

**CAPITAL IMPROVEMENTS
PROGRAM
2007-2012**

FREMONT, NEW HAMPSHIRE

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TABLE OF CONTENTS

I.	INTRODUCTION.....	2
II.	THE CAPITAL IMPROVEMENTS PROGRAM- A RATIONAL.....	3
III.	GROWTH IN FREMONT AND THE REGION.....	5
IV.	FISCAL ANALYSIS.....	9
V.	CAPITAL PROJECTS.....	12
VI.	FISCAL POLICIES.....	18
	A. Ration of Capital Expenditures to Total Budget	
	B. Ratio of Capital Expenditures to Equalized Valuation	
	C. Annual Increase of Property Taxes to Be Raised	

**CAPITAL IMPROVEMENTS PROGRAM
FREMONT, NEW HAMPSHIRE**

I. INTRODUCTION

Town officials in Fremont, like their counterparts in other communities in New Hampshire, expend a great deal of effort each year establishing a municipal budget. This budget must realistically balance the ever increasing needs and costs of delivering services to their constituents while at the same time staying within the financial constraints mandated by available tax revenues. In an acknowledgment of the precariousness of the annual budgetary process, the General Court authorized the use of a Capital Improvements Program (CIP) to aid town officials in scheduling the investment of Town resources.

New Hampshire RSA chapters 674:5-7 provides legal guidance as to authorization, purpose, description and preparation of the CIP. Undertaking a CIP can only be done after authorization to do so is granted by the local legislative body. At the 1987 Town Meeting the Planning Board was authorized to prepare the CIP with the assistance of the Rockingham Planning Commission.

Although this document must have the authorization of the local legislative body, its use, once completed, is entirely advisory. The document is structured to provide a multi-year (typically six (6)) recommended program of major capital projects and expenditures. The document must also classify projects according to urgency and need and must contain a time sequence for implementation, according to RSA 674:6. Input from department heads, recommendations in the Master Plan, and the consideration by the Planning Board of overall community perspective are used in prioritizing projects.

RSA 674:5 states that "the sole purpose and effect of the Capital Improvements Program shall be to aid the mayor and the budget committee in their consideration of the annual budget."

II. THE CAPITAL IMPROVEMENTS PROGRAM - A RATIONALE

The Fremont Capital Improvements Program is a budgetary document that schedules all anticipated major Town expenditures for a period of six (6) years. For each expenditure scheduled, the document includes a fiscal analysis that aids in prioritizing that project. The document should also include review of relevant master plan chapters to determine whether there are advance planning costs, engineering, special studies, land acquisition or other short term investments that need to be made in the near future in order to support longer-term capital needs, and whether current facilities will be adequate to serve the needs of future residential and commercial growth in the community. The program, when adopted and fully utilized, serves to ensure that the services and facilities necessary to meet the community's needs are provided in accordance with the financial capabilities of Fremont.

For the purpose of this document a capital improvement is to be defined as: a major expenditure for public facilities having a gross cost of more than five thousand (\$5,000) dollars; having a useful life of five (5) years or more; considered beyond the scope of normal annual operating expenses; or any project that requires bond financing. Examples of such improvements include:

- Buildings, such as municipal complexes, community centers, libraries, and public works buildings
- Cemeteries
- Drainage facilities
- Equipment and machinery with a useful life of greater than 3 years
- Land acquisition for public purpose such as conservation
- Major building or facility renovations and repairs
- Parks and playgrounds
- Road renovations resulting in long-term improvement in road capacity or conditions
- Sidewalks and curbs
- Special studies such as resource assessments or development of a Master Plan
- Vehicles

Advantages of a CIP

A Capital Improvements Program offers many advantages including the following:

1. Stabilizes year-to-year variations in capital outlays.
2. Makes pre-emptive acquisitions more feasible and defensible (e.g., land acquired for town uses such as water supply, waste disposal, and recreation).

Fremont NH Capital Improvements Program 2007

3. If used in conjunction with capital reserve funds, can offset a fraction of capital expenditures by reducing interest payments.
4. Enables town to establish growth control measures in conjunction with a master plan, per RSA 674:22 or impact fees in accordance with RSA 674:21.
5. Facilitates implementation of the master plan through scheduling of proposed projects over a period of time. This type of programming can eliminate duplication and a random approach in making capital outlays.
6. Furnishes a total picture of the municipality's major needs, discourages piecemeal expenditures, and serves to coordinate the activities of various departments.
7. Establishes priorities for projects on the basis of needs and costs, and permits anticipation of revenues and expenditures.
8. Serves as a public information tool by explaining to the public the Town's plans for major expenditures.

It is the responsibility of the Planning Board to create the CIP. After a public hearing is held, the Planning Board adopts the CIP. As the guide for capital projects over a six (6) year period, the first year of the program is envisioned as a trial run for the capital budget which, when combined with the operating budget, is the total municipal budget for the year.

Once the program has been adopted, it should be reviewed and updated annually by the Planning Board in conjunction with the Budget Committee and the Board of Selectmen. This is especially important when the voters at Town Meeting do not fund all proposed capital projects. The CIP recommendations for the upcoming year's budget are presented to the Selectmen and Budget Committee. Each annual update adds an additional year to the schedule so that a six (6) year program period is maintained.

III. GROWTH IN FREMONT AND THE REGION

The following section examines recent growth trends in Fremont. Many of the tables contain data for Fremont and its seven (7) abutting towns: Epping, Brentwood, Kingston, Danville, Sandown, Chester, and Raymond. In addition, data is provided for the area covered by the combined area of these eight communities, Rockingham County and the State.

A. Population

In order to properly predict future capital expenditures, the Capital Improvements Program must include consideration of the changing demographics of the Town. This section thus begins with a consideration of the population growth in Fremont and the region.

As has been the case with most communities in Southern New Hampshire, Fremont has experienced steady growth in the last decade. The Table 1 below presents a comparison of the population histories for Fremont, the Fremont Region, the County and the State of NH. This places the growth of Fremont in context with the surrounding region and state. It is presented here for informational purposes to properly frame the population growth issue and history. Fremont has experienced conceivable growth with the second highest growth rate between 1980 and 1990, and the third highest growth rate between 1990- and 2005.

Table 1

Population Growth
1950 - 2005

TOWN/AREA	U. S. Census Population							Average Annual % Change			
	1950	1960	1970	1980	1990	2000	2005*	1950-2005	1980-90	1990-2005	2000-2005
Brentwood	819	1,072	1,468	2,004	2,590	3,197	4,105	2.97%	2.60%	3.12%	5.13%
Chester	807	1,053	1,997	2,969	3,557	3,792	4,617	3.22%	1.82%	1.75%	4.02%
Danville	508	605	924	1,318	2,534	4,023	4,492	4.04%	6.76%	3.89%	2.23%
Epping	1,796	2,006	2,356	3,460	5,162	5,476	5,980	2.21%	4.08%	0.99%	1.78%
Fremont	698	783	993	1,333	2,576	3,510	4,075	3.26%	6.81%	3.10%	3.03%
Kingston	1,283	708	2,882	4,111	5,591	5,862	6,191	2.90%	3.12%	0.68%	1.10%
Raymond	1,428	1,867	3,003	5,453	8,713	9,764	10,639	3.72%	4.80%	1.34%	1.73%
Sandown	315	366	741	2,057	4,060	5,143	5,851	5.46%	7.04%	2.47%	2.61%
Fremont Region	7,654	8,460	14,364	22,705	34,783	40,767	45,950	3.31%	4.36%	1.87%	2.42%
Rock. County	70,059	99,029	138,951	190,345	245,845	277,359	286,739	2.66%	2.59%	1.26%	1.36%
NH State	529,880	606,787	737,681	920,475	1,109,252	1,235,786	1,315,000	1.67%	1.88%	1.14%	1.25%

Sources: US Census Data
New Hampshire Office of State Planning
*Population Estimate from the Office of Energy and Planning

The State of New Hampshire's Office of Energy and Planning provides population projections for each municipality of the next until the year 2030, which are shown in Table 2. These projects show that Fremont will tie for the highest growth rate between 2005 and 2015, and have the highest growth rate between 2015 and 2030, when compared to the surrounding communities.

Fremont NH Capital Improvements Program 2007

TABLE 2
Population Projections

	2005 OEP	Projected Population					Projected Annual Growth Rate		
Town	2005	2010	2015	2020	2025	2030	2005-2010	2005-2015	2015-2030
Brentwood	4,105	4,230	4,380	4,500	4,620	4,740	0.60%	0.65%	0.53%
Chester	4,617	4,790	5,020	5,220	5,410	5,590	0.74%	0.84%	0.72%
Danville	4,492	4,660	4,870	5,060	5,240	5,420	0.74%	0.81%	0.72%
Epping	5,980	6,150	6,350	6,350	6,520	6,690	0.56%	0.60%	0.35%
Fremont	4,075	4,220	4,430	4,600	4,780	4,950	0.70%	0.84%	0.74%
Kingston	6,191	6,410	6,690	6,910	7,140	7,350	0.70%	0.78%	0.63%
Raymond	10,639	11,010	11,470	11,840	12,210	12,500	0.69%	0.75%	0.57%
Sandown	5,851	6,070	6,360	6,610	6,860	7,090	0.74%	0.84%	0.73%
Total	45,950	47,540	49,570	51,090	52,780	54,330	0.68%	0.76%	0.61%
Rock Co. Total	277,359	308,220	320,490	331,190	341,850	351,660	2.13%	1.46%	0.62%

Source: New Hampshire Office of State Planning

Population projections from the State do not take into account units that are currently approved by the Planning Board but not yet built, or have yet to receive a certificate of occupation. The Town of Fremont has many such approvals that could lead to a short term population increase. The total unit approved is two hundred and sixty seven (267) additional units, of which one hundred and fifty five (155) are age-restricted. The break down of the approved units is as follows:

- 112-unit elderly open space development (55 and older)
- 4 age-restricted duplex units (55 and older)
- 39 manufactured housing units (55 and older)
- 72 single family or duplex units
- 40 multi-family units

Fremont NH Capital Improvements Program 2007

TABLE 3
Housing Distribution and Growth Summary

1990							
	Single Family		Multi-Family		Mobile Homes		
Town/Area	#	%	#	%	#	%	Total
Brentwood	640	82.26%	46	5.91%	92	11.83%	778
Chester	800	84.21%	90	9.47%	60	6.32%	950
Danville	592	61.67%	76	7.92%	292	30.42%	960
Epping	1,252	60.81%	407	19.77%	400	19.43%	2,059
Fremont	750	81.52%	102	11.09%	68	7.39%	920
Kingston	1,673	79.10%	267	12.62%	175	8.27%	2,115
Raymond	1,856	55.40%	690	20.60%	804	24.00%	3,350
Sandown	1,215	81.65%	174	11.69%	99	6.65%	1,488
Area total	8,778	72.14%	1,678	12.48%	1,891	15.38%	12,620
Rock. County	61,121	60.83%	30,508	30.36%	8,850	8.81%	100,479
New Hampshire	297,448	59.22%	162,998	32.45%	41,801	8.32%	502,247
2000							
	Single Family		Multi-Family		Mobile Homes		
Town/Area	#	%	#	%	#	%	Total
Brentwood	833	90.54%	31	3.37%	56	6.09%	920
Chester	1,113	89.25%	108	8.66%	26	2.09%	1,247
Danville	1,034	69.91%	113	7.64%	332	22.45%	1,479
Epping	1,390	62.75%	397	17.92%	428	19.32%	2,215
Fremont	1,010	84.10%	135	11.24%	56	4.66%	1,201
Kingston	1,825	80.57%	300	13.25%	140	6.18%	2,265
Raymond	2,348	63.29%	695	18.73%	667	17.98%	3,710
Sandown	1,527	85.93%	174	9.79%	76	4.28%	1,777
Area total	11,080	77.20%	1,779	11.54%	1,705	11.25%	14,814
Rock. County	72,944	64.54%	32,500	28.76%	7,579	6.71%	113,023
New Hampshire	340,878	62.37%	170,128	31.13%	35,518	6.50%	546,524
2005							
	Single Family		Multi-Family		Mobile Homes		
Town/Area	#	%	#	%	#	%	Total
Brentwood	1,084	87.56%	99	8.00%	55	4.44%	1,238
Chester	1,390	90.44%	120	7.81%	27	1.76%	1,537
Danville	1,216	72.99%	113	6.78%	337	20.23%	1,666
Epping	1,636	65.47%	416	16.65%	447	17.69%	2,499
Fremont	1,183	79.99%	207	14.00%	89	6.02%	1,479
Kingston	1,924	78.05%	401	16.27%	140	5.68%	2,465
Raymond	2,674	62.73%	903	21.18%	686	16.09%	4,263
Sandown	1,772	84.62%	200	9.55%	122	5.83%	2,094
Area Total	12,879	76.75%	2,259	12.95%	1,781	10.30%	17,241
Rock. County	79,928	64.50%	36,007	29.06%	7,980	6.44%	123,915
New Hampshire	376,971	63.22%	180,680	30.30%	38,612	6.48%	596,263

Fremont NH Capital Improvements Program 2007

Table 3 continued

	Fremont	Area	County	State
Total housing units added since 1990	559	4,621	23,436	94,016
Average annual growth rate	3.1%	1.7%	1.2%	0.9%
Total housing units added since 2000	278	2,427	10,892	49,739
Average annual growth rate	3.76%	2.82%	1.76%	1.67%

	<u>1990-2000</u> Percent Growth:				<u>2000-2005</u> Percent Growth:		
Town/Area	Units Added	Total	Avg. Annual		Units Added	Total	Avg. Annual
Brentwood	142	18.25%	1.83%		318	25.69%	5.14%
Chester	297	31.26%	3.13%		290	18.87%	3.77%
Danville	519	54.06%	5.41%		187	11.22%	2.24%
Epping	156	7.58%	0.76%		284	11.36%	2.27%
Fremont	281	30.54%	3.05%		278	18.80%	3.76%
Kingston	150	7.09%	0.71%		200	8.11%	1.62%
Raymond	360	10.75%	1.07%		553	12.97%	2.59%
Sandown	289	19.42%	1.94%		317	15.14%	3.03%
Total Area	2,194	17.39%	1.74%		2,427	14.08%	2.82%
Rock. County	12,544	12.48%	1.25%		10,892	8.79%	1.76%
New Hampshire	44,277	8.82%	0.88%		49,739	8.34%	1.67%

B. Housing

The significant growth of Fremont's housing stock is another important consideration when making decisions for future capital expenditures. As the number of housing units in town increases, additional services such as fire and police protection and road maintenance will be required. The majority of these services will be provided through capital expenditures. Table 3 shows a variety of information on housing in Fremont and the abutting towns. From 1990 to 2005, Fremont's housing stock grew by approximately 63% with a growth rate of nearly double the region average 3.1% vs. 1.7%.

Table 3 also includes information on the types of housing stock in Fremont and the surrounding communities. This table shows the changes in housing stock from the year 1990 to 2005. Between 1990 and 2005 multi-family housing stock has shown the largest percentage increase in Fremont, slightly more than doubling.

Fremont NH Capital Improvements Program 2007

IV. FISCAL ANALYSIS

A. Town Expenditures

An analysis of Fremont's expenditures from 2000-2006 is presented in Tables 4 through 6. In Table 4, the operating expenditures have been divided into eight (8) major categories, based on department headings as described in the annual town reports. These categories include capital expenditures. Table 5 lists the capital expenditures for the same time period

TABLE 4 MUNICIPAL EXPENDITURES, 2001-2006

	Operating Expenditures						
	2000	2001	2002	2003	2004	2005	2006
General Government	\$293,401	\$388,193	\$399,873	\$409,808	\$507,281	\$455,142	\$561,069
Public Safety	\$360,807	\$399,613	\$462,095	\$472,989	\$518,541	\$507,172	\$578,551
Highways, Streets and Bridges	\$249,648	\$308,044	\$287,698	\$254,072	\$307,283	\$296,566	\$292,518
Solid Waste Disposal	\$136,913	\$170,189	\$170,912	\$177,753	\$232,812	\$234,358	\$254,378
Health & Welfare	\$30,495	\$28,961	\$30,526	\$32,069	\$36,702	\$38,666	\$45,593
Culture & Recreation	\$44,576	\$55,647	\$120,674	\$123,780	\$158,956	\$126,434	\$141,172
Debt Service (interest)	\$104,450	\$105,292	\$201,642	\$282,575	\$271,990	\$266,696	\$336,563
Capital Expenditures (below)	\$58,982	\$378,499	\$403,905	\$183,650	\$141,199	\$1,144,864	\$313,390
Total Expenditures	\$1,279,272	\$1,834,438	\$2,077,324	\$1,936,696	\$2,174,765	\$3,069,897	\$2,523,235

TABLE 5 CAPITAL EXPENDITURES, 2001-2006

Capital Outlay	2000	2001	2002	2003	2004	2005	2006
Ballfield Reconstruction			\$269,230.00				
Building Repairs	\$8,482.48						
Capital Reserve Funds	\$50,500.00	\$48,000.00	\$65,500.00	\$78,000.00	\$58,000.00	\$57,500.00	\$100,000.00
Fire Truck Payment			\$41,675.00	\$41,675.00	\$41,675.00	\$72,365.00	\$41,675.00
GGB Maint Exp Trust Fund							\$10,000.00
Glen Oakes Land Purchase						\$900,000.00	
Highway Road Overlays						\$53,500.00	\$61,463.00
Highway Sand & Salt Building		\$58,860.20					
Highway Truck						\$35,000.00	
Library		\$234,912.36					
Mosquito Control							\$30,000.00
Parking Lot Paving			\$27,500.00				
Parks & Recreation Fields		\$15,870.00					
Playground Equipment							\$24,536.00
Police Cruiser		\$20,856.00		\$21,200.00		\$21,559.00	
Police Department Radios				\$20,110.00			
Police Department OHRV equip						\$4,940.00	\$3,409.19
Police Speed Trailer							\$7,565.00
Police SUV							\$28,806.00
Police Taser Grant Program							\$5,935.65
Reprint Town History					\$15,555.67		
Rescue Truck				\$22,665.00	\$12,223.35		
Revaluation					\$13,744.77		
Road Resurfacing							
Total Capital Expenditures	\$58,982.48	\$378,498.56	\$403,905.00	\$183,650.00	\$141,198.79	\$1,144,864.00	\$313,389.84

Fremont NH Capital Improvements Program 2007

Table 4 illustrates the changes in expenditures between 2000 and 2006. Two (2) of the largest increases in operating expenditures were in the "general government" and "public safety" and categories. These increases reflect two current trends: first of all, the increased needs for more public safety personnel and equipment; and secondly, the rising cost of managing the day to day activities in a small growing community.

From 2000 to 2006, Fremont has experienced a general increase in capital expenditures. In 2005 the capital expenditures are an order of magnitude larger than any other of the years. This is due to the Town passing a warrant to purchase the Glen Oakes property, totaling nine hundred thousand (\$900,000) dollars, as seen in Table 5.

Table 6 depicts the average annual percentage changes for each operating expenditure category (excluding capital expenditures) so that comparisons can be made regardless of a category's budget size. The information from the last CIP was also included in this table so the trends could be seen between 1994 and 2006. Between 2000 and 2006 the largest increase, viewed in terms of percentages (excluding debt service), was in the "Culture & Recreation" had the highest average annual increases of 21.02%. "Highways, Street and Bridges" and "Health & Welfare" have maintained a fairly consistent level of cost of service over these six (6) years with only 2.68% and 6.93% increases respectively.

Table 6
Operating Expenditures

	1994	2000	2006	Average Annual \$ Increase 00-06	Average Annual % Increase 00-06	Average Annual \$ Increase 94-06	Average Annual % Increase 94-06
General Government	\$178,030	\$293,401	\$561,069	\$44,611	11.41%	\$31,920	10.04%
Public Safety	\$120,724	\$360,807	\$578,551	\$36,291	8.19%	\$38,152	13.95%
Highways, Streets and Bridges	\$207,728	\$249,648	\$292,518	\$7,145	2.68%	\$7,066	2.89%
Solid Waste Disposal	\$120,724	\$136,913	\$254,378	\$19,577	10.88%	\$11,138	6.41%
Health & Welfare	\$25,114	\$30,495	\$45,593	\$2,516	6.93%	\$1,707	5.10%
Culture & Recreation	\$19,329	\$44,576	\$141,172	\$16,099	21.18%	\$10,154	18.02%
Debt Service (interest)	\$13,700	\$104,450	\$336,563	\$38,685	21.53%	\$26,905	30.58%
Total Operation Expenditures	\$685,349	\$1,220,289	\$2,209,845	\$164,926	10.40%	\$164,926	10.25%

Source: Fremont Annual Reports 1994 - 2006

Fremont NH Capital Improvements Program 2007

B. Tax Rate

Table 7 presents tax rate information for Fremont from 2000 through 2006. Fremont's tax rate showed a steady increase between 2000 and 2004, when the Town preformed a revaluation, then rose again from 2005 to 2006. The six (6) year full value tax rate has fluctuated from 2000 to 2006, but shown little increase.

Table 7 also breaks down the tax rate into the town, school, and county components. Since 2000, the town portion of the local tax rate has fluctuated from a low of 12.84 % to a high of 16.22 % in 2004. The Local School's tax rate had increased from 55.10 % to 69.07%, while the State School Rate has decreased from 25.90% to 11.15%. The county has slowly decreased from 6.16% to 4.14% of the total tax rate.

TABLE 7 Fremont Tax Rate												
	2001		2002		2003		2004		2005		2006	
	Tax Rate per \$1000	% of total	Tax Rate per \$1000	% of total	Tax Rate per \$1000	% of total	Tax Rate per \$1000	% of total	Tax Rate per \$1000	% of total	Tax Rate per \$1000	% of total
Town	2.96	12.84%	3.81	14.89%	4.10	14.89%	5.12	16.22%	2.64	14.31%	3.17	15.64%
School (Local)	12.70	55.10%	14.46	56.51%	16.13	58.57%	20.68	65.53%	12.68	68.73%	14.00	69.07%
School (State)	5.97	25.90%	5.86	22.90%	5.85	21.24%	4.28	13.56%	2.28	12.36%	2.26	11.15%
County	1.42	6.16%	1.46	5.71%	1.46	5.30%	1.48	4.69%	0.85	4.61%	0.84	4.14%
Total	23.05	100.00%	25.59	100.00%	27.54	100.00%	31.56	100.00%	18.45	100.00%	20.27	100.00%
% change from previous year	24.86%		11.02%		7.62%		14.60%		-41.54%		9.86%	
Full Value Rate 100%	18.22		18.38		17.53		18.26		17.95		19.17	
% change from previous year	7.5%		0.9%		-4.6%		4.2%		-1.7%		6.8%	
Source: Fremont Annual Reports 2001-2006, NH Dept of Revenue Administration Equalization Surveys.												

Source: Fremont Annual Reports 2001-2006, NH Dept of Revenue Administration Equalization Surveys.

V. CAPITAL PROJECTS

This section identifies the capital expenditures anticipated over the next six (6) years. Within this time frame other projects will be identified which will be of high priority and warrant immediate inclusion in the Town's capital spending plan. It is highly unlikely that all such expenditures can be readily identified six (6) years in advance. Thus, spending priorities identified in this plan for the year 2012 may not remain the same six (6) years into the future.

Likewise, the plan has been designed to be as realistic, practical and feasible as possible. The CIP should not, and does not, constitute a "wish list" of desirable but unlikely spending and improvements. In preparing and accepting this document the Planning Board accepts the responsibility and obligation of making all good faith efforts to see that the plan is adhered to. It should, however, be recognized that the plan does not have the force of law and cannot commit or bind future administrations or officials of the Town of Fremont to the long range spending plans of their predecessors.

A. Financial Capacity and Method of Financing

Town expenditures can be grouped into two broad categories -- operating and capital. Operating expenses include such items as salaries, utilities, insurance, rent, and equipment purchases under three thousand (\$3,000) dollars. Capital expenses are restricted to land, vehicles, buildings, equipment that lasts more than five (5) years, building renovations and repairs, and road projects which result in long term improvements.

Capital improvements are generally funded in five (5) ways that are explained below: 1) current revenue, 2) general obligation bonds, 3) revenue bonds, 4) capital reserve funds and 5) special revenue sources.

1. **Current Revenue:** The most commonly used method of financing capital projects is through the use of current revenues. Current revenue is the money raised by the local property tax for a given year. When a project is funded with current revenues, its entire cost is paid off within one (1) year. Projects funded with current revenues are customarily lower in cost than those funded by bonds. If the town has the financial capacity to pay for a project in a given year, the cost to the taxpayer will be less than if bonded because there are no interest payments to be made. However, making capital acquisitions with current revenues does have the effect of scheduling an expenditure into one (1) year resulting in higher taxes for the year of purchase.
2. **General Obligation Bonds:** These bonds are used to finance major capital projects. They are issued for a period of time ranging from five (5) years to twenty (22) years, during which time principal and interest payments are made. They are secured by the government's power to tax and are paid

for by property taxes. Time payments have the advantage of allowing the capital expenditures to be amortized over the life of the project and of avoiding the property tax peaks that result from capital purchases made from current revenues. On the other hand, they do commit resources over a long period of time, decreasing the flexibility of how yearly revenue can be utilized.

3. **Revenue Bonds:** These bonds are issued to finance revenue-producing facilities, such as water and sewer services. Revenue bonds differ from general obligation bonds in that, while the town secures them, they are paid for out of revenues generated by the improvement being financed. Thus, a water distribution system improvement, funded through revenue bonds, would be paid for by revenue received from water users. User fees, with no local tax money involved therefore pay for the floating of these bonds.
4. **Capital Reserve Fund:** Since many capital projects involve very considerable expenditures, it is often advantageous to set aside current revenue over a period of years in order to make a purchase. The resulting capital reserve fund can be for general purposes, with its use determined at a later date, or specific, with its purpose set out initially. One obvious advantage of a capital reserve fund is that the major acquisition can be made without the need to go into the bond market and without making interest payments. With capital reserve funds, monies are "removed" from the town's budget in the year in which the money is appropriated, not in the year in which the purchase is actually made.
5. **Special Revenue Sources:** This category includes projects financed by user fees, intergovernmental transfers, grants and gift/donations. Intergovernmental transfers include funds for highway aid from the NH Dept. of Public Works and Highways, the Environmental Protection Agency for sewer projects, the Dept. of Housing and Urban Development for community development projects, and the Dept. of the Treasury for general revenue sharing funds. These programs either provide an outright grant or provide matching funds to go with locally raised funds.

B. Proposed Capital Projects

The primary goal of the Capital Improvements Program is to schedule the expenditures so that the peaks and valleys in the Town's annual tax rate are eliminated. The largest of expenditures are anticipated and scheduled, and smaller expenditures are worked in around them to create a steady or gradually increasing tax rate.

A goal or target expenditure level is set for each of the years in the project period. For a community that is growing slowly without substantial increases in its tax base from

Fremont NH Capital Improvements Program 2007

year to year, the sum of the cost of all the projects can be divided by the number of years in the plan to yield a flat expenditure rate. In this case, dividing the expenditures equally over the period would result in a higher tax burden in the earlier years of the plan and a lower burden in later years, as the taxable property increases.

In Fremont's case, the department heads were instructed prioritized the projects but few projects were prioritized. **Fremont Capital Improvement Plan 2007 - 2012** shows anticipated capital projects for the next six years with the projects averaged over the six (6) year period. In future updates of the CIP more effort will be made to prioritize and schedule the projects over the six (6) year period. For this CIP the Planning Board felt it was appropriate to average the expenditures over the scope of the CIP.

Copies of the project request forms submitted by department heads that were used in the preparation of this document are on file in the Planning Board office. In order to better understand the projects, a brief description of each is presented below. Unless otherwise indicated, the projects were submitted as being funded with current revenues as described in Section A above.

Requests for capital projects were solicited from each of the Fremont's departments in an effort to determine the level of capital expenditure for the next six (6) years. Each department was asked to provide a narrative description of the capital improvement, an estimated cost and an internal department ranking or priority statement if more than one project was submitted. This information is summarized below to act as supporting documentation of the projects listed on the Capital Improvements Program.

B. Proposed Capital Projects

In 2006, the Planning Board contacted department heads, town board representatives, school board members and the Board of Selectmen to discuss possible capital projects for the next seven (7) years. The Planning Board gathered updated information relative to capital projects, which is presented below:

Cemeteries: *New Cemetery Parcel:* Main Street (village) Cemetery is at capacity. Leavitt Cemetery is currently being expanded, but with growth more land will be needed in the future. New land cost one hundred thousand (\$100,000) dollars to one hundred and fifty thousand (\$150,000) dollars.

Office of the Selectmen: *Town Wide Revaluation:* Revaluation Certification process to be completed in 2010. Cost one hundred and twenty five thousand (\$125,000) dollars. Capital reserve fund in place.

Town Hall/ Government Buildings:

Fremont NH Capital Improvements Program 2007

New Copy Machine: Copy machine is currently past its useful life for the current demand. Replacement cost: Twelve thousand (\$12,500) dollars operation and maintenance two hundred (\$200) dollars /year.

Heating System: Town Hall heating system is antiquated and beyond useful life. Replacement cost twenty five thousand (\$25,000) dollars operation and maintenance five hundred (\$500) dollars/year. Capital reserve fund in place.

Town Hall Basement Renovations: Redesign and reconstruction of basement to more effectively maximize space, creating more meeting and office space. Cost: one hundred and ninety thousand (\$190,000) dollars (include Heating System). Capital reserve fund in place.

Generator for Emergency Shelter: Wiring and follow-up work needed to complete project. Cost five thousand (\$5,000).

Historical Society: New three (3) bay Building needed for housing historic hearse and Fire Department hand-pumper, hopefully constructed in 2007. Historic vehicles are currently housed in unsafe or inappropriate areas. Cost twenty thousand (\$20,000).

Code Enforcement/Building Safety: New mid-sized vehicle (Jeep Liberty type) needed for CEO to meet requirement of the position. Vehicle should be equipped with a two-way radio. Cost eighteen thousand (\$18,000) dollars.

Fire and Rescue Department:

New Bay on Existing Fire Station: Project will alleviate substandard conditions at existing fire station. Cost for Site Preparation and Construction three hundred and ten thousand (\$310,000) dollars.

Replace 1975 Tractor for tank 5: Tractor has two hundred and sixty five (265,000) miles and needs to be replaced: Cost ninety thousand (\$90,000) dollars. Capital reserve fund in place.

New Rescue Ambulance: Increased calls in Fremont and Raymond. New ambulance will secure Fremont's citizens when they need an Ambulance, rather than relying on Raymond. Cost sixty thousand (\$60,000) dollars.

12 Lead Monitor: Will allow Rescue to monitor any cardiac emergency calls, and improve care provided. Cost twenty seven thousand eight hundred and eighty two (\$27,882) dollars.

Fremont NH Capital Improvements Program 2007

Autopulse System: System performs compressions, and allows responders to have their hands free to perform other tasks. Cost fifteen thousand two hundred and eighty five (\$15,285 dollars).

Police Department:

Expand Police Department: Expansion would include additional office space and a locker room. Currently secure interview room is being used as an office and locker room space is inadequate and shared with the Fire Department. Cost one hundred thousand (\$100,000) dollars.

Replacement Cruiser(s): Cruisers are kept for six (6) years and replacements are scheduled for every two (2) years. Cost twenty three thousand (\$23,000) dollars (now), twenty four thousand (\$24,000) dollars (two (2) years), and twenty five thousand (\$25,000) dollars (four (4) years). Capital reserve fund in place.

Highway Department:

Martin Road Bridge Repair or Replacement: Bridge is currently on the State's "Red List" and needs repair or replacement. Possibility of 80% grant from State Bridge Aid. Cost two hundred and forty thousand (\$240,000) dollars or sixty thousand (\$60,000) dollars with 80% grant.

New Maintenance Building: New building need to keep equipment out of the elements and increase lifespan. Cost one hundred and twenty five thousand (\$125,000) dollars (within one to two (1-2) years). Capital reserve fund in place.

New Loader and Backhoe: Need a 4- wheel drive vehicle available to the Town twenty four (24) hours a day. Cost ninety thousand (\$90,000) dollars (two to three (2-3) years) Capital reserve fund in place.

New 6-Wheel Dump Truck(s): Requires set-up for front and wing plow, thirty two thousand five hundred (32,500) gross vehicle weight. Cost one hundred thousand (\$100,000) dollars (two (2) years) and one hundred thousand (\$100,000) dollars (three (3) years). Capital reserve fund in place.

C. Existing Capital Expenditures

The Town of Fremont has several capital expenditures that are ongoing. These include:

- Safety Complex Bond, payments through 2017.
- Public Library Bond, payment through 2021.
- Glen Oakes Land Conservation Bond, payments through 2025.

Fremont NH Capital Improvements Program 2007

- Park and Recreation Fields Bond, last payment in 2007.

The Town also has capital reserve funds that are added to each year. These Reserve Funds are shown below in Table 8, Along with the deposits made to these funds over the last six (6) years.

Table 8 Capital Reserve Funds

Capital Reserve Fund	Balance 2006	Deposit 2006	Deposit 2005	Deposit 2004	Deposit 2003	Deposit 2002	Deposit 2001
Fire Apparatus	\$69,190.56	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Library	\$94.07	\$0	\$0	\$0	\$0	\$0	\$0
Police Cruiser	\$20,207.35	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Revaluation	\$25,901.87	\$25,000	\$0	\$0	\$15,000	\$15,000	\$5,000
Highway Maintenance Building	\$75,987.82	\$15,000	\$15,000	\$15,000	\$15,000	\$10,000	\$0
Radio Communication	\$34,673.36	\$5,000	\$5,000	\$5,000	\$10,000	\$5,000	\$5,000
Emergency Management	\$20,534.92	\$0	\$0	\$3,000	\$3,000	\$3,000	\$3,000
Rescue Vehicle	\$2,262.17	\$0	\$0	\$0	\$5,000	\$5,000	\$2,500
Highway Equipment	\$22,327.23	\$7,500	\$7,500	\$8,563.01	\$7,500	\$5,000	\$0
Playground Capital	\$444.03	\$0	\$7,500	\$5,000	\$0	\$0	\$0
Town Hall Renovations	\$25,095.66	\$25,000	\$0	\$0	\$0	\$0	\$0
Expendable Trust – Town Hall	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0
Park and Rec-Fields	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000

The proposed capital projects and their scheduling are shown on **Table 9: Fremont Capital Improvement Plan 2007-2012** on the following page.

Reviewing the recent history of Fremont's capital expenditures (please see Table 5), the Town's total capital expenditures (town capital projects) have averaged approximately three hundred seventy four thousand nine hundred and twenty six dollars and ninety five cents (\$374,926.95) per year with a great fluctuation in 2004 due to the purchase of the Glen Oaks Property.

Fremont NH Capital Improvements Program 2007

TABLE 9
Fremont Capital Improvement Plan 2007-2012

	2007	2008	2009	2010	2011	2012	Donations / Grants	Sub Total	Total
Cemeteries									\$150,000
Description:									
Parcel for new Cemetery	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		\$150,000	150000
Police Department									\$172,000
Description:									
Department Expansion	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667		\$100,000	100000
New Cruiser	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000		\$72,000	72000
Office of the Selectmen									\$125,000
Description:									
Revaluation	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833		\$125,000	\$125,000
Town Hall / Government Buildings									\$207,500
Description:									
New Copy Machine	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083		\$12,500	\$12,500
Heating System	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167		\$25,000	\$25,000
Town Hall Basement renovations	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500		\$165,000	\$165,000
Generator For Shelter	\$833	\$833	\$833	\$833	\$833	\$833		\$5,000	\$5,000
Fire and Rescue Department									\$503,167
Description:									
New Bay on Existing Station	\$51,667	\$51,667	\$51,667	\$51,667	\$51,667	\$51,667		\$310,000.00	310000
Replace Tractor on Tank 5	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000		\$90,000.00	90000
Purchase Rescue Ambulance	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000		\$60,000.00	60000
Purchase 12 Lead Monitor	\$4,647	\$4,647	\$4,647	\$4,647	\$4,647	\$4,647		\$27,882.00	27882
Purchase Autopulse System	\$2,548	\$2,548	\$2,548	\$2,548	\$2,548	\$2,548		\$15,285.00	15285
Historical Society									\$20,000
Description:									
New 3-Bay Building	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333		\$20,000	20000
Code Enforcement									\$18,000
Description:									
New Vehicle	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000		\$18,000	\$18,000
Highway Department									\$475,000
Description:									
Repair/Replace Martin Road Bridge	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$180,000	\$240,000	\$60,000
New Maintenance Building	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833		\$125,000	\$125,000
New Loader and Back Hoe	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000		\$90,000	\$90,000
New 6-Wheel Dump Truck	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667		\$100,000	\$100,000
New 6-Wheel Dump Truck	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667		\$100,000	\$100,000
No Information from:									\$0.00
Conservation Commission									
Planning Board									
Zoning Board									
Recreation									
Library									
Total	\$278,445	\$278,445	\$278,445	\$278,445	\$278,445	\$278,445	\$180,000		\$1,670,667

Projects in *italics* do not have a capital reserve fund, and costs in **bold** indicate which year a department head expected to make the capital expenditure(s).

IV. FISCAL POLICIES

One of the main purposes of the CIP, as explained above, is to stabilize future tax rates by anticipating capital needs and then timing the appropriations for these capital needs in a reasonable manner. This final section of the CIP offers a number of fiscal policies or guidelines that the Town may wish to take into account when updating the CIP. These policies, based upon various ratios, will provide the Planning Board, Board of Selectmen and the Budget Committee with a foundation from which to begin making decisions about future capital expenditure programs. Each section below offers a table that analyzes both historic and projected town finances. Based upon these analyses, a ratio for each category has been developed. An important consideration for the Planning Board is that the projections displayed are entirely dependent upon recent historical conditions in Fremont. Hence, these projections are based upon various assumptions; and in order for the CIP to be as accurate as possible, the CIP must be kept up to date.

Ratio of Capital Expenditures to Total Budget.

Policy One: The ratio of capital expenditures to total municipal budget (excluding schools) should not exceed 15.8%. (This is the average percentage historically)

Year	Capitol Expenditure	Total Municipal Budget	Ratio
2000	\$58,982	\$1,279,272	4.6%
2001	\$378,499	\$1,834,438	20.6%
2002	\$403,905	\$2,077,324	19.4%
2003	\$183,650	\$1,936,696	9.5%
2004	\$141,199	\$2,174,765	6.5%
2005	\$1,144,864	\$3,069,897	37.3%
2006	\$313,390	\$2,523,235	12.4%
Average ratio			15.8%

Ratio of Capital Expenditures to Equalized Valuation

Year	Capitol Expenditure	Equalized Assessed Valuation	Ratio
2000	\$58,982	\$194,660,265	0.03%
2001	\$378,499	\$240,936,654	0.16%
2002	\$403,905	\$274,974,066	0.15%
2003	\$183,650	\$319,146,303	0.06%
2004	\$141,199	\$370,811,083	0.04%
2005	\$1,144,864	\$410,915,497	0.28%
2006	\$313,390	\$438,531,381	0.07%

Policy Two: The ratio of capital expenditures to equalized valuation should not exceed 0.15% for total capital projects.

C. Annual Increase of Property Taxes to be Raised

Policy Three: The dollar amount raised from property taxes should not increase by more than 16.5% (this is the average increase over the past six (6) years) from one year to the next.

Year	Property Tax	Percent Increase from Previous Year
2000	\$3,359,192	
2001	\$4,375,130	30.2
2002	\$5,035,465	15.1
2003	\$5,577,574	10.8
2004	\$6,699,719	20.1
2005	\$7,289,016	8.8
2006	\$8,326,515	14.2
Average Increase		16.5

