;
 - c. Building a foundation for growth management and impact fees;

- d. Improving communication and coordination among departments and within the community to improve the efficiency of operations and the effectiveness of expenditures;
- e. Avoiding undue tax increases;
- f. Developing a fair distribution of capital costs;
- g. Identifying scattered and premature development;
- o The adequacy of facilities and infrastructure to handle the anticipated growth of the community-population, economic, industrial, and commercial;
- o Other advanced planning costs, engineering, specials studies, land acquisition, or other investments which should be made during the next six (6) years to support the Master Plan or other long-term facility needs of the next 10-20 years; and
- o The need for capital reserve accounts to be established now to provide for improvements either needed within or beyond the six (6) year CIP period.

Project Scoring

The purpose of the Point Evaluation System is to guide the Committee in formulating a preliminary priority list of projects within each project classification. The preliminary list provides the basis for further discussion and final recommendation.

Individual members score each project using the following Point Evaluation System; scores are then averaged to arrive at the project’s priority.

Point Evaluation System

<u>Evaluation Criteria</u>	<u>Score</u>					
Furtheres Master Plan Goals	5	4	3	2	1	0
Leverages non-property tax revenues	5	4	3	2	1	0
Degree to which project optimizes benefits over costs	5	4	3	2	1	0
Addresses an urgent (but not imminent) hazard or menace to the public health or safety; or required for compliance with state or federal law or a court ruling	5	4	3	2	1	0
Corrects a deficiency in service or facility	5	4	3	2	1	0
Provides capacity needed for future growth	5	4	3	2	1	0
Results in long-term synergies and cost savings	5	4	3	2	1	0
Supports job development and/or increased tax base	5	4	3	2	1	0

For scoring purposes: 5 indicates the best score, 0 the least score. Circle the number that most accurately reflects your evaluation.

CIP Committee Annual Report to the Planning Board

The report is the Committee's annual recommendation to the Planning Board and must comply with the intent and specifications contained in the CIP Charge. In making its recommendations, the Committee may:

- Alter the Department's project classification;
- Alter projects on the in-force CIP beyond the current budget year.

The format of the CIP Committee recommendation, at a minimum, is a matrix for the coming six (6) budget years. Project years that extend beyond the 6-year CIP period are noted in the "Memo" column of the form. The CIP Committee Chair presents the recommendation to the Planning Board at a date, time, and location specified by the latter; all CIP members should be present to support the Chair.

Once approved by the Board, the recommendation becomes the Hooksett Capital Improvements Program.

(End of Introduction)

Hooksett Capital Improvement Program

CIP Committee Handbook

Appendix A:

Capital Project Worksheet and Submission Form

CIP Form 2000-1

This form is designed for the most of the Departments' usual submittals.

CIP Form 2000-2

This form is designed for complex submittals, which may involve additional personnel, or may require studies prior to expenditures, or may involve land acquisitions and/or legal costs.