

Town of New Durham, New Hampshire
CAPITAL IMPROVEMENT PROGRAM

2014 - 2023

A Master Plan Implementation Program



Prepared For the Town of New Durham Planning Board

Recommended by New Durham Advisory Capital Improvement Committee

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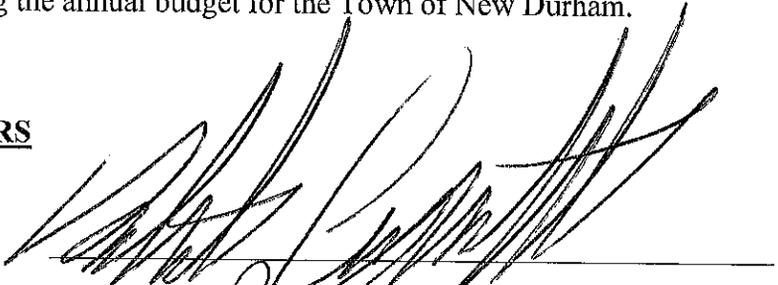
**Capital Improvement Program
2014 - 2023**

(A Master Plan Implementation Program)

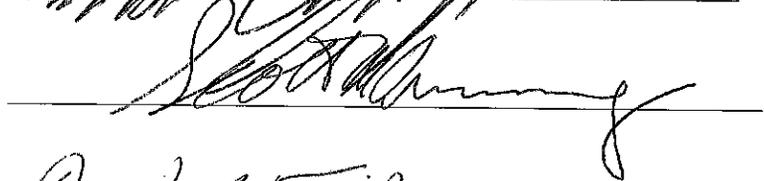
This is to certify this Capital Improvement Program was prepared according to New Hampshire RSA 674: 5 - 7, per Article 20 in the 1989 Town Warrant, adopted and transmitted to the Board of Selectmen and the Budget Committee for their use in preparing the annual budget for the Town of New Durham.

PLANNING BOARD MEMBERS

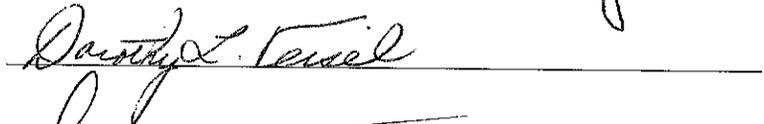
Robert Craycraft, Chair



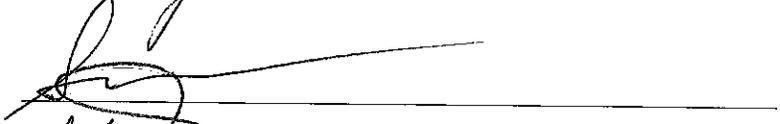
Scott Drummey, Vice-Chair



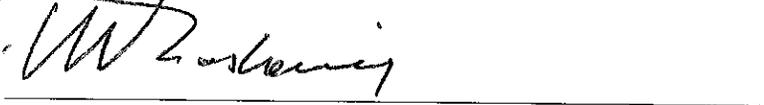
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David Swenson, BOS Rep.



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Date:

19 November 2013

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INTRODUCTION

A Capital Improvement Program (CIP) is a critical tool to implement the Town's Master Plan. It is also a useful tool in anticipating future costs to the Town, and planning ahead for those costs. The Town of New Durham has used a 10-year cycle overview rather than a 6-year schedule as some other plans use.

The CIP schedule is meant to identify projects required to construct or purchase needed capital facilities and/or equipment, consistent with the continued growth and development of the Town. The plan identifies project cost estimates, and possible funding sources. It is to be updated annually by the Planning Board, and the Advisory Capital Improvement Committee, for the use of the Board of Selectmen and Budget Committee to prepare and adopt the annual budget. The goal is to link local infrastructure investments with the Master Plan policies and other implementation programs (see RSA 674: 5-8).

The Advisory Capital Improvements Committee has reviewed the Town of New Durham Capital Improvements Plan for the upcoming 2014 budget season. The CIP committee has made changes to the CIP in order to adjust to the economic environment, as well as to reflect the decisions of past Town Meeting appropriations. It is the recommendation of the Advisory CIP Committee that the Capital Reserve Funds be funded at the level indicated in order to ensure sufficient funds for future expenditures.

CAPITAL IMPROVEMENTS

What are Capital Improvements?

Capital Improvements are the "*bricks and mortar*" of the Town, streets, bridges, downtown improvements, community centers, schools, and major one-time acquisitions of equipment are all considered capital improvements. For this CIP, a capital improvement project is defined as:

- A physical public improvement involving a facility
- Acquisition of a parcel of land or easements
- A piece of major equipment and/or vehicle with a value exceeding \$10,000 and occurring no more frequently than every five years

Examples of Capital Improvements are:

- New public buildings, or expansion or renovation of existing buildings
- Land acquisition, development and/or major improvement for public purpose
- Major vehicle and equipment purchases or leases
- Road Maintenance
- Sidewalks & Street Tree Plantings

Note should be made that for the purposes of the 2014 review by the Advisory Committee, the capital cost base was maintained at \$10,000 per the 2007 increase.

RECOMMENDATIONS OF THE CIP ADVISORY COMMITTEE

In 2013, the Committee met on seven occasions (August 12th, August 26th, September 18th, September 30th, October 28th, November 6th, and November 13th), resulting in the following recommendations:

PUBLIC SAFETY

Public Safety Facilities Capital Reserve Fund

Recommendation: \$0

Rationale: Both the Fire Department and the Police Department facilities are in good standing and have no major renovations planned in the near future. The Committee believes that updates needed for the building can be accomplished within the amount already in the CRF.

FIRE DEPARTMENT

Fire Truck Capital Reserve Fund

Recommendation: \$47,030

Rationale: The Committee would like the Town to take a further look into the replacement of the Fire Department Command vehicle. A decision should be made in the near future whether to replace the vehicle or switch to outfitting the Chief's vehicle with lights and reimburse for mileage. Additionally, the Committee would recommend further research into the replacement of the Ladder 1 truck. If replacement is justified, the Committee would recommend switching the Ladder 1 truck to a 40-year replacement schedule. The 2014 Fire Truck CRF recommendation does not include any funding for the Ladder 1 truck or Command vehicle.

Planning, Construction Satellite Fire Station

Recommendation: \$15,000

Rationale: The Committee strongly recommends the Town takes a further look into an alternative to satellite fire station, with a thorough study or contracting with Wolfboro. The committee would not recommend funding this account next year without definitive action taken.

POLICE DEPARTMENT

Police Cruiser Capital Reserve Fund

Recommendation: \$22,500

Rationale: The Police Department is scheduled to replace the 2006 Ford Crown Vic in 2014. The committee believes that the Town should be prepared for the every other year replacement plan. This amount will keep the fund in line with the CIP schedule. The committee recommends the Police Department looks into alternative vehicles for savings, such as sedans and smaller SUVs.

HIGHWAYS AND STREETS

HIGHWAY DEPARTMENT

Highway Equipment Purchases Capital Reserve Fund

Recommendation: \$10,000

Rationale: The committee lowered their recommendation for this account due to no immediate purchases planned. The committee wants to ensure the account is continuously funded each year.

Highway Truck Capital Reserve Fund:

Recommendation: \$60,192

Rationale: The committee recommends not replacing the 2004 International 7400 truck in 2014 and supports further research into contracting out plow trucks and plowing services. The next replacement is not until 2019, and the committee believes this fund should be revisited and reconsidered once more information is gathered.

Construction/Expansion of Highway Garage Capital Reserve Fund

Recommendation: \$0

Rationale: This fund was used in 2013 for the construction of an addition to make improvements to the roof, add insulation, a new furnace and move the compressor. The committee and Road Agent do not see expenses in the near future.

Gravel Fund

Recommendation: \$0

Rationale: The Town-owned gravel pit has approximately two years' worth of gravel left and the pit has to be closed by the year 2015. The Road Agent has recommended zero funding this account at this time. The Highway Department will have approximately 16,000 tons of gravel after the 2014 budget season.

Fuel Pumps

Recommendation: \$20,000

Rationale: The committee supports fully funding this account to purchase two new fuel pumps with a card tracking system in 2014. This will allow the Town departments to better track fuel usage going forward.

EQUIPMENT MECHANIC DEPARTMENT

Vehicle and Equipment Maintenance Capital Reserve Fund

Recommendation: \$0

Rationale: The Equipment Mechanic recommended zero funding this line. The committee recommends reviewing and deciding what the balance of this account should be. There is currently a balance of approximately \$20,000.

SOLID WASTE

Solid Waste Facilities Improvement Capital Reserve Fund

Recommendation: \$5,000

Rationale: The Committee would like to continue to fund this account to help mitigate the waste water runoff from the roll off containers for paper, glass, and tin recycling.

Purchase Equipment for Transfer Station Capital Reserve Fund

Recommendation: \$0

Rationale: This amount has been reduced as there are no significant equipment expenses coming up in the next few years. The next item scheduled for replacement is in 2016.

CULTURE AND REREATION

PARKS AND RECREATION DEPARTMENT

Smith Ball Field Improvements Capital Reserve Fund

Recommendation: \$3,000

Rationale: The Committee would like to continue to see this account funded as the Commission would like to put up a storage building and make improvements to the sprinkler system that are needed.

LIBRARY DEPARTMENT

Library Facilities Improvements Capital Reserve Fund

Recommendation: \$1,000

Rationale: The committee is recommending \$1,000 to keep accruing money in that account for future facility improvements.

Library Technology Improvements Capital Reserve Fund

Recommendation: \$1,000

Rationale: The Library Director would like to continue accruing money in this account for future technology needs, but the Committee feels there is enough in that account for next year.

GENERAL GOVERNMENT

LAND AND BUILDING

Municipal Facility Land Acquisition

Recommendation: \$0

Rationale: The committee believes the current \$50,000 balance is adequate at this point in time.

Town Building Improvement

Recommendation: \$20,000

Rationale: The committee would like to see this CRF funded at this level in order for the Town to continue the work on Town Hall outlined in the Historic Building Assessment and be able to paint the building in the next few years.

Shirley Cemetery Improvements Capital Reserve Fund

Recommendation: \$0

Rationale: The committee finds the current balance of around \$5,000 to be adequate.

1772 Meeting House Restoration Capital Reserve Fund

Recommendation: \$5,000

Rationale: The total cost to update this building is approximately \$300,000. The Meetinghouse Committee is seeking a LCHIP grant to pay for half of funding to stabilize the foundation and would like to see enough to fund the Town's portion build up in this fund for future grant matches.

Master Plan

Recommendation: \$0

Rationale: The Planning Board believes most of the Master Plan update can be done with in house labor. Any consultation needing to be done can be paid for using the current balance in the account.

CONCLUSION

For the 2013 budget, the CIP committee recommended a total amount of \$209,500. This year we are recommending an amount of \$209,722 which is \$222 more than last year. The committee recognizes the need to keep the Town's budget low, and has gone through each project and capital reserve fund to determine what the funding for the 2014 budget should be to keep this plan on track. We believe we have accomplished this task while still controlling Town costs. Additionally, the CIP committee has made recommendations to do further research regarding some infrastructure and equipment in Town.

The Advisory Capital Improvements Committee feels it is important to fund the above Capital Reserve funds at their recommended levels and not cut them anymore. The goal of the CIP committee is to maintain the Capital Reserve fund balance schedules so that future capital expenses do not incur large impacts to the Town's budget in any one year. In recent years, the committee has adjusted its recommendations to the schedule in order to adapt to the economic environment, as well as the budgetary decisions of the Town without sacrificing the purpose of the CIP itself.

Over the past few years, the Town budget has become less prone to large spikes and maintained a more level funded state due to implementation of the Capital Improvement Program. If the Plan is maintained according to schedule, the town will see a savings in the long run. If the CIP schedule is cut deeper, the Town budget will return to the past state where large fluctuations in budget expenses (and tax rates) occurred from year to year due to the need to make large capital purchases.

CAPITAL IMPROVEMENT PLAN SUMMARY

CATEGORY	CAPITAL ITEM	CIP		FUNDING
		APPROPRIATED 2013	RECOMMENDED for 2014	
General Govt.	Building Improvement	\$60,000.00	\$20,000.00	CRF
	Master Plan	\$2,500.00	\$0.00	CRF
	Revaluation	\$20,000.00	NA	CRF
	Office Technology	\$6,500.00	NA	Exp. Trust
	Milfoil	\$7,000.00	NA	CRF
	Land Acquisition	\$4,000.00	\$0.00	CRF
	1772 Meetinghouse	\$10,000.00	\$5,000.00	CRF
	Accrued Benefits	\$2,500.00	NA	Exp. Trust
Records Mgmt.	\$500.00	NA	Exp. Trust	
Safety	Police Cruisers	\$15,000.00	\$22,500.00	CRF
	Public Safety Facilities	\$5,000.00	\$0.00	Exp. Trust
	Fire Truck	\$25,000.00	\$47,030.00	CRF
	Fire Satellite Station	\$5,000.00	\$15,000.00	CRF
	Dry Hydrants	\$3,000.00	NA	CRF
	Forest Fire Fund	\$3,500.00	NA	Exp. Trust
Highways	Highway Trucks	\$100,000.00	\$60,192.00	CRF
	HW Equipment	\$10,000.00	\$10,000.00	CRF
	RSMS	\$75,000.00	NA	CRF
	Garage Expansion	\$10,000.00	\$0.00	CRF
	Fuel Pumps	\$5,000.00	\$20,000.00	CRF
	Emergency Mgmt.	\$3,000.00	NA	Exp. Trust
	Gravel Fund	\$10,000.00	\$0.00	CRF
Transfer Station	Facilities Imp.	\$5,000.00	\$5,000.00	CRF
	Equipment	\$5,000.00	\$0.00	CRF
Culture	Library Facilities	\$2,000.00	\$1,000.00	CRF
	Library Technology	\$0.00	\$1,000.00	CRF
Recreation	Smith Ball Fields	\$1,000.00	\$3,000.00	CRF
TOTAL COMBINED CAPITAL RECOMMENDATIONS			\$209,722.00	

TRENDS IN TOWN EXPENDITURES TABLE 1

TOWN EXPENDITURES	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total % Change	AV Annual % Change
Operating												
General Government	600,990	635,942	719,574	789,028	883,056	1,021,531	1,035,847	1,058,296	1,045,072	1,107,551	84.29%	8.4%
Public Safety	332,941	391,354	507,270	454,919	529,909	561,753	575,252	571,276	589,559	574,380	72.52%	7.3%
Highways & Streets	465,102	478,300	531,935	591,656	608,959	661,162	806,047	798,542	757,770	792,301	70.35%	7.0%
Sanitation	247,667	251,069	237,926	282,831	282,831	266,224	274,016	256,231	221,025	206,131	-16.77%	-1.7%
Health & Welfare	42,689	52,894	64,398	57,242	51,467	39,167	37,519	32,169	30,378	32,163	-24.66%	-2.5%
Culture/Rec/Conservation	115,510	119,571	131,927	138,166	146,028	164,577	167,657	163,478	172,769	181,348	57.00%	5.7%
Capital												
Land & Improvements	212,045	203,180	176,281	140,597	166,800	96,546	150,000	115,055	117,038	306,671	44.63%	4.5%
Machinery Vehicles & Equip	41,500	9,333	18,741	117,907	12,000	141,268	116,000	108,950	174,955	159,410	284.12%	28.4%
Buildings / Other	65,066	304,983	2,848	37,760	77,363	635,000	0	25,000	186,500	35,150	-45.98%	-4.6%
Capital Reserve Funds	116,000	121,000	121,000	278,100	375,145	264,800	239,700	559,379	399,500	403,550	247.89%	24.8%
Expendable Trusts	13,000	12,300	19,000	43,200	86,000	62,000	54,000	53,500	62,500	32,000	146.15%	14.6%
Debt Service	177,792	158,464	177,676	64,749	64,149	187,944	180,461	141,295	177,567	173,533	-2.40%	-0.2%
Total Town Expenditures	2,252,510	2,579,926	2,530,900	2,931,406	3,219,558	3,914,028	3,456,038	3,741,876	3,757,066	3,830,655	70.06%	7.0%
Total Town Appropriations	2,430,302	2,738,390	2,708,576	2,996,155	3,283,707	4,101,972	3,636,499	3,883,171	3,934,633	4,004,188	64.76%	6.5%

**CAPITAL EXPENDITURE HISTORY- TABLE 2
2003-2012**

Year	Total Town Capital Expense History
2003	447,611
2004	650,796
2005	337,870
2006	654,139
2007	551,145
2008	1,122,814
2009	559,700
2010	559,379
2011	399,500
2012	294,500
10-year Total	5,129,843
Annual Average Capital Expenditures	512,984

TRENDS IN TOWN REVENUES TABLE 3

Town Revenues	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total \$ Change	Total % Change	Average % Change
	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	Change	Change	% Change
Property Tax (town only)	1,532,799	1,728,210	2,053,256	2,186,048	2,487,780	2,658,933	2,664,865	2,811,351	2,757,555	2,773,763	1,240,964	80.96%	8.1%
Other Local Revenues	652,059	901,048	691,519	610,768	853,827	951,993	731,488	713,566	749,022	918,620	266,561	40.88%	4.1%
Federal Revenue	1,300	0	0	0	209,460	0	0	0	0	0			
From State of NH	227,535	248,989	237,830	211,064	231,392	247,334	221,330	231,110	246,435	229,001	1,466	0.64%	0.1%
Totals excluding Prop Tax	880,894	1,150,037	929,349	821,832	1,294,679	1,199,327	952,818	944,676	995,457	1,147,621	266,727	30.28%	3.0%
Assessed Valuation	163,561,450	334,375,040	408,480,330	422,622,660	429,514,920	434,865,120	436,201,420	416,006,500	416,510,820	418,336,090	264,774,640	172.42%	17.2%
	3.7%	118%	22%	3%	1.6%	1.2%	0.3%	4.85%	0.12%	0.04%			14.5%

Assessed	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total \$\$	Total %	Avg
Valuations											Change	Change	% Chg
	153,561,450	334,375,040	408,480,930	422,622,660	431,588,920	434,865,120	436,201,420	416,006,500	416,510,820	418,336,090	264,774,640	172.4%	17.2%
Tax Rates	31.10	16.96	15.95	16.86	18.74	18.99	20.24	21.19	22.40	22.96	\$S Change		
											-814		

BONDING CAPACITY DEBT SCHEDULES TABLE 5

YEAR	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projected full assessed valuation	418,729,560	420,823,208	422,927,324	425,041,960	427,167,170	429,303,006	431,449,521	433,606,769	435,774,803	437,953,677
Town Bonding Capacity 1.75%	7,327,767	7,364,406	7,401,228	7,438,234	7,475,425	7,512,803	7,550,367	7,588,118	7,626,059	7,664,189
Outstanding Debt	119,272	116,858	109,272	71,644	69,044	71,444	68,582	65,858	68,526	65,743
Available Town Bonding Capacity	7,208,495	7,247,548	7,291,956	7,366,590	7,406,381	7,441,359	7,481,785	7,522,260	7,557,533	7,588,446
Note 1	Full assessed valuation predicted on .5% growth up to 2022									
Note 2	Town Bond capacity legal limit based on 1.75% of assessed valuation									
Marchs Pond Dam	Last Payment 2023									
Salt Storage Building	Last Payment 2024									
Volvo Motor Grader Lease	Last Payment 2015									

CIP 2014-2023

FIRE VEHICLES	Life Expectancy	Replace Costs	Replace Cost/yr.	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2008 Rescue / Pumper	20	380,000	19,000											
2010 Ford F350 Forestry	8	35,000	4,375						35,000					
1986 Utility 1 F350 Rehab	15	63,000	4,200											
1994 Engine (E1)	20	390,000	19,500							390,000				
04 Ford Expedition (C1)	11	38,000	3,455			38,000								
01 Ladder Truck (L1)	40	390,000	0											
Trailers/Boat/Mule	10	10,000	1,000											
Total Cost		1,306,000				38,000				390,000				
Total Annual Cost + 1.5%	150%	1,959,000		0	0	57,000	0	0	52,500	585,500	0	0	0	0
06 Ambulance														
Note: Ambulance Replacement Costs to be borne by User's Fees into the Ambulance Revolving Fund- Removed from CIP in 2013.														
Capital Reserve Calculation				2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2008 Rescue Pumper	20	38,000		19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
2010 Ford F350 Forestry	8	35,000		4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375
1986 Utility 1 F350 Rehab	15	63,000		4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
1994 Engine (E1)	20	390,000		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
04 Ford Expedition (C1)	11	38,000		3,455	3,455	3,455	3,455	3,455	3,455	3,455	3,455	3,455	3,455	3,455
01 Ladder Truck (L1)	40	390,000												
Trailers/Boat/Mule	10	10,000		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Totals		964,000		47,030	47,030	47,030	47,030	47,030	47,030	47,030	47,030	47,030	47,030	47,030

CIP 2014-2023

POLICE VEHICLES	Life Expt	Replace		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
		Costs	Replace Cost/yr av.											
2011 Ford Explorer	7	37,000	5,286						37,000					
2008 Ford Expedition	8	32,000	4,000				32,000							
2010 Ford Crown Vic	8	34,000	4,250						34,000					
2012 Ford Taurus	7	34,000	4,857							31,000				
2006 Ford Crown Vic	8	32,500	4,063		32,000								32,000	
Total Cost w/o Inflation		169,500		0	32,000	0	32,000	0	71,000	31,000	0	0	32,000	0
Total Annual Cost + 1.5% Inflation	150%	254,250			35,840		35,840	35,360	106,500	34,255			35,840	
Capital Reserve Calculation														
2011 Ford Explorer	7	37,000						5,286	5,286	5,286	5,286	5,286	5,286	5,286
2008 Ford Expedition	8	32,000					4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
2010 Ford Crown Vic	8	34,000					4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
2012 Ford Taurus	7	34,000					4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857
2006 Ford Crown Vic	8	32,500					4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063
Totals					22,456									

CIP 2014-2023

HIGHWAY EQUIPMENT Equipment Description	Life Cycle	Replace Cost	Replace Cost/Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
06 Backhoe Cat 420E w/ thumb	18	90,000	5,000												90,000
2013 John Deere 544K	15	120,000	8,000												
99 Sweepster Tow Broom	18	10,000	556		10,000										
2011 Volvo Grader w/ wing gear	15	190,000	12,666												
04 Chipper	20	20,000	1,000												
04 12 Ton Trailer	30	10,000	330												
Total Cost without Inflation		440,000						10,000							90,000
Total Cost with 1.5% Inflation	150%	660,000						15,000							135,000
Capital Reserve Calculation				2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
06 Backhoe CAT 420E w/ thumb				5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
2013 John Deere 544K				8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
99 Sweepster Tow Broom				556	556	556	556	556	556	556	556	556	556	556	556
2011 Volvo Grader w/ wing gear				12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666
04 Chipper				1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
04 12 Ton Trailer				330	330	330	330	330	330	330	330	330	330	330	330
Total Capital Reserve Funding				27,552	27,552	27,552	27,552	27,552	27,552	27,552	27,552	27,552	27,552	27,552	27,552

HIGHWAY VEHICLES		Life	Replace	Replace	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Highway Truck Description	Expt	Cost	Cost/Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
2008 Freightliner 4x4 w/ plow, etc	12	135,000	11,250								135,000				
2009 International 4900 with/ p/ d	10	115,000	11,500							115,000					
2013 Int 7400 w/ dump, plow etc	10	115,000	11,500									115,000			115,000
2011 Int 7400 w/ dump, plow etc	10	115,000	11,500												
2004 Int 7400 w/ dump, plow etc*	10	115,000	0												
2006 Ford f550 w/ dump plow etc	12	92,000	7,667						92,000						
2013 Ford F250 4x4 w/ plow	10	24,000	2,400												
2012 Ford F350 w/ cab and chasse	8	35,000	4,375								35,000				
Total Cost without inflation		746,000	60,192	0	0	0	0	0	92,000	115,000	170,000	115,000	0	0	115,000
Total Annual Cost + 1.5% Inflation	150%	1,119,000	90,288	0	0	0	0	0	138,000	0	255,000	172,500	0	0	172,500
Capital Reserve Calculation															
2008 Freightliner 4x4 w/ plow, etc	12			11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
2009 International 4900 with/ p/ d	10			11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
2013 Int 7400 w/ dump, plow etc	10			11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
2011 Int 7400 w/ dump, plow etc	10			11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
2004 Int 7400 w/ dump, plow etc	10														
2006 Ford f550 w/ dump plow etc	12			7,667	7,667	7,667	7,667	7,667	7,667	7,667	7,667	7,667	7,667	7,667	7,667
2013 Ford F250 4x4 w/ plow	10			2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
2012 Ford F350 w/ cab and chasse	8			4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375
Total Capital Reserve Funding				60,192	60,192	60,192	60,192	60,192	60,192	60,192	60,192	60,192	60,192	60,192	60,192
*The committee recommends not replacing the 04 Int 7400 plow truck in 2014.															

CIP 2014-2023

HIGHWAY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
INFRASTRUCTURE											
CRF Addition to Highway Bldg	0	0	0	0	0	0	0	0	0	0	0
Town Road Infrastructure RSMS	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Gravel	0	0	0	0	0	0	0	0	0	0	0
Totals	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000

CIP 2014-2023

SOLID WASTE FACILITY		Life	Replace	Replace	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Expc't	Costs	Cost/yr												
Facility Improvement Fund		91,475	15,245						91,475						
Equipment Fund:															
2013 Vertical Baler	20	17,000	850												
1989 MSW Compactor/Hopper	20	25,000	1,250		25,000										
2010 Bobcat Skid Steer	12	44,000	3,667									44,000			
1991 Baler	20	17,000	850											17,000	
2010 Plastic Compactor/Hopper	20	20,000	1,000												
2002 Hopper / Compactor	20	25,000	1,250												
MSW Container 1	10	10,000	1,000		10,000						10,000				
MSW Container 2	10	10,000	1,000												
Plastic Container 2010	10	10,000	1,000								10,000				
1983 Loader	10	70,000	7,000											70,000	
Total Cost w/ o inflation		339,475	18,867					35,000			10,000	10,000		114,000	17,000
Total Cost with 1.5% Inflation	150%	509,213	29,800.50					52,500			15,000	15,000		171,000	25,500
Capital Reserve Calculation															
Facility Improvement Fund		91,475	15,245						91,475						
2013 Vertical Baler	20	17,000	850		850			850	850	850	850	850	850	850	850
1989 MSW Compactor/Hopper	20	25,000	1,250		1,250			1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
2010 Bobcat Skid Steer	12	44,000	3,667		3,667			3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667
1991 Baler	20	17,000	850		850			850	850	850	850	850	850	850	850
2010 Plastic Compactor/Hopper	20	20,000	1,000		1,000			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2002 Hopper / Compactor	20	25,000	1,250		1,250			1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
MSW Container 1	10	10,000	1,000		1,000			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
MSW Container 2	10	10,000	1,000		1,000			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Plastic Container 2010	10	10,000	1,000		1,000			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1983 Loader	10	70,000	7,000		7,000			7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Total					18,867		18,867	18,867	18,867	18,867	18,867	18,867	18,867	18,867	18,867

Cost Comparison for Winter Snow Removal

Town of New Durham, NH

Highway Dept vs. Contractor

Assumptions/Data Sources:

1. The months of December, January, February, and March were used. This is a period where the primary activity is snow, ice removal and treatment due to winter conditions.
2. The Highway Department costs are from the 2013 budgets.
3. The contractor costs are 2013 rates the state of NH DOT is paying for an 8 yard dump truck similar to those used by the Highway Department.
4. In the 4 month comparison of approximately 17 weeks, it's assumed there will be 20 plowable storms and 20 spreading days.
5. There will be five trucks used, each storm includes 12 hours of plowing, and each spreading storm 5 hours.

Highway Department Cost

Operator Cost (annual)

	Highway	Mechanic	Total
Salaries	\$239,809	\$44,872	\$284,681
Medical	103,334	5,200	108,534
Dental	7,210	-	7,210
Disability	2,986	444	3,430
FICA	20,100	3,700	23,800
Medicare	4,700	865	5,565
NHRE	29,500	5,200	34,700
Unemployment	2,000	255	2,255
Workers Comp	11,000	1,600	12,600
Totals	\$ 420,639	\$62,136 @60%	\$457,921
		\$37,282	

Weekly 2013 cost: $\$457,921/52 = \$8,806$

Truck Cost

$$\begin{aligned} \$140,000/\text{truck}/10\text{yrs} &= 14,000/\text{truck}/\text{yr} \times 5 \text{ trucks} = \$70,000/\text{yr} \\ \$92,000/\text{truck}/12\text{yrs} &= \$7,666/\text{yr} \end{aligned}$$

Loader Cost

$$\$150,000/15\text{yr} = \$10,000/\text{yr}$$

Town Cost for 4 Months

Operators/ Mechanic	\$8,806/wk x 17 weeks		\$149,702
Trucks	\$77,666/ yr	1/3 year	\$25,889
Loader	\$10,000/yr	1/3 year	\$3,333
Overtime			\$43,592
Diesel Fuel	\$58,125/yr	1/3 year	\$19,374
Maintenance(highway only)	\$22,000/yr	1/3 year	\$7,333
			—————
Total Town Cost			\$249,223

Contractor Cost for 4 Months

Average Year

Estimated Rate per hour to plow and spread for 8 yard truck = \$72

Estimated Rate per hour to spread = \$60

Plow/spread

*20 storms at 12 hours per storm x 5 trucks = 1200 hours

1200hours x \$72/hr = \$86,400

Spread Only

*20 storms at 5 hours per storm x 5 trucks = 500 hours

500hours x \$60/hr = \$30,000

Total Contactor Cost/yr \$116,400

Total Contractor hours/yr 1,700hrs

* A request was made to obtain actual hours from the highway department for the last 5 years but only 2010 was provided.

** NOAA 1981-2010 average annual snowfall has been 56.1" over 22 days for Laconia, NH (0.1" constitutes a snow day)

Final Comparison

	Dollars	Hours
Highway Department Cost	\$249,223	4,760
Contractor Cost	116,400	1,700
Savings to taxpayers	<u>\$140,949</u>	

Winter of 2010 Winter Maintenance Actual Hours

Available man hours 17 weeks for crew of 7: 4,740hrs vs 1,700 contractor

2010	
Full time	524 hrs
Overtime	994 hrs
Part Time	428 hrs
Total	<u>1,946hrs</u>
Unaccounted hours	2,814 hrs

Implementation Proposal

1. When truck is due for replacement in 2014, do not replace it. Keep old truck as back up and contract out one truck. Include Coppel Crown and Kings Highway in it's route which is the most distant route.
2. Objectively using data, assess the 2014 contractor performance. If acceptable, expand the contractor trucks each year.
3. Continue this but always maintain one four wheel drive plow truck and driver to cover any emergencies due to break downs, etc.

4. If done properly, this should save taxpayers significant dollars and continue to provide essential services.
5. Contracting out spring, summer, and fall highway projects also must be evaluated quickly. The savings there are probably substantial as well, giving taxpayers much needed relief.

NH DOT Information Relative to Contracting Services/Equipment
Date: September, 2013

Plow Trucks contracted – The state owns 260, contracts out 310. They only own trucks if they can keep them busy year round, and spring, summer, and fall requirements are much less than winter.

Is the use of contactors increasing – Yes. In the last two years, the DOT employees have been reduced from 700 to 650, and highway garages from 92 to 82 statewide.

Were reductions done with attrition or lay off – Primarily attrition. However, in smaller garages, approximately 10 to 15 employees had to be laid off because there were no pending retirements.

Do you contract out other services/equipment – Yes. We contract road graders, excavators and all types of equipment. As an example, we only own one drain/culvert cleaning truck, the rest is contracted. We have over 3,000 contract agreements established statewide.

What percentage is contracted out other than winter plowing – Currently the DOT contracts out about 60% of all state highway work and only maintain employees/equipment to do 40% themselves. This has been necessary due to budget cuts now of approximately 5 million dollars.

What's in it for the Contractors – We guarantee them a minimum of 10 hours every two weeks whether it snows or not beginning in December and ending in March. Even with this, it costs the state less if it doesn't snow!

Is overtime paid – No overtime is paid contractors. This includes plowing over 8 hours, weekends, and holidays.

How do you control Contactor performance – Those that do not respond are not contacted again and a new contractor selected until a reliable group of contractors is established.

How many miles of road are assigned per truck – approximately 10 miles per truck for secondary roads.

Would you share approved contractors info with us – Yes

Is there a newer rate sheet than Oct. 1, 2005 – No. They are being updated. The Truck rates still apply although we do add a diesel rate of about \$7/hr. to what's listed.

Can we have the rate sheets for all types of equipment and the revised rates when they are available – Yes. These rate sheets cover all equipment from air compressors, brush chippers, to large road graders and excavators (14 pages).

Do you have penalties for “no shows” and how frequent is it – No. Unless there is a verifiable legitimate reason, they are removed from our approved list. Our “no show rate” is very low, maybe 5 or 10% statewide.

When do you call contractors out – The full time contractors are called out at the same time we call our crews. In fact, most leave their trucks at our highway garages for the winter months. Some contract drivers have been with us over 20 years.

Police Car Cost Analysis

Number of Cars

Total Department Miles per year – 100,000

Cars traded at 140,000 miles

With 5 cars a complete trade cycle is 7.0 years – must buy 7 cars /7yrs

With 3 cars a complete trade cycle is 4.2 years - must buy 7 cars/7 yrs

Fuel Cost

Ford Expedition	Combined EPA 15 mpg @ 20k = \$ 4,000
Ford Edge	Combined EPA 24 mpg @ 20k = \$ 2,500
	Savings \$1,500/yr

Ford Taurus	Combined EPA 20 mpg @ 20k = \$ 3,000
Ford Fusion	Combined EPA 25 mpg @ 20k = \$ 2,400
	Savings \$600/yr x 4 = \$2,400/yr

Car Cost (Edmunds)

Ford Expedition	\$53,870
Ford Edge	\$31,795
	Savings = 22,075/7 = 3,154/yr

Ford Taurus	\$26,021
Ford Fusion	\$23,107
	Savings = 2,914/7 = \$416 x 4 = \$1,665/yr

Conclusion:

1. The number of cars does not significantly affect cost, just trading length.
2. Buying smaller vehicles would save taxpayers \$8,719 per year

Town of New Durham
Trustee of Trust Funds

	2013 Appropriations	2013 Expenses	Estimated Year end
Capital Reserve Funds			
CRF Highway Truck	\$16,227.44	\$24,000.00	\$92,227.44
CRF JC Shirley Site Improvement	\$1,732.28		\$1,732.28
CRF for Police Cruiser	\$12,234.80	\$15,000.00	\$27,234.80
CRF for Revaluation	\$163,683.57	\$20,000.00	\$183,683.57
CRF for 1772 Meeting House Restoration	\$27,713.37	\$10,000.00	\$37,713.37
CRF Dry Hydrant Water Systems	\$7,513.20	\$3,000.00	\$10,513.20
CRF Fire Truck	\$244,062.39	\$5,000.00	\$249,062.39
CRF Coppel Crown District Sand Loader	\$227.76		\$227.76
CRF Coppel Crown District Water System	\$2,951.32		\$2,951.32
CRF Highway Equipment Purchases	\$185,114.69	\$105,500.00	\$89,614.69
CRF Library Facilities Improvements	\$4,665.65	\$2,000.00	\$6,665.65
CRF Library Technology Improvements	\$6,467.01		\$6,467.01
CRF Purchase Equipment for Transfer Station	\$26,848.23	\$5,000.00	\$23,848.23
CRF Construction Expansion Highway Garage	\$106,318.00	\$10,000.00	\$19,820.00
CRF Plan, design & constr Satellite Fire Station Div	\$30,899.42	\$5,000.00	\$35,899.42
CRF Smith Ball Field Improvements	\$5,831.41	\$1,000.00	\$6,831.41
CRF Municipal Facility Land Acquisition	\$45,393.24	\$4,000.00	\$49,393.24
CRF Millfoil Treatment	\$5,040.84	\$7,000.00	\$4,933.64
CRF Shirley Cemetery Improvement	\$5,025.75		\$5,025.75
CRF Town Master Plan	\$5,524.79		\$8,024.79
CRF Public Safety Facilities	\$86,988.36		\$86,988.36
CRF Solid Waste Facilities Improvement	\$16,720.21	\$5,000.00	\$3,320.21
CRF Vehicle & Equipment Maintenance	\$20,090.09		\$20,090.09
CRF Road Construction	\$27,872.45	\$75,000.00	\$102,872.45
CRF Gravel Fund	\$15,018.75	\$10,000.00	\$25,018.75
CRF Fuel Pump	\$5,006.27	\$5,000.00	\$10,006.27
Total	\$1,075,171.09	\$294,500.00	\$1,110,166.09
Expendable Fund Trust			
JC Shirley Timber Fund	\$25,840.28		\$25,840.28
Vietnam Memorial Fund	\$755.16		\$755.16
JC Shirley Cemetery General Fund Trust	\$89,526.20		\$89,526.20
Exp Accured Benefits Liability Fund	\$26,426.77	\$2,500.00	\$28,926.77
Exp Computer and Office Equip. Trust	\$1,055.72	\$6,500.00	\$532.22
Record Management	\$4,283.37	\$500.00	\$4,783.37
Town Buildings Improvement	\$87,202.00	\$60,000.00	\$140,777.00
Exp Surplus Vehicle and Equipment Fund	\$2,313.16	\$6,425.00	\$2,313.16
Emergency Mgmt Expendable Trust Fund	\$3,473.48	\$3,000.00	\$6,473.48
Exp Forest Fire Control Fund	\$18,672.29	\$3,500.00	\$22,172.29
Total	\$259,548.43	\$76,000.00	\$322,089.93