



TOWN OF CAMPTON, NH

CAPITAL IMPROVEMENT PROGRAM COMMITTEE HANDBOOK

Revised Septmeber 2023

TABLE OF CONTENTS

I.	INTRODUCTION.....	3
II.	CIP PROCESS OVERVIEW.....	4
III.	THE CIP PROCESS TIMELINE.....	6
IV.	APPENDIX A - Current Capital Reserve Funds.....	9
V.	APPENDIX B - Sample Letters & Forms.....	10
VI.	APPENDIX C - Campton CIPC Bylaws.....	13
VII.	APPENDIX D – Town Policies.....	14
VIII.	APPENDIX E - Online Resources.....	14

I. INTRODUCTION

State law RSA 674:5 authorizes municipalities who have adopted a master plan to establish a capital improvement program (known by the acronym CIP). The CIP is an outline of anticipated expenditures for proposed capital improvement projects projected over a period of at least 6 years. The Town of Campton uses a ten-year planning horizon for its capital improvement program.

The CIP is a valuable tool in both the planning and budgetary preparation processes of a municipality. Creating a schedule of capital improvements in advance enables a city or town to allocate tax dollars more effectively by prioritizing projects according to their urgency and anticipating their fiscal impact. Additionally, it has a stabilizing impact on tax rates by budgeting capital outlays.

An effective CIP helps to avoid undue tax increases at the local level. By planning ahead, the community can spread the burden of new capital expenditures over time. A surprise hike in taxes due to large capital expenditures can be avoided. A well thought out capital improvement project might be more attractive to a potential grant-funding source.

The Town of Campton adopted a CIP at the 2016 Town meeting, when voters authorized the Select Board to "...to appoint a capital improvement program committee to prepare and amend a recommended program of municipal capital improvement projects for a period of at least 6 years in accordance with RSA 674:5 through RSA 674:9".

Currently, the Town of Campton defines a capital improvement as having a capital expenditure of twenty-five thousand dollars (\$25,000) or more for the total project and a useful life of at least seven years. Examples of capital improvement projects include:

- Land or Building Acquisition
- Land Improvements
- Major Building Renovations or Repairs
- Road Construction or Improvements
- Equipment Purchase
- Major Equipment Repairs
- Major Vehicle Purchase
- Major Vehicle Repairs

Capital improvements are paid for out of the capital reserve funds created by the Town for a specific purpose. The individual reserve funds generally correspond to a specific function of a town department or specific capital improvement or equipment purchase. Warrant articles are voted on at the annual Town meeting to authorize raising money to replenish funds for specific capital reserves. The Capital Improvements Committee has set a minimum amount of \$250,000.00 raised annually to replenish the capital reserve funds which effectively prevents large variances in the tax rate due to the cost of capital improvements.

Campton Elementary School creates and maintains its own budget, and therefore its capital projects are separate from the Town's. The School is required by statute to submit its capital plan to the CIP

Committee. Similar to the Town, the School uses capital reserves, direct funds, and other funding sources to pay for its capital improvement projects.

II. CIP PROCESS OVERVIEW

The Capital Improvement Program Committee (CIPC) is comprised of Town residents who serve on a voluntary basis. The committee must have at least one member of the Planning Board and may include, but is not limited to, other members of the Planning Board, or the Board of Selectmen.

Bylaws have been established to provide a framework for the operation and responsibilities of the CIP Committee. The bylaws are reviewed annually by the CIP Committee, and any proposed revisions are approved by the Board of Selectmen. (See 'Campton CIPC Bylaws' section in Appendix C for current bylaws.)

The CIP Committee is responsible for creating and maintaining a list of projected capital improvements to be made by Town Departments. This list is updated annually based upon requests submitted by town department heads. The CIP is used by the Board of Selectmen as an advisement and planning tool in the creation of the Campton's annual capital budget. The CIP Committee meets the 2nd Wednesday of each month beginning in April to prepare and revise the capital improvement plan until the final version is adopted by the Committee in December. The School's capital improvement plan is prepared by the School District, reviewed and adopted by Campton Central School Board, and then submitted to the CIPC.

The ex-officio from the Select Board notifies Town department heads and the Town Administrator via e-mail to advise them that their ten-year capital improvement program requests must be submitted by the July meeting. A copy of the previous year's plan is attached, as well as the Project Submission Form. Department heads are expected to reassess all of their prior project requests on the CIP plan and add information to extend the plan to include the "new" tenth year. Reassessment of requests must be done to update relative priority and cost information even if there are no new project requests.

After the capital improvement program requests have been submitted, department heads meet with the Board of Selectmen to review their requests. One or more members of the CIP Committee will attend these meeting whenever possible. After these meetings have been held, copies of the project requests are forwarded to the CIP Committee accompanied by a memo from the Town Administrator summarizing the forms and agreements between the department heads and the Board of Selectmen for the Committee's review and approval. During the review and approval process, the CIPC may need to contact department heads to request additional information or clarification, or meet with the Select Board to discuss any important issues requiring their input.

Important things to consider when evaluating a CIP request:

- The request meets the basic requirements for a capital improvement as having a capital expenditure of twenty-five thousand dollars (\$25,000) or more for the total project and a useful life of at least seven years. In the case of Fire and Transfer Station equipment, the \$25,000 or more expenditure requirement is applied to the total cost of the purchase.
- The proposed capital improvement reflects an inflation rate that is set at the beginning of each

year by the CIPC, with the consultation of the Department Heads.

- The proposed capital improvement is consistent with capital reserve fund's purpose.
- The proposed capital improvement is not specifically excluded in the 'Items Not Considered to Be Fixed Assets' section of the Town's Fixed Asset Policy
- A proposed request for equipment purchase may not be for a vehicle previously authorized by BOS to be kept as a 'backup' (rather than be sold or otherwise disposed of). BOS-authorized 'backup' vehicles may never be replaced using CIP funding. The CIP Committee maintains a list of authorized 'backup' vehicles to insure this does not occur.

Once the Committee has reviewed and approved the project requests, it begins the process of preparing the CIP. A spreadsheet is used to record and organize project data, and to track the proposed funding needed to cover the costs of capital improvements.

The CIP Committee looks at the impact of new capital projects and changes to existing ones, and determines what adjustments need to be made to the plan so that all capital improvements are fully funded. This includes determining how to allocate anticipated tax dollars among the capital reserve funds. In the event the CIP Committee delays a capital improvement by re-scheduling it for a later year in the ten-year plan or reduces the projected cost of a capital improvement, the department head or responsible party should be notified.

Any additional changes to CIP requests by the department head must be received no later than October 1. This provides the Committee with adequate time to make final adjustments to the plan before holding a public hearing at the regular November CIPC meeting. The plan is presented to the Board of Selectmen in December for their review and comment. At the last CIPC meeting in December, the Committee votes to adopt the plan.

Because the School's CIP is a collaborative effort between the School District and Campton Elementary School Board, the process and submission deadlines differ from the Town's. An e-mail is sent in August to the District Superintendent requesting a draft of Campton School's capital improvement plan be submitted to the Committee by the end of October. The final version of the School CIP is sent to the Committee after adoption by the School Board. Representatives from the District Superintendent's office and/or the School Board may request a meeting with the Committee to discuss the School's plan. Additionally, the Committee may request a site visit to discuss proposed projects.

It is important to remember that the CIP plan is not a mandate for Town and School purchases or projects. It is only a guide for the respective Boards to administer proposed capital improvements as recommended by the CIP committee, and is therefore non-binding. Projected capital improvements can be delayed, changed in scope, or removed from the plan by either Board based on changing needs and priorities. Most importantly, voters at the annual Town and School meetings have final say as to budget priorities and implementation schedule.

III. THE CIP PROCESS TIMELINE

Below is a typical timeline for preparing the following year's capital improvement plan for the Town of Campton and the School District.

April

1. The CIPC schedules time to visit each department with capital assets.
2. The CIPC speaks with the Department Heads to determine the condition of each asset.
3. The CIPC records a list with pictures of all capital assets and updates it at this time.

May

1. Establish monthly meeting schedule
2. Review of bylaws to see if changes are needed
3. Discuss if any changes should be made to this year's CIP process.
4. Determine when capital requests from departments will be due.

June

1. Basic preparation of spreadsheet for next year's capital budget.
2. Ex-Officio will e-mail Town department heads (including the Town Administrator, who handles capital requests for the Board of Selectmen) to advise them that their ten year capital improvement program requests must be submitted by the July meeting. Request Town Administrator to notify CIPC when meetings are scheduled for department heads to discuss their requests with the Board of Selectmen.

July

1. Ex-Officio to follow up with Town Administrator to verify that department managers have submitted their capital improvement requests.
2. Attend meetings with Board of Selectmen and Departments.

August

1. Ex-Officio will e-mail Superintendent of Schools requesting a draft of Campton Elementary School's ten year capital improvement program be submitted to the CIPC by the end of October, and that the final adopted plan be submitted after the School Board adopts the plan.
2. Discussion of memo from Town Administrator summarizing the results of CIP requests review between the Campton Board of Selectmen and department heads. Determine if the Committee requires more information on any of the requests prior to approval.
3. Vote on capital improvement requests to be included in the plan, and notify Town Administrator of the results.
4. Begin creation of first draft of CIP for presentation to the BOS in September, incorporating approved new requests and changes into the plan.
5. Review CIP and discuss any adjustments needed before meeting with the Board of Selectmen.
6. Send copy of the plan to Town contact to arrange for copies to be printed for the meeting with the Board of Selectmen.

September

1. Initial presentation of Capital Improvement Plan to Board of Selectmen.
2. Make adjustments to CIP based on discussions with Board of Selectmen.

October

1. At the end of the month, request the Town Administrative Assistant to post notice of public hearing to obtain public comment regarding the proposed plan at the regular CIP Committee in November as required by statute.
2. E-mail department heads to remind them any changes to their capital improvement plan are due November 1. Additionally, department heads will need to advise the CIPC if they anticipate not expending funds allocated for current year capital projects or purchases, and if they will request the Board of Selectmen to carry such funding forward to the next fiscal year.
3. Meet with representatives of School District and School Board if needed.

November

1. Identify any changes to CIP requests and determine impact on the plan.
2. Prepare public hearing announcement using template, and send to Town Administrator along with plan so that copies can be prepared for distribution at the public hearing.
3. At the regular November meeting, hold a public hearing to present and discuss the proposed plan.
4. Request to be put on agenda at first Board of Selectmen meeting in December to present final draft of plan.
5. E-mail Superintendent of Schools reminding him that draft of Campton Elementary School's ten-year capital improvement program is due by the end of November.

December

1. Arrange for copies of the plan to be printed for the meeting with the Board of Selectmen.
2. Meet with the Board of Selectmen to present revised CIP plan.
3. Revise CIP based on input from the Board of Selectmen.
4. CIPC members vote whether to adopt the plan.

January

1. Obtain 12/31 balance for each capital reserve fund from the Trustee of Trust funds. The 12/31 balance becomes the beginning reserve balance on the Reserve Calculation worksheet, which is required to create the final version of the CIP.
2. E-mail the final version of the Town CIP and the cover letter from CIPC Ex-Officio to the Town representative assembling the annual report. For the Annual Report, the CIP includes only two worksheets from the EXCEL workbook: the Total Requirements and the Reserve Calculation worksheets. The School's CIP is not included in these materials - it is the School's option to include their CIP in its materials for the Town's annual report.
3. Obtain the adopted School CIP from the School Board.

February

1. As required by State statute, submit copy of Town and School plans to the Office of Strategic Initiatives. This is done by emailing the finalized version of the plan to planning@livefree.nh.gov

IV. APPENDIX A - Current Capital Reserve Funds

FUND NAME	YEAR CREATED	ARTICLE #	PURPOSE
Bridge Maintenance	1995	27	Bridge Construction, Reconstruction and Improvements
Campton Historical Bldg.	2007	32	Upkeep and maintenance to Historical Building
Dam Reconstruction	2017	18	Reconstruction and Improvements to Deer Run Dam
Fire/Rescue Vehicle, Equipment, and Major Maintenance ¹	2001	15	Purchase of Fire/Rescue Vehicles and costs of major maintenance
Fire Department Capital Equipment	2011	26	Purchase of Fire/Rescue Capital Equipment
Highway Heavy Equipment	1970		Purchase of Highway Department Vehicles and Equipment
Municipal Buildings ²	2008	20	Construction and maintenance of municipal buildings.
Municipal Library ³	2017	20	Building and furnishing new library
Office Technology	2011	24	Office Technology Equipment
Road Capital Reserve Fund ⁴	2018	20	Infrastructure Improvements regular maintenance such as paving & gravel
Solid Waste Disposal	1977		Future waste disposal facilities and/or equipment

¹The 2001 article changed the name of the capital reserve fund and expanded its purpose. Fire protection is a shared cost among Campton, Thornton, and Ellsworth. The current allocation for apparatus purchase/maintenance (capital expenses) is Campton 52.6%, Thornton 45.6%, and Ellsworth 1.8%.

²The 2008 article changed the name of the capital reserve fund and expanded its purpose from the previous Municipal Building Evaluation capital reserve.

³The 2019 article expanded the purpose of the Municipal Library Fund to include renovation and/ or an addition to the current library.

⁴The 2023 Article 5 changed the name of the Road Infrastructure capital reserve fund and expanded its purpose. The new purpose of the Road Capital Reserve Fund is to include road reconstruction and all other associated costs.

⁵The 2023 Article 10 discontinued the Road Reconstruction fund. The Road Reconstruction fund was established in 1995 as Article 28.

V. APPENDIX B - Sample Letters and Forms

1. Sample Annual Report Letter

(Annual Report Year) CAPITAL IMPROVEMENT PROGRAM COMMITTEE

Campton's Capital Improvements Program (CIP) is a tool for planning capital expenditures. The CIP's "Total Capital Improvement Requirements" spreadsheet, attached, is a schedule of anticipated capital assets (tangible assets or projects that cost at least \$25,000 and have a useful life of at least seven years). The "Reserve Calculation" spreadsheet, also attached to this report, represents the capital reserve balances that are level funded each year in the amount of \$250,000. As you can see, the expenditures Totals on the "Requirement" spreadsheet are erratic, but level funding the "Reserve" funds each year controls a portion of the tax rate and contributes to savings in the form of finance costs.

The CIP insures sound fiscal and capital planning and requires effective leadership and the involvement and cooperation of all municipal departments. The Committee begins the CIP process by contacting each department manager and asking for their capital requests. The Departments meet with the Town's Selectboard to review their proposals. The CIP committee then receives the requests, evaluates and prioritizes the projects from Town departments and lastly builds out the "Total Capital Improvement Requirements" spreadsheet on a 10 year plan schedule. The Capital Reserve balances are updated at year end and the "Reserve Calculation" spreadsheet is finalized. The committee meets with the Planning Board and the Selectboard and the final revision of the CIP Plan is approved.

The CIP committee members start their work in the spring and meet through the end of the year. This year we were able to meet once a month. We reviewed our process this year with the goal of strengthening it for years to come. As in the past, we welcome interested citizens to join us. We meet (the last Tuesday) of each month, May-January. Please contact the Town office to obtain contact information for the committee members.

I would like to thank the committee members for their hard work and dedication this year, and for the patience to see this process through to the end. Thanks also goes out to the various boards, department staff and volunteers who work tirelessly on behalf of Campton residents.

Respectfully submitted,

Name, Ex-Officio

Names of Each Committee Member

Other Forms/Letters Needed in Electronic Format:

- **Letter to Department Managers & School Representative**
- **Capital Improvement Request Form**
- **agenda/minutes template**

2. Sample Department Head Letter Requesting Capital Improvement Plan

Greetings Campton Department Heads.

It is time to review and update your department's Capital Improvement Plan (CIP). As you know, the CIP is a budgeting and planning tool for capital items that have a useful life of at least 7 years and have a value of \$25,000 or more.

Attached please find two files.

The first is the Capital Improvement Plan as adopted for 2019-2028. Use this as a reference for the items that are included in the plan for your department.

The other attachment is the worksheet used to update the plan.

Please use a separate worksheet for each project you add, remove, or update. While this year's plan will cover 2019 through 2026, it is important to inform us of any changes involving your approved 2016 requests given their potential impact on the overall plan. Additionally, we ask that you carefully review your cost estimates for all existing projects, as well as provide a strong basis for estimates associated with any new projects, even if the item is a few years out on the plan. If you feel it would be helpful, you may provide additional explanation and/or justification in a separate document to support any request.

The due date for your requests is the July meeting date. All requests should be submitted to the Town Administrator, who will contact you to schedule a meeting with the Selectboard to present your requests.

All request forms must have a Selectboard signature prior to CIP Committee review. The Committee reviews requests using the information provided on the worksheets.

The CIP Committee thanks you for your efforts and your attention to this task.

Regards,

(Name),

Campton Capital Improvement Planning Committee

3. Sample Letter Requesting Capital Improvement Plan to School District Superintendent

As required by statute, I am requesting a list of all capital projects proposed for Campton Elementary School over the 10-year term of the Town of Campton's capital improvement program (2019-2028). Projects included on the plan must have a useful life of at least 7 years and a value of \$25,000 or more.

Please provide the following information for each project:

- Project Name (please be as descriptive as possible to distinguish from other projects)
- Budget Year (if project will be funded over multiple years, please indicate range of years)
- Project Cost
- Long Term Debt (indicate if project requires financing through a bond)

The other attachment is the worksheet used to update the plan. The worksheet has been revised to enable department heads to indicate the reason the form is being submitted:

- to add a new capital project
- to remove an existing project from the plan
- to update cost, priority, or other information for an existing project
- to inform us that there are no changes to your department's plan

Please use a separate worksheet for each project you add, remove, or update. While this year's plan will cover 2020 through 2030, it is important to inform us of any changes involving your approved 2019 requests given their potential impact on the overall plan. Additionally, we ask that you carefully review your cost estimates for all existing projects, as well as provide a strong basis for estimates associated with any new projects, even if the item is a few years out on the plan.

The CIP Committee will incorporate this information into a separate worksheet within the overall plan. Your plan can be revised until November 1, at which time it will be finalized for presentation to the Capital Improvements Committee for adoption. Upon adoption, I will send the school portion of the plan to you for inclusion with the materials you provide for the annual Town report.

Please submit your plan to the Town Administrator (toc.cp@camptonnh.org) by September 1. If you have any questions or concerns, please let me know.

Regards,

(Name), Ex-Officio

Campton Capital Improvement Planning Committee

VI. APPENDIX C - Campton Capital Improvement Plan Committee Bylaws

Article I: AUTHORITY

Pursuant to RSA 674:5 and as approved at the 2016 Town Meeting by the voters, the Board of Selectmen is authorized to appoint a Capital Improvement Program Committee (C.I.P.C.) to prepare and amend a recommended program of capital improvement projects over a period of at least six years.

Article II: PURPOSE

The purpose of the Committee will be to create an annual Capital Improvement Program (C.I.P.) to be approved and adopted by the C.I.P.C. After adoption, the C.I.P. is to be presented and used by the Board of Selectmen as an advisement and planning tool in the creation of the Town's annual capital budget. The C.I.P. will project over a period of ten years a recommended program of municipal improvement projects. The Committee will amend the C.I.P. annually to maintain a ten-year planning horizon.

Article III: MEMBERSHIP

- A. The C.I.P.C. will be composed of four to six Campton residents willing to serve. Committee membership shall include at least one member of the Planning Board, and may include representation from the Board of Selectmen.
- B. The Board of Selectmen may determine changes to the previous year's committee structure at any time.
- C. The Board of Selectmen will appoint an Ex-Officio(s) annually.

Article IV: ORGANIZATION

- A. The C.I.P.C. Ex-Officio will be the designated primary contact.
- B. The C.I.P.C. will select a member or use a Town selected designee to be the secretary responsible for taking and preparing Committee minutes.
- C. Routine needs of the Committee will be funded in the annual Board of Selectmen budget.

Article V: RESPONSIBILITIES

- A. The C.I.P. process is generally set forth as follows:
 - 1. Each year, letters are sent out by the C.I.P.C. to department heads requesting submission of their detailed ten year C.I.P. project information for the next fiscal year. Each year the department head shall reassess all of their prior C.I.P. project requests and add information to extend the plan to include the 'new' tenth year.

2. Department heads review requests with the Board of Selectmen prior to submission to the C.I.P.C.
3. All project requests are due back to the C.I.P.C. for review.
4. The C.I.P.C. meets as needed to prioritize all requested projects and develop the C.I.P.
5. At a regular C.I.P.C. meeting, the C.I.P.C. will hold a public hearing to present a draft C.I.P. for action or amendment based upon input from the hearing.
6. At a regular C.I.P.C. meeting, the C.I.P.C. adopts the C.I.P.
7. The C.I.P.C. presents the adopted C.I.P. to the Board of Selectmen at a regular meeting to be used as an advisement and planning tool for the creation of the Town's annual capital budget.

B. In addition to a proposed C.I.P., the Committee will address any matter deemed appropriate by its members, including a review of these bylaws.

VII. APPENDIX D - Town Policies

There are currently no Town policies that restrict or affect the Capital Improvement Program Committee (CIPC).

VIII. APPENDIX E - Online Resources

The New Hampshire Planning Board Handbook, which has an entire chapter that discusses capital improvement programming:

<https://www.nh.gov/oep/planning/resources/documents/planning-board-handbook.pdf>

The Town of Campton website, which has town meeting information and minutes to various boards and committees:

<http://camptonnh.org/nh>

The Town of Campton website also hosts a CIP page under the "Town Directory" which has board information, general information, and resources.

<http://www.camptonnh.org/nh/capital-improvement-plan/>

Campton Elementary School website, which has information about the school and School Board meeting minutes:

<https://www.sau48.org/site/sau48.org/Page/9>

Adopted by the Capital Improvements Plan Committee during its meeting of September 13, 2023

Chairman, Campton C.I.P.C. By: _____ Date: _____

Ex-Officio, Campton C.I.P.C. By: _____ Date: _____