

# Effingham Capital Improvements Program (CIP) 2020-2029



Prepared with the  
assistance of  
Lakes Region  
Planning Commission

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# Town of Effingham, New Hampshire Capital Improvements Program

ADOPTED BY THE EFFINGHAM PLANNING BOARD: November 14, 2019

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## Acknowledgements

Effingham's CIP Committee wishes to acknowledge and to thank Effingham's department heads, committee and commission chairs, the Town Treasurer, the Governor Wentworth Regional School District, and Effingham's GWRSD School Board representatives. Their willingness to take the time to respond to our requests for information regarding their plans for capital projects helped us to be as efficient as possible in completing our work. The CIP Committee especially thanks Effingham's Board of Selectmen for their active support. The information they all have supplied increased the likelihood that our efforts, reflected in this report, will benefit town residents and property owners.

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## Introduction

This is Effingham's first Capital Improvements Program (CIP). It is presented to the Board of Selectmen and Budget Committee in November 2019, laying out a projected schedule of Capital Improvements for the period 2020 to 2029. The role of the CIP is as an advisor, assisting by providing research and recommendations to the Board of Selectmen and Budget Committee.

The CIP will be updated each year, but this first CIP offers a baseline of information about the town that will be expanded upon in annual CIP updates and will eventually provide important long-term historical trends in Effingham's revenues and expenditures. It will enable the town to more purposefully use its capital reserve and expendable trust funds, to plan 10 years into the future, and to prioritize major infrastructure, equipment, and vehicle purchases.

This CIP Committee report can be viewed and downloaded through links found on the CIP Committee's page on Effingham's website, [www.effinghamnh.net](http://www.effinghamnh.net). Copies of the report are also available at the Effingham Public Library, and a limited supply is available at the Town Offices.

This 2019 CIP report covers the years 2020-2029, and lists projects proposed by Effingham's various departments, committees, commissions, and boards for the next 10 years. Each project proposal includes the department's or committee's submission, the CIP Committee's discussion and recommendations, and a suggested timetable and financing approach. Financial data for these projects is also included in a summary schedule.

Effingham's CIP report is an advisory document. The Selectmen and Budget Committee are not bound to follow any of its recommendations. However, over time, a CIP report often proves to be an essential, helpful management tool for everyone involved in planning the town's future.

## Authority and Purpose

The Effingham Planning Board received authorization from Town Meeting to develop a capital improvements program (CIP) in March 2000. A CIP is a decision-making tool used to plan and schedule town improvements over at least a six-year period. RSA 674:5 states that the purpose of a CIP is to "aid the mayor or selectmen and the budget committee in their consideration of the annual budget." The CIP provides a suggested timeline for budgeting and implementing needed capital improvements. The Effingham CIP Committee has chosen to use the CIP to plan over a 10-year period.

As an advisory document, the CIP is designed to guide the overall direction of the capital portion of the municipal budget rather than serve as a rigid requirement for annual capital expenditures.

The CIP is a valuable part of community planning and budgeting. It bridges the gap between planning and spending, between the visions of the Master Plan and the fiscal realities of improving and expanding community facilities. The benefits of preparing a Capital Improvements Program include:

- Improving communication and coordination among town departments, officials, the budget committee, and citizens.
- Avoiding undue property tax increases
- Anticipating the demands of growth
- Preserving basic municipal services

The CIP is a statement of a town's intended schedule for the construction, expansion, or replacement of public facilities and equipment that have a known life expectancy, such as municipal buildings and equipment. Expenditures for projects other than physical facilities can be included in the CIP as well. Examples include engineering studies, Master Plan development, land acquisition, and revaluation of property. Non-recurring projects and those projects that require bond financing can be included.

The creation and adoption of a formal Capital Improvements Program is a statutory requirement for both impact fee and growth management ordinances (RSA 674:21 and RSA 674:22), should Effingham decide in the future that these ordinances may be necessary.

To be effective, a CIP must be updated on an annual basis. In Effingham this will be accomplished by annual consultation between the CIP Committee and department heads, committees, and commissions to determine if any revisions are needed to departmental project requests. Revenue and expenditure projections will be reviewed and revised, as necessary, to reflect changing conditions within the community. In addition, the CIP is expanded one year into the future each year to maintain the 10-year perspective. These steps aid in ensuring that the CIP remains a realistic guide for fiscal planning. Additionally, it is recommended that the supporting data in this document be updated on a regular basis.

Some of the advantages to maintaining a working CIP are:

- Minimizing fluctuations in local taxes associated with costs of providing capital improvements.
- Aiding local officials in projecting future expenditures through the establishment of project schedules and cost estimates for capital expenditures.
- Correlating projects to meet community goals, anticipated growth, and financial capabilities.
- Helping the town to apply for state and federal assistance.
- Developing public support for future capital expenditures.
- Anticipating future capital facility needs.
- Identifying and applying standards that ensure adequate services and facilities are available to Effingham residents and visitors.

## What is a Capital Improvement?

Each municipality can define this term to meet its own needs. The Effingham CIP Committee has defined a capital improvement as an item having a useful life expectancy of at least two years and requiring a gross expenditure of at least \$10,000.

Regular operating expenditures are intentionally excluded from this definition. Examples of Capital Improvements include:

- Purchasing or leasing vehicles or other equipment
- Purchasing land
- Purchasing, constructing, expanding, or renovating town buildings
- Architectural, engineering, and property revaluation costs
- Constructing, reconstructing and paving roads and bridges
- Any project involving financing by bonded indebtedness
- Contracting for services with a work order for a defined task



## How are Capital Improvements Funded?

There are five basic ways of paying for a project (adapted from Town of Tuftonboro CIP):

- Pay in advance (saving - Capital Reserve) - majority vote
- Pay at purchase (current taxes) - majority vote
- Pay later (debt financing - Bond or Bank) - two thirds vote
- Pay later (debt financing - Seller) - usually majority vote
- Pay as you go – Special Revenue Fund – majority vote

All five approaches are acceptable, depending upon the project, its cost and the availability of budgeted funds. If the demand for capital expenditures exceeds the town's capital capacity, debt financing is the way to spread the cost over a number of years.

In *A Capital Improvements Plan is Not Just a Wish List* by David L. Stack, *NHMA Town & City Magazine Sept/Oct 2016*, there are several different financing mechanisms that can be utilized to fund capital projects. Four methods require appropriations; either as part of the town's annual operating budget or as independent warrant articles at town meeting.

**General Fund** – projects to be funded by property tax revenues within a single fiscal year.

**Capital Reserve Fund (CRF) or Expendable Trust Fund (ETF)** – often requires appropriations over more than one year, with the actual project being accomplished only when the total appropriation meets the project cost.

**Lease/Purchase** – often used by municipalities for the purchase of major vehicles.

**Bonds** – are generally limited to the most expensive capital projects, such as major renovations, additions, or new construction of municipal buildings or facilities, and allows capital facilities needs to be met immediately while spreading out the cost over many years in the future.

**Undesignated Fund Balance** – may be used to finance if approved by town meeting.

**Grants** – are also utilized to fund capital projects. Typically, grants will cover a portion of the overall project cost, and the town is responsible for the remaining percentage of the project cost.

**To Be Determined (TBD)** – used if uncertain of cost, funding or project timeline.

**Public/Private Partnerships** – the town can take advantage of public/private partnerships, where a private organization shares the costs of funding a capital project.

**Special Revenue Fund** - established under the provision of RSA 31:95-c and allow the legislative body to vote to restrict all or a portion of future revenues from a specific source to expenditures for a specific purpose.

## CIP – Process

Planning Board adopted its first Master Plan in 1981, which was most recently updated in 2011.

Town meeting voted to authorize Planning Board to develop a CIP in March 2000 [RSA 674:4:5](#)  
Effingham Planning Board established a CIP Committee to develop a CIP in 2018.

CIP Committee confers with Board of Selectmen, Budget Committee, other town departments and boards, and the School Board [RSA 674:7](#)

CIP Committee reviews Master Plan recommendations [RSA 674:7](#)

CIP Committee develops program of capital projects over a period of at least 6 years [RSA 674:5](#)

CIP Committee shall classify projects according to urgency and need and recommend a time sequence for implementation [RSA 674:6](#)

If requested by the CIP Committee, municipal departments and affected school boards shall provide statement of capital projects proposed during the term of the CIP program [RSA 674:7](#)

CIP Committee will submit recommendations to the Effingham Planning Board

Effingham Planning Board will vote to adopt the Capital Improvements Program [RSA 674:8](#)

The RSAs do not specify a procedure for adoption of the CIP by the Planning Board, however most municipalities follow the same procedure as required for the adoption of the Master Plan: RSA 675:6, which requires the Planning Board to hold a public hearing prior to adoption. Notice of public hearing shall follow [RSA 675:7](#): Notice of time and place of public hearing given at least 10 calendar days prior to hearing, not including day notice is posted or day of public hearing, and published in a newspaper of general circulation and posted in at least two public places.

The Planning Board will submit the CIP to the Board of Selectmen and Budget Committee for consideration in developing the annual budget [RSA 674:8](#)

## Program Process

The need to keep the CIP current is important. The Planning Board is responsible for keeping the CIP current and ensuring it is a part of the annual budgeting process. Each year, the capital project needs of the next year of the 10-year term of the CIP should be solicited. When new fiscal data are available for publication in the Annual Town Reports, these data should be compared to the estimates included in the current CIP. Adjustments should be made to the estimates where necessary. This process is recommended in perpetuity.

Recommendations found in the Effingham Master Plan should be consulted as a guide when identifying new capital improvements projects for implementation. When certain improvements are completed, or if projects in the CIP are not readily identified in the Master Plan, it may then be time to update the pertinent section of the Master Plan in order to have an effective pair of valuable planning tools available for reference and support of local regulations and decisions.

### Project Identification

For the purpose of maintaining a consistent means to identify and describe potential capital improvement projects, departments, boards, committees, or individuals submit a completed Effingham Capital Funding Request/Project Worksheet (“Funding Request Worksheet”) so that the project can be considered by the CIP Committee. The completed forms summarize the purpose and benefits of the project, estimated costs, proposed funding sources, and the year that the project should be scheduled. The forms are distributed annually by the CIP Committee.

### Project Evaluation

The CIP Committee evaluates projects based on the following classifications:

- Urgent – can’t be delayed; needed immediately for health or safety
- Necessary – needed within 3 years to maintain basic level and quality of community services
- Desirable – needed within 4 to 6 years to improve quality or level of service
- Deferrable – can be ‘on hold’ until after the 10-year period, but supports community development goals
- Premature – needs more research, planning, and coordination
- Inconsistent – contrary to land use planning or community development goals

## Program Evaluation

The Capital Improvements Program, while a practical forecasting tool, must also reflect changes in the community that develop over time. Because the constraints placed on the CIP are based on the town's net property valuation, the ability to pay for capital improvements requires an annual review of changes. This is achieved through annually updating valuation forecasts, understanding trends in the community, and applying recommendations that are made through the Master Plan to help ensure that the CIP remains practical.

## Recommendations

Each fall, the CIP Committee forwards its updated CIP report to the Planning Board for approval. The Planning Board then forwards the approved CIP recommendations to the Budget Committee and Board of Selectmen for their consideration in the town budget development process.

## Tracking

Funding recommendations made by the CIP Committee are tracked over time by maintaining a spreadsheet of projects, funding sources, timelines, and the estimated impact on the tax rate for the current year. A copy of the funding recommendations spreadsheet is included in Appendix A.

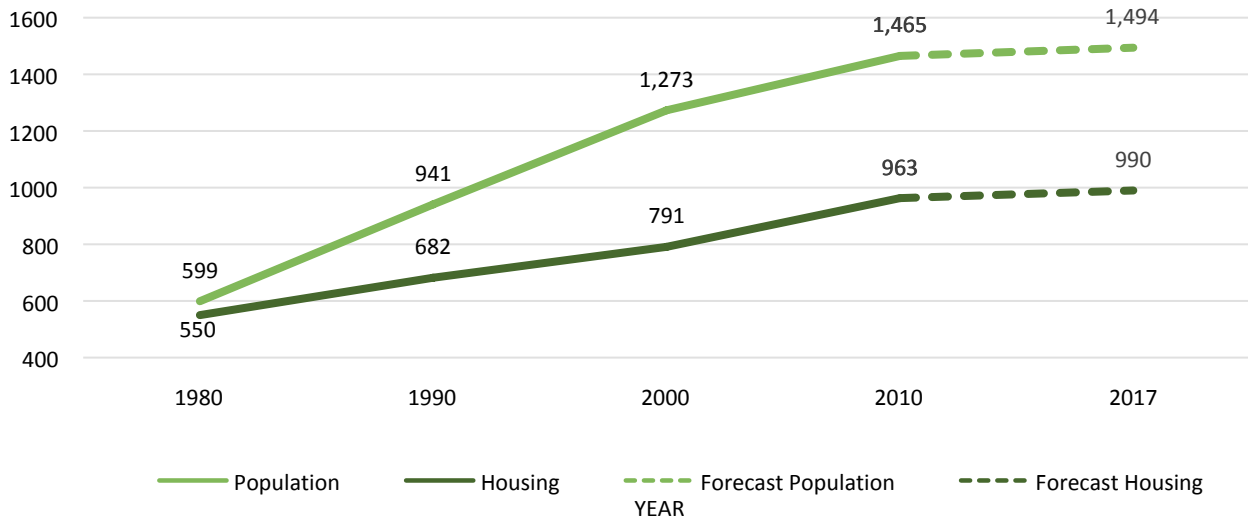
## Effingham Population Trends

In order to assess future capital needs it is important to understand recent trends in population growth and to be able to make projections of future growth. This section is designed to detail recent population trends and the demand for housing that this brings. Population increases and new commercial and residential building construction are directly associated with a community's ability to meet the demand for additional services such as roads, police, fire, schools, and recreation. Population growth means continued land development, which translates to an increase in the net land valuation for Effingham. Increases in net valuation mean increased real estate taxes, which can offset increased demand for services created by newly arriving residents. An imbalance between growth and capital expenditures can lead to the possibility of population demands outpacing the town's ability to provide services. Early recognition of these trends and anticipation of the resulting public service needs makes it possible to forecast future capital improvement needs.

Based on historical population trends, Effingham grew at a rate of 1.94% between 2010 and 2018, a considerably slower growth rate than in the previous decade when Effingham's population grew by 13.10% between 2000 and 2010. Population increases impact municipal budgets in several ways. For example, an increase in residential population tends to create greater demand on public services, such as police protection, and produces higher traffic levels on local roads, increasing highway maintenance costs. Effingham's population and housing growth trends are illustrated below:

| <b>Effingham, Neighboring Towns, Lakes Region and State of New Hampshire Estimated Population Growth Comparisons</b> | 2000 US Census | 2010 US Census | 2018 NH OSI Estimate | Change 2010 - 2018 | % Change 2010 - 2018 |
|--|----------------|----------------|----------------------|--------------------|----------------------|
| Effingham  | 1,273          | 1,465          | 1,494                | 29                 | 1.94%                |
| Freedom  | 1,303          | 1,489          | 1,587                | 98                 | 6.18%                |
| Ossipee  | 4,211          | 4,345          | 4,464                | 119                | 2.67%                |
| Wakefield  | 4,252          | 5,078          | 5,141                | 63                 | 1.23%                |
| Lakes Region   | 106,428        | 112,735        | 114,857              | 2,122              | 1.88%                |
| New Hampshire  | 1,235,550      | 1,316,176      | 1,356,458            | 40,282             | 2.97%                |
| Source: US Census 2010<br>NH OSI 2018 Estimates  |                |                |                      |                    |                      |

## Population and Housing Effingham, NH: 1980-2010 & 2017 (Est.)



Source: NH Office of Strategic Initiatives

# Fiscal Analysis

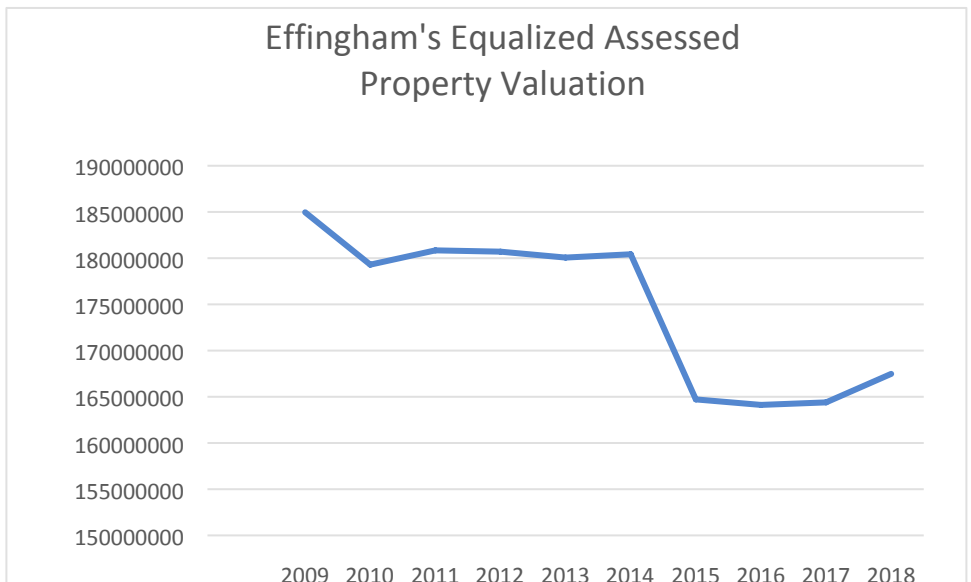
A fiscal analysis is an important step in understanding Effingham’s ability to pay for major capital expenditures. Historical expenditure and revenue trends help explain a town's fiscal situation and capacity to afford major capital expenditures. Looking at past fiscal trends helps project future expenses and revenues. This kind of background information helps provide a better understanding of potential tax impacts of proposed capital expenditures.

## Equalized Assessed Property Valuation

The property value of the Town of Effingham is expressed by net valuation of property, which represents the gross sum of all taxable property minus exemptions. Equalized assessed property value does not mean fair market value of property. Equalized assessed value is used to compute the tax rate for the town, the school district, and the county. Changes in net valuation result from two major influences:

1. Appreciation or depreciation due to changes in market conditions that increase or decrease the value of land and buildings; and
2. Increased value realized when new development occurs within the town.

Effingham taxpayers are feeling a greater tax burden now than they did in 2009. Over the past 10 years Effingham’s equalized assessed property valuation declined between 2009 and 2019 by more than \$17 million, a stark reflection of the Great Recession that afflicted the United States.



Even though Effingham’s total assessed valuation decreased from 2014 to 2015, the town’s total tax commitment increased by more than \$1.5 million between 2009 and 2019. All three portions of the property tax rate increased – municipal, local and state school tax, and county tax. This is why the tax burden feels greater now than it did in 2009.

## Effingham's Property Valuation, Tax Rate and Tax Commitment

| Year | Valuation         | Town Tax | Local School Tax | State Ed Tax | County Tax | Total Tax Rate | Tax Commitment  |
|------|-------------------|----------|------------------|--------------|------------|----------------|-----------------|
| 2009 | \$ 184,963,022.00 | \$ 5.13  | \$ 7.64          | \$ 2.31      | \$ 0.98    | \$ 16.06       | \$ 2,915,710.00 |
| 2010 | \$ 179,298,336.00 | \$ 4.98  | \$ 7.73          | \$ 2.31      | \$ 1.03    | \$ 16.05       | \$ 2,818,729.00 |
| 2011 | \$ 180,844,133.00 | \$ 5.92  | \$ 9.82          | \$ 2.43      | \$ 0.99    | \$ 19.16       | \$ 3,407,611.00 |
| 2012 | \$ 180,703,975.00 | \$ 5.83  | \$ 8.49          | \$ 2.40      | \$ 1.04    | \$ 17.76       | \$ 3,151,644.00 |
| 2013 | \$ 180,064,187.00 | \$ 6.84  | \$ 8.77          | \$ 2.47      | \$ 1.10    | \$ 19.18       | \$ 3,395,916.00 |
| 2014 | \$ 180,421,105.00 | \$ 6.71  | \$ 10.06         | \$ 2.51      | \$ 1.00    | \$ 20.28       | \$ 3,598,549.00 |
| 2015 | \$ 164,716,451.00 | \$ 6.96  | \$ 9.90          | \$ 2.26      | \$ 1.35    | \$ 20.47       | \$ 3,436,282.00 |
| 2016 | \$ 164,121,254.00 | \$ 7.99  | \$ 11.15         | \$ 2.30      | \$ 1.36    | \$ 22.80       | \$ 3,820,934.00 |
| 2017 | \$ 164,394,302.00 | \$ 6.48  | \$ 11.86         | \$ 2.29      | \$ 1.22    | \$ 21.85       | \$ 3,668,266.00 |
| 2018 | \$ 167,479,815.00 | \$ 7.76  | \$ 11.23         | \$ 2.05      | \$ 1.21    | \$ 22.25       | \$ 3,713,954.00 |
| 2019 | \$ 167,310,144.00 | \$ 10.05 | \$ 13.51         | \$ 2.12      | \$ 1.22    | \$ 26.90       | \$ 4,490,420.00 |

Source: Effingham Town Reports

## Historic Municipal Expenditures

Data on past municipal expenditures is helpful in predicting future operating and capital expenditures. To date, Effingham's financial recordkeeping doesn't allow the CIP Committee to break out total operating expenditures versus total capital expenditures. In order to forecast future capital expenditures, the CIP Committee recommends comprehensive and detailed expense recordkeeping beginning in January 2020 that would allow tracking of total capital expenditures each year. Lacking that information this year, the Committee will simply list the town's capital assets along with expected replacement costs over time.

As the CIP report is updated each year, and the town's financial recordkeeping is adapted to support future planning, the Board of Selectmen, Budget Committee, and Town Meeting voters will have more reliable information on which to base decisions.



## School District Expenditures

School district capital costs, budgets, and needs differ from those of the municipality. Funding to support schools is based on a local school district funding formula and on differing eligibilities for state aid. The state level debate over school funding is on-going and at times unpredictable. The level of state aid can have a significant impact on municipalities like Effingham – towns that are considered “property poor.” While state aid is difficult to predict and, therefore, difficult to plan for, this CIP report can offer some insight into how our school district funding formula impacts our tax rate.

Effingham is a member of the six-town Governor Wentworth Regional School District (GWRSD), which also includes the towns of Brookfield, New Durham, Ossipee, Tuftonboro, and Wolfeboro. Each town’s share of school district expenses is determined by the district’s funding formula, agreed upon when the district was established in the 1960s. The formula has two factors:

- Each town’s proportion of school-age children, known as Average Daily Membership, attending one of the district's schools – 75%, and
- Each town’s proportion of assessed property valuation – 25%.

The Average Daily Membership table below shows that the proportion of students from several other towns in the district declined significantly between 1995 and 2015, while Effingham’s proportion of students has increased slightly. As a result, Effingham’s 75% part of the funding formula has increased, while its 25% proportion – assessed property valuation – has decreased.

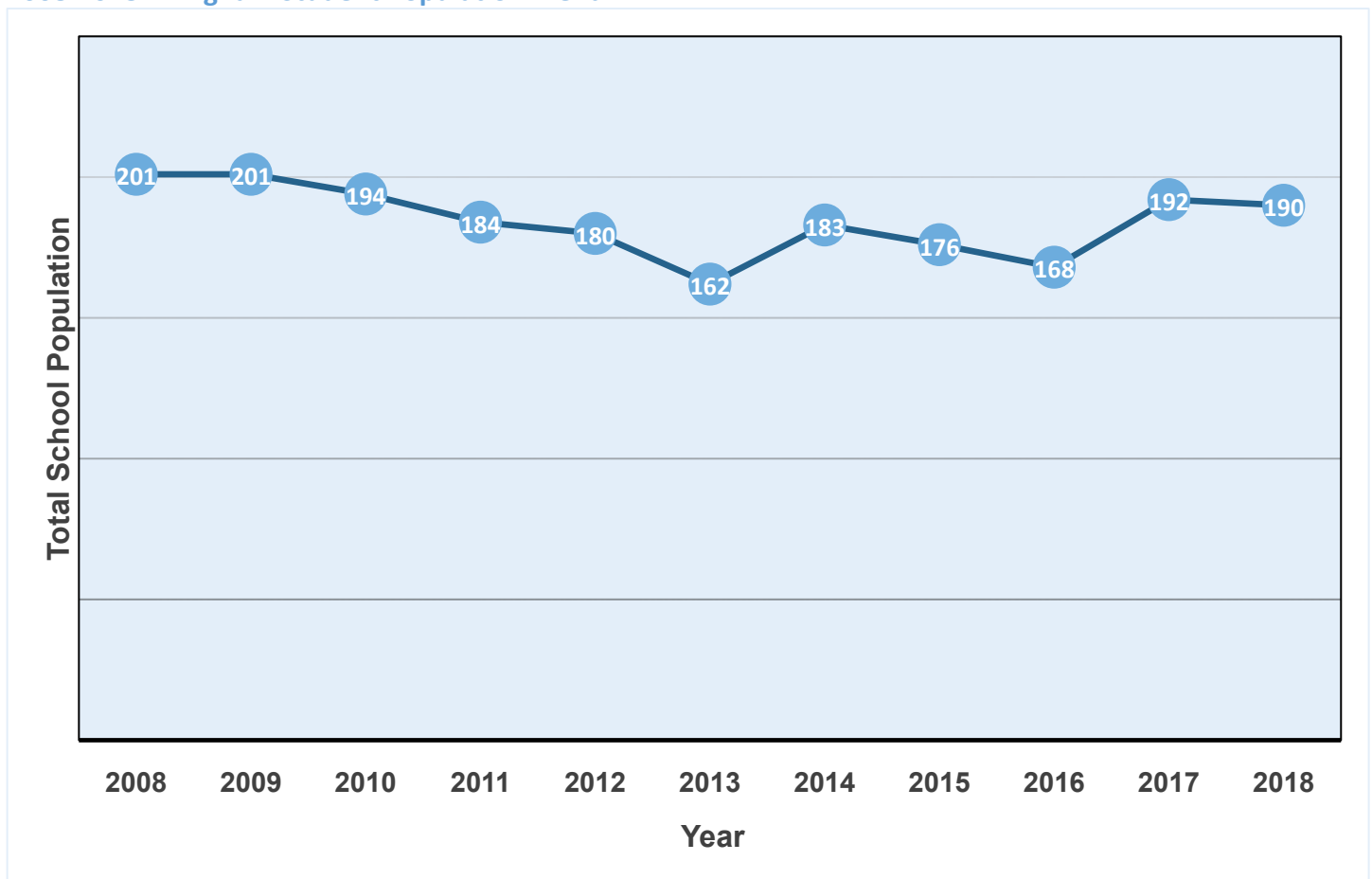
|               | Average Daily Membership |               |               |               |                |               |
|---------------|--------------------------|---------------|---------------|---------------|----------------|---------------|
| Town          | 1995                     | 2005          | 2010          | 2015          | 20-Year Change | Percent       |
| Brookfield    | 101.3                    | 114.5         | 85.6          | 71.9          | -29.4          | -29.0%        |
| Effingham     | 190.2                    | 248.7         | 230.1         | 190.3         | 0.1            | 0.1%          |
| New Durham    | 392.4                    | 453           | 428.1         | 396.3         | 3.9            | 1.0%          |
| Ossipee       | 647.9                    | 656.7         | 592.3         | 566.7         | -81.2          | -12.5%        |
| Tuftonboro    | 332.9                    | 314.3         | 314.1         | 255.1         | -77.8          | -23.4%        |
| Wolfeboro     | 876                      | 884.5         | 793.7         | 736.8         | -139.2         | -15.9%        |
| <b>Totals</b> | <b>2540.7</b>            | <b>2671.7</b> | <b>2443.9</b> | <b>2217.1</b> | <b>-323.6</b>  | <b>-12.7%</b> |

Source: GWRSD Average Daily Membership (enrollment) as of September 15, 2015 from District Report Card: Statistical and Objective Data 2018-2019, published by the Governor Wentworth Regional School District

In 2019, the school district raised \$41,957, 727 from property taxes from the six member towns for the GWRSD budget. The Town of Effingham was responsible for \$2,605,593, or 6.21% of the total. Other district towns pay more toward the school district budget; however, school enrollment in other towns has declined significantly while Effingham’s has remained about the same as it was in 1995. Therefore, Effingham’s proportion of school district costs has increased while other towns’ proportion has decreased. This is reflected in the school portion of our property tax bills.

Effingham’s student population has an impact on future capital needs for the Governor Wentworth Regional School District, and has an impact on Effingham’s property tax rate. The table below indicates that Effingham’s total school population declined between 2008 and 2014, but has been on an upward trend since then.

### 2008-2018 Effingham Student Population Trend



Source: Governor Wentworth Regional School District

Effingham’s student population is further defined in the table below, which totals the number of students in each grade (K-6 in the Effingham Elementary School; 7-8 in the Kingswood Regional Middle School; and 9-12 in the Kingswood Regional High School).

**2008-2018 Effingham Student Population**

|               | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       |
|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>K</b>      | 12         | 5          | 14         | 12         | 9          | 24         | 11         | 7          | 15         | 18         | 14         |
| <b>1</b>      | 8          | 16         | 6          | 13         | 14         | 9          | 20         | 14         | 7          | 16         | 19         |
| <b>2</b>      | 16         | 10         | 15         | 7          | 10         | 15         | 11         | 18         | 16         | 9          | 21         |
| <b>3</b>      | 12         | 14         | 12         | 15         | 8          | 14         | 13         | 11         | 19         | 18         | 10         |
| <b>4</b>      | 15         | 13         | 11         | 10         | 14         | 8          | 12         | 13         | 14         | 22         | 17         |
| <b>5</b>      | 12         | 17         | 10         | 11         | 11         | 13         | 8          | 13         | 9          | 16         | 18         |
| <b>6</b>      | 15         | 10         | 15         | 10         | 8          | 13         | 13         | 9          | 13         | 12         | 15         |
| <b>7-8</b>    | 32         | 32         | 32         | 33         | 31         | 24         | 29         | 29         | 19         | 24         | 23         |
| <b>9-12</b>   | 79         | 84         | 79         | 73         | 75         | 42         | 66         | 62         | 56         | 57         | 53         |
| <b>Totals</b> | <b>201</b> | <b>201</b> | <b>194</b> | <b>184</b> | <b>180</b> | <b>162</b> | <b>183</b> | <b>176</b> | <b>168</b> | <b>192</b> | <b>190</b> |

Source: Governor Wentworth Regional School District

**GWRSD Debt Service**

School District officials do not anticipate new capital projects in the foreseeable future that will have a notable impact on Effingham’s school taxes.

Current school district debt service as of June 30, 2018, as reported in the 2019 GWRSD Annual Report, is:

| General Obligation   | Original Amount     | Issue Date | Maturity Date | Interest Rate | Outstanding at June 30, 2018 |
|----------------------|---------------------|------------|---------------|---------------|------------------------------|
| Kingswood Complex I  | \$25,000,000        | 7/1/2009   | 7/1/2030      | 4.30%         | \$14,777,311                 |
| Kingswood Complex II | \$32,508,500        | 2/15/2011  | 8/15/2039     | 4.46%         | \$19,600,917                 |
| <b>TOTAL</b>         | <b>\$57,508,500</b> |            |               |               | <b>\$34,378,226</b>          |

For more information on the GWRSD budget, see the 2019 GWRSD Annual Report on the school district website GWRSD.org or at this link:

<https://drive.google.com/file/d/1J90TADh0GiMvHUGRvSuNeOyLUDb5M69Q/view>

## County Government Expenditures

The Carroll County government is responsible for county administration, the county jail, the Sheriff’s Department, the county farm and Mountain View Community, the county’s nursing home. The county court is a state agency, paid for by New Hampshire state appropriations.

The Mountain View Community continues to be fully occupied. The future of the remaining sections of the former nursing home structure is still undecided. However, there are currently promising new uses under consideration that would productively utilize the space without requiring taxpayer support. The Mountain View project was financed with general obligation bonds totaling \$23.5 million with an effective interest rate of 3.38% and a final maturity of December 31, 2030.

In 2018, the County budget raised a total of \$16,521,886 in property taxes. Effingham’s share of the county’s tax burden was 1.22%, or \$202,708.

| EFFINGHAM COUNTY TAX |        |           |
|----------------------|--------|-----------|
| YEAR                 | RATE   | EFFORT    |
| 2009                 | \$0.98 | \$181,702 |
| 2010                 | \$1.03 | \$184,218 |
| 2011                 | \$0.99 | \$179,700 |
| 2012                 | \$1.04 | \$187,995 |
| 2013                 | \$1.10 | \$198,596 |
| 2014                 | \$1.00 | \$179,861 |
| 2015                 | \$1.35 | \$230,616 |
| 2016                 | \$1.36 | \$231,392 |
| 2017                 | \$1.22 | \$208,348 |
| 2018                 | \$1.21 | \$202,708 |
| 2019                 | \$1.22 | \$203,313 |

For more information on the county budget, see the 2018 Carroll County Annual Report on the county website:

[https://www.carrollcountynh.net/sites/carrollcountynh/files/uploads/2018\\_final\\_reduced.pdf](https://www.carrollcountynh.net/sites/carrollcountynh/files/uploads/2018_final_reduced.pdf)

## Capital Reserve and Town Funded Trust Funds

Establishing “savings accounts” (i.e. Capital Reserve Funds and Expendable Trust Funds) and exploring other financing options, is necessary to support needed capital improvements. The CIP report formalizes and expands the existing process of funding capital improvements and includes recommendations for funding the town’s CRFs and ETFs. Effingham has a long history of establishing and funding these savings accounts. Over the years, Town Meeting has created numerous funds for specific purposes. These funds allow the town to put money aside each year to build toward a specific capital expenditure, such as a fire truck or a police cruiser. Coordinating an annual Capital Improvements Plan with these reserve funds and trust funds will allow the town to make capital expenditures while avoiding spikes in the tax rate.

### TOWN OF EFFINGHAM CAPITAL RESERVE AND EXPENDABLE TOWN-FUNDED TRUST FUNDS

| PURPOSE                         | DATE ESTABLISHED/<br>REVISED | BALANCE AS<br>OF 9/30/19 | 2020 RECOMMENDED<br>APPROPRIATION |
|---------------------------------|------------------------------|--------------------------|-----------------------------------|
| Computer & Network Equip.       | 2018                         | \$5,052.20               |                                   |
| Emergency Management            | 1991/1992                    | \$37,251.66              |                                   |
| Fire Department Equipment       | 2017                         | \$9,229.14               |                                   |
| Fire Truck & Equipment          | 1963/2017                    | \$96,159.68              | Add \$75,000                      |
| Library Equipment               | 2006                         | \$4,529.87               |                                   |
| Police Safety & Protective Gear | 2014                         | \$3,711.95               |                                   |
| Police Cruiser & Equipment      | 1990/2017                    | \$55,970.78              | Add \$17,000                      |
| Public Safety Buildings         | 2003                         | \$51,312.46              |                                   |
| Salt Shed                       | 2003                         | \$6,089.17               |                                   |
| Town-Owned Bridges              | 2003                         | \$209,632.63             | Add \$100,000                     |
| Transfer Station                | 2003                         | \$20,756.89              | Add \$2,000/Expend \$2,500        |
| Dry Hydrant                     | 2000                         | \$4,129.00               |                                   |
| Municipal Buildings             | 1998                         | \$40,271.69              |                                   |
| Town Hall Repair                | 2005                         | \$64,448.81              | Add \$5,000                       |
| Uninsured Loss                  | 2000                         | \$3,895.99               |                                   |
| Voting Machines                 | 2013                         | \$3,093.22               |                                   |
|                                 |                              |                          |                                   |

## Capital Projects and Purchases (proposed or approved)

The CIP Committee contacted the head of each department, committee, and commission in Effingham during the summer of 2019 with a request to prepare a project submission form for each Capital Improvement project planned or contemplated for implementation during the next 10 years. For each project, the department head summary and submission are summarized, followed by the CIP Committee Comments, Evaluation and Recommendations.

### Roads and Bridges

#### Submitted by the Board of Selectmen

Effingham contracts with independent contractors responsible for maintaining and upgrading the Town's roads. Effingham maintains approximately 42 miles of roads (50% paved and 50% unpaved), which includes culvert maintenance and replacement. The Town also owns 6 bridges (a bridge is defined as a span of 10 ft or greater).

In the past, Town Meeting voted on three separate roadway budget items:

1. Individually named road reconstruction projects
2. Bridge replacement projects identified by the Board of Selectmen
3. Road repair and sealing/paving work

Items (1) and (2) were listed as separate articles on the Warrant, while (3) was included in the operating budget. Unpaved roads are generally maintained from the operating budget.

It is important to note that priorities may shift. To assist with reprioritization discussions, the CIP has surveyed each paved road. This listing is included in Appendix C.

#### 1. Green Mountain Road Reconstruction (5 miles)

**Summary:** This multi-year project for resurfacing and rebuilding a highly used road was started in 2018 with anticipated completion in 2023. Work also requires state Department of Environmental Services (DES) approval for replacement of certain culverts.

##### Phase 1 - Completed

|  |           |
|--|-----------|
| 2018 appropriation for reclamation and paving:         | \$210,000 |
| 2018 appropriation for road reconstruction (culverts): | \$ 60,000 |

Initial resurfacing and culverts completed from Champion Hill for approximately 1 mile.

**Phase 2 – Incomplete. Funds carried over to 2020\***

|  |            |
|--|------------|
| 2019 appropriation for reclamation and paving:         | \$190,000* |
| 2019 appropriation for road reconstruction (culverts): | \$ 60,000  |

Culvert work was completed on 7 culverts, with additional culverts pending DES review and approval. Reclamation and paving carried over to 2020.

**Phase 3 – 2020**

|   |            |
|---|------------|
| Reclamation and paving 1.25 miles (carry-over funds from 2019):   | \$190,000* |
| 2020 appropriation for topcoat from Champion Hill Road (3 miles): | \$220,000  |

**Phase 4 – 2021**

|  |           |
|--|-----------|
| 2021 appropriation for reclamation and paving:         | \$200,000 |
| 2021 appropriation for road reconstruction (culverts): | \$100,000 |
| Complete 1.25 miles                                    |           |

**Phase 5 – 2022**

|  |           |
|--|-----------|
| 2022 appropriation for reclamation and paving:         | \$200,000 |
| 2022 appropriation for road reconstruction (culverts): | \$ 75,000 |
| Complete to Route 25                                   |           |

**Phase 6 – 2023**

|   |           |
|---|-----------|
| 2023 Appropriation for top coating 2.25 miles | \$250,000 |
|---|-----------|

**Submission**

**2020 REQUEST**

- Carry over obligated reclamation and paving funds: \$190,000\*
- 2020 Road paving appropriation request (General Fund): \$220,000  
Anticipated completion route: 3 miles from Champion Hill Rd

**CIP Committee Comments:** It is important to maintain the quality of the Town's roads.

**Project evaluation:** Necessary.

**CIP Committee Recommendation:**

- Carry over obligated 2019 Green Mountain Road approved funds.
- Recommend Green Mountain Rd Reconstruction article on the Town Warrant for \$220,000 in 2020.
- Refer to Champion Hill project (#4 below) for timing and prioritization.

## 2. Snow Road Bridge Replacement

**Summary:** This bridge, which provides access to the town's Transfer Station, is red-listed by the state due to the weakened status of the bridge infrastructure and the weight of the waste transfer trucks. Although the State Aid Bridge Program could reimburse 80% of the cost, the Program has a backlog and has currently suspended review or replacements that were not already funded. Effingham is in the queue for future replacement funds; however, the risk is that the bridge will fail and be closed prior to receiving state funds. There are funds in the Town-Owned Bridges Capital Reserve Fund to be used for this project.

**Submission:** Estimated replacement cost is \$300,000.

- Town-Owned Bridges Capital Reserve Fund: \$208,000
- 2020 bridge replacement appropriation request: \$100,000

**CIP Committee Comments:** It is important to maintain the quality and safety of the Town's bridges. This bridge is currently on the backlogged state replacement program.

**Project evaluation:** Urgent

**CIP Committee Recommendation:** Maintain scheduled replacement of the Snow Road Bridge for 2021.

## 3. Elm Street Bridge

**Summary:** The project was initiated in 2018 to start engineering and design work. H. E. Bergeron Engineers (HEB) presented a design with an estimated project cost of \$225,000 to replace rusting and faulty bridge infrastructure and resurface. The funds of \$225,000 were approved at 2019 Town Meeting (Warrant Article 20). A Request for Proposal (RFP) was conducted in Spring 2019 and the contract was awarded to Hansen Construction. Work will commence in 2020.

No further funding requested.



#### 4. Champion Hill

**Summary:** The hill has considerable paving issues and ledge removal to be mitigated when funding allows, to avoid ongoing public safety issues, particularly in the winter season.

**CIP Committee Comments:** It is important to maintain the quality of the Town's roads.

**Project evaluation:** Urgent

**CIP Committee Recommendation:**

- Committee recommends obtaining a formal engineering study for corrections to drainage and roadway.
- Complete this study and the roadwork prior to Green Mountain Phase 4.

#### 5. Huntress Bridge Repairs

**Summary:** This bridge is well-traveled and used frequently to shorten access to Route 25. There is no current assessment of bridge infrastructure. This bridge is in queue for State Aid Bridge funds.

**Submission:** No current submission.

**CIP Committee Comments:** It is important to maintain the quality and safety of the Town's bridges.

**Project evaluation:** Deferrable

**CIP Committee Recommendation:** Reassess cost and need when State Bridge funds are available and with other priorities.

## Historic Town Hall/Library

Submitted by the Historic Town Hall/Library Project Committee

**Summary:** This building has been a municipal building since it was deeded by the Charter Oak Masonic Lodge to the Town of Effingham in 1891; the first floor is used for the Effingham Public Library.

Since 2018, there is an active volunteer committee providing support for updating the building and for fundraising, including research of and application for government and private foundation grants. The Town of Effingham and the Effingham Preservation Society (EPS) developed a formal agreement for EPS as a 501(c)3 organization to receive and track funds that are donated for preservation of the Historic Town Hall. In 2018, a NH Preservation Alliance grant of \$4,500 was awarded and matching town funds were expended for a professional building assessment of the structure. The detailed report is available at the Town Office and Effingham Public Library, and outlines the many possible projects to repair, restore and rehabilitate this structure.

In 2019, the March Town Meeting approved an appropriation of \$20,000 for the Town Hall Repair and Rehabilitation Expendable Trust Fund. Additionally, \$11,800 has been raised through cash donations and \$10,000 from a Moose Plate Grant. Funds appropriated by the Town will be used along with other monies and donations to apply for a 100% matching grant in May 2020 from the Land and Community Heritage Investment Program (LCHIP). The current Phase 1 fundraising goal is estimated at \$140,000. On September 19, 2019, the building was accepted and listed on the National Register of Historic Places; this designation opens access to additional grants and other support programs.

**Submission:** Appropriate \$5,000 to the Town Hall Repair and Rehabilitation Expendable Trust Fund in 2020, and increase funding in 2021 and 2022. Utilize the \$10,000 from the grant award to begin repair and restoration work on the building windows.

**CIP Committee Comments:** It is important to dedicate ongoing resources to protect this historically unique structure, which serves as both the Town Library and community center.

**Project evaluation:** Desirable

**CIP Committee Recommendation:** For 2020, \$5,000 to the Town Hall Repair and Rehabilitation Expendable Trust Fund. Reassess annually.

**NOTE: Analysis of capital improvements for other municipal buildings will be included in next year's Capital Improvements Program Report.**

## Police Department

Submitted by the Police Department

| VEHICLE NAME/<br>NUMBER | VEHICLE MODEL                            | AGE IN YEARS | MILES   | RECOMMENDED REPLACEMENT YEARS/MILES | RELIABILITY | CONDITION INTERIOR/<br>EXTERIOR | REQUESTED REPLACEMENT YEAR | EXPECTED COST |
|-------------------------|--|--------------|---------|-------------------------------------|-------------|---------------------------------|----------------------------|---------------|
| Car 1                   | 2014 Ford Interceptor Utility (Explorer) | 5            | 68,000  | 6 years/<br>100,000 miles           | Good        | Good/<br>Excellent              | 2022                       |               |
| Car 2                   | 2017 Ford Interceptor Utility (Explorer) | 2            | 39,000  | 6 years/<br>100,000 miles           | Excellent   | Excellent                       | 2025                       |               |
| Car 3                   | 2012 Chevrolet Tahoe                     | 7            | 120,000 | 6 years/<br>100,000 miles           | Poor        | Out of Service/<br>Fair         | 2020                       | \$50,000      |

### POLICE DEPARTMENT VEHICLE INVENTORY

#### 1. Police Vehicle Replacement

**Summary:** The 2012 Chevy Tahoe currently is removed from the patrol fleet due to repairs, such as a head gasket leak and transmission codes. The quote for repair or maintenance work is in excess of \$6000; the dealership advises that the costs exceed the current value of the vehicle.

The Police Department request is to replace the 2012 Tahoe with a 2019/2020 Ford Interceptor Utility (Explorer) with new updated equipment. This will bring all 3 cruisers in line with the same manufacturer and model, and will standardize the vehicles, equipment and operations. New equipment for the new 2019/2020 Interceptor Utility is expected to be used in 2-3 vehicle cycles, spreading the cost over approximately 12-15 years.

Replacement of this vehicle will allow it to be rotated to the Part Time officers, which will apportion mileage used by the entire department over 3 vehicles, reducing wear and tear and allowing flexibility in scheduling vehicles for repair/maintenance.

Other vehicles:

- The 2014 Ford Interceptor Utility (Explorer) is in good condition and not in need of immediate replacement. Expected date of replacement is 2021-2022.
- The 2017 Ford Interceptor Utility (Explorer) is in excellent condition and not in need of replacement. Expected date of replacement is 2024-2025.

**Submission:** For 2020, purchase new 2019/2020 Interceptor Utility and required equipment at approximately \$50,000; this includes new equipment for this vehicle as items in the Tahoe are either outdated or will not fit. Funding will be pulled from the Police Cruiser and Equipment Capital Reserve Fund.

**CIP Committee Comments:** The Board of Selectmen has established a six-year vehicle replacement cycle. This schedule continues to meet the town's police vehicle requirements cost effectively.

**Project evaluation:** Necessary

**CIP Committee Recommendation:** Continue funding the Police Cruiser and Police Cruiser Equipment Capital Trust Fund for scheduled cruiser replacements, at \$17,000 in 2020. Recommend reassessing and extending future replacement dates.

# Fire Department

Submitted by the Fire Department

| VEHICLE NAME/ NUMBER | VEHICLE MODEL    | AGE IN YEARS | MILES/ HOURS    | RECOMMENDED REPLACEMENT YEARS/MILES | RELIABILITY | CONDITION INTERIOR/ EXTERIOR | REQUESTED REPLACEMENT YEAR | EXPECTED COST |
|----------------------|------------------|--------------|-----------------|-------------------------------------|-------------|------------------------------|----------------------------|---------------|
| Engine 1             | HME1<br>1870-SFO | 5            | 5,836/<br>376   | 20 years                            | High        | Very Good                    | 2034                       | \$500,000     |
| Engine 2             | Kenworth<br>T800 | 15           | 4,164/<br>1,159 | 20 years                            | High        | Very Good                    | 2024                       | \$600,000     |
| Engine 3             | Ford<br>F550     | 3            | 4,837/<br>-     | 20 years                            | High        | Very Good                    | 2036                       | \$400,000     |
| Rescue 1             | Ford<br>E450     | 20           | 55,703/<br>-    |                                     | Low         | Poor                         | 2022                       | \$75,000      |
|                      |                  |              |                 |                                     |             |                              |                            |               |

## FIRE DEPARTMENT VEHICLE INVENTORY

### 1. Upgrade and/or replace fire station facilities

**Summary:** Effingham has one two fire stations. Station 2, as the primary fire station, houses the firefighting equipment. Its location on the southeast side of town makes it time consuming for drivers of the fire apparatus to drive from one side of town and drive the fire apparatus back to the other side to get to an emergency scene. A new fire station should be built near the middle of Green Mountain Road.

**Submission:** To be reviewed in 2020

**CIP Committee Comments:** At this time, the proposal is at the initial stages of review. The Committee requires further details.

**Project evaluation:** Premature

**CIP Committee Recommendation:** none at this time

## 2. Replace Rescue Vehicle (utility)

**Summary:** Current Rescue utility vehicle is 18 years old and in Poor condition. This vehicle carries rescue equipment such as the Stokes Basket (used to carry a patient out of the woods or down a mountain), vehicle stabilization jacks, cold water rescue suits, and is currently being upgraded to handle firefighter rehabilitation on an emergency scene.

**Submission:** For 2022, replace the Rescue vehicle for \$75,000. Funding will come from Fire Truck and Fire Truck Equipment Capital Reserve Fund, possible grants, plus Warrant Article for balance of funding.

**CIP Comments:** It is important to maintain the level of fire department equipment for town and firefighter safety.

**Project evaluation:** Urgent

**CIP Committee Recommendation:** Appropriate \$25,000 per year for the next 3 years (Fire Truck and Fire Truck Equipment Capital Reserve Fund)

## 3. Replace Engine 2

**Summary:** Engine 2 is currently 13 years old, with an average life span of 20 years. Engine 2 carries 3000 gallons of water and is one of the main factors in getting our ISO rating lowered. This apparatus should be replaced with a similar piece of equipment. The truck is relied upon for the water capabilities, not only by us, but by surrounding towns as well (Mutual Aid system).

**Submission:** In 2024, replace Engine 2 for \$600,000. Funding will come from Fire Truck and Fire Truck Equipment Capital Reserve Fund, possible grants, plus Warrant Article for balance of funding.

**CIP Comments:** It is important to maintain the level of fire department vehicles and equipment for town and firefighter safety.

**Project evaluation:** Necessary

**CIP Committee Recommendation:**

- Replace Engine 2 in 2026
- Fund the Fire Truck and Fire Truck Equipment Capital Reserve Fund with additional \$50,000 annually for next 7 years.
- Consider alternative to water sources to meet ISO standards, such as dry hydrants or water storage tanks.

## Solid Waste Department (Transfer Station)

Submitted by the Board of Selectmen

### 1. Transfer Station Facilities

**Summary:** Upgrade the facilities at the Transfer Station over 3 years with the following and recommend establishing, in 2020, a Special Revenue Fund to accumulate Transfer Station user fees, to be used for capital improvement and equipment projects:

- 2020: Waste oil receiving station to meet DES standards; \$10,000 (over 3 years)
- 2022: New storage shed (10' x 12'); \$2,000
- 2023: Open-sided roof covering over 3 dumpsters; \$20,000

**Submission:** Expend \$10,000 over 3 years, starting in 2020 for the waste oil receiving station. \$2,500 will be funded annually from state grant; balance of \$2,500 will come from the Transfer Station/Recycling Center Capital Reserve Fund.

**CIP Comments:** This request will enhance the ability to provide adequate services at the Transfer Station.

**Project evaluation:** Necessary

#### CIP Committee Recommendation:

- Expend \$2,500 from Transfer Station/Recycling Center Capital Reserve Fund.
- Continue to appropriate \$2,000 to Transfer Station/Recycling Center Capital Reserve Fund for next facility upgrades.

### 2. Used Backhoe

**Summary:** Purchase a used backhoe for use at the Transfer Station and Town, as needed. Benefits include:

- a. To help pack down waste in demo containers to create more room. The additional space will result in less actual waste disposal trips thus reducing trucking costs for demo and metal.
- b. To provide equipment to help manage the burn pile during accumulation phases and then during the burn phase. Today we hire the road contractor to help with accumulation management in the burn pit. Equipment availability will help reduce risk of possible out of control fires.
- c. Snow removal as needed across the Transfer Station.
- d. Provide means to help with moving and lifting white goods into transportation dumpster. Reduction in risk of employee injury and resulting worker's compensation claims due to weight of moving white goods. Help to meet OSHA requirements.
- e. Using the Special Revenue Fund, consider applying accumulated funds to reduce the Town taxpayer funding requirements. Adjust the requested estimated purchase cost down by the amount of revenues in the Revenue Fund specifically allocated for this year.
- f. General use on town roads and town properties.

**Submission:** \$25,000 - \$30,000 in 2022.

**CIP Comments:** This request will provide more efficiency at the Transfer Station. Ensure that personnel are appropriately trained and licensed.

**Project evaluation:** Desirable

**CIP Committee Recommendation:** Re-evaluate the new Special Revenue Fund level and this request annually.

### 3. Concrete Waste Containment Pads and Retaining Walls for Existing Waste Containers

**Submission:** \$42,000 in 2021

**CIP Comments:** None

**Project evaluation:** Desirable

**CIP Committee Recommendation:** Re-evaluate this request annually, in conjunction with the Transfer Station Special Revenue Fund

### 4. Scale to Weigh Demo Materials

**Summary:** In 2027, purchase a scale to weigh demo materials and other goods.

- a. A scale will reduce the permit holder anxiety about what they are paying for demo when using the “eye ball” method to determine price of demo – ½ truck or full truck bed.
- b. The scale will provide an accurate method of pricing waste material that will contribute revenues to help reduce taxpayer costs of operating a transfer station and recycling facility.
- c. When waste is determined by weight, there is a possibility of expanded Town business opportunities for local commercial refuse trucking. Example: A person starts a local business to pick up weekly trash in the residential housing developments and from elderly citizens that may not be as mobile as they used to be.
- d. Use the Special Revenue Fund to apply accumulated funds to reduce the Town taxpayer funding requirements.

**Submission:** \$87,000 in 2027

**CIP Comments:** none

**Project evaluation:** Desirable

**CIP Committee Recommendation:** Re-evaluate this request annually, in conjunction with the Transfer Station Special Revenue Fund



## 5. New Compactors

**Summary:** In 2029, begin replacement of compactors.

- a. Consideration will be given to using an estimated useful life calculation including initial purchase and ongoing maintenance versus monthly lease that includes maintenance.
- b. Research will be done in prior years to determine the feasibility of providing a roof covering over the machinery to reduce wear and tear from the weather elements to extend useful life.
- c. Using the Special Revenue Fund, consider applying accumulated funds to reduce the Town taxpayer funding requirements. Adjust the requested estimated purchase cost down by the amount of revenues in the Reserve Fund specifically allocated for this year

**Submission:** \$21,000 per compactor in 2029

**CIP Comments:** none

**Project evaluation:** Desirable

**CIP Committee Recommendation:** Re-evaluate this request annually, in conjunction with the Transfer Station Special Revenue Fund

## RECOMMENDATIONS FOR 2020

### WARRANT ARTICLES:

- Recommend Green Mountain Rd Reconstruction article for \$220,000 in 2020. *See Other\* below.*

### **Appropriate *into* Capital Reserve Trust Funds:**

- Recommend \$5,000 into the Town Hall Repair and Rehabilitation Expendable Trust Fund.
- Continue funding into the Police Cruiser and Police Cruiser Equipment Capital Reserve Fund at \$17,000. Recommend reassessing and extending out future replacement dates.
- Appropriate \$25,000 per year for the next 3 years **into** the Fire Truck and Fire Truck Equipment Capital Reserve Fund, for Rescue vehicle replacement in 2022.
- Recommend into the Fire Truck and Fire Truck Equipment Capital Reserve Fund with additional \$50,000 annually for next 7 years, for replacement of Engine 2 in 2026.
- Continue to appropriate \$2,000 into Transfer Station/Recycling Center Capital Reserve Fund for next facility upgrades.

### **Expend *from* Capital Reserve Trust Funds:**

- Expend \$2,500 from Transfer Station/Recycling Center Capital Reserve Fund for the Waste Oil collection station.

### OTHER RECOMMENDATIONS:

- \*Carry over obligated town-approved 2019 Green Mountain Road funds into 2020.
- Maintain scheduled replacement of the Snow Road Bridge for 2021.
- Obtain a formal engineering study for corrections to Champion Hill drainage and roadway. Recommend completing this study and the roadwork **prior to** Green Mountain Phase 4.
- Reassess cost and need for Huntress Bridge repairs when State Bridge funds are available and in coordination with other priorities.
- Consider alternative water sources to meet ISO standards, such as dry hydrants or water storage tanks.
- Re-evaluate the new Special Revenue Fund level and requests annually (backhoe, concrete pad and walls, scales, new compactors).

# APPENDIX A – PLANNED CAPITAL EXPENDITURES

\*By year, in today's dollars

| ITEM                                  | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      | 2026      | 2027      | 2028      | 2029      |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Road repair and reconstruction</b> | \$410,000 | \$200,000 | \$200,000 | \$250,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 |
| Carryover from previous year          | \$190,000 |           |           |           |           |           |           |           |           |           |
| To Be Funded                          | \$220,000 | \$200,000 | \$200,000 | \$250,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 |
| <b>Bridges and Major Culverts</b>     | \$300,000 | \$100,000 | \$75,000  |           |           | \$475,000 |           |           |           | \$500,000 |
| Capital Reserve Fund Balance          | \$208,000 | \$0       | \$50,000  | \$125,000 | \$275,000 | \$425,000 | \$125,000 | \$275,000 | \$425,000 | \$575,000 |
| Grants                                |           | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       |
| Annual Appropriation                  | \$100,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| Balance                               | \$0       | \$50,000  | \$125,000 | \$275,000 | \$425,000 | \$125,000 | \$275,000 | \$425,000 | \$575,000 | \$225,000 |
| <b>Historic Town Hall</b>             | \$17,400  | \$290,000 |           |           | \$250,000 |           |           | \$30,000  |           | \$20,000  |
| EPS Fund Balance                      | \$11,800  | \$4,400   |           |           |           |           |           |           |           |           |
| Capital Reserve Fund Balance          | \$44,000  | \$49,000  | \$25,000  | \$45,000  | \$50,000  | \$12,500  | \$25,000  | \$47,500  | \$30,000  | \$42,500  |
| Grants                                | \$10,000  | \$145,000 | TBD       | TBD       | \$125,000 | TBD       | TBD       | TBD       | TBD       | TBD       |
| Fundraising                           |           | \$96,600  |           |           | \$75,000  |           |           |           |           |           |
| Annual Appropriation                  | \$5,000   | \$20,000  | \$20,000  | \$5,000   | \$12,500  | \$12,500  | \$12,500  | \$12,500  | \$12,500  | \$12,500  |
| <b>Police Vehicles</b>                |           |           |           |           |           |           |           |           |           |           |
| <b>Cruiser replacement</b>            | \$50,000  |           |           | \$50,000  |           |           | \$50,000  |           |           | \$50,000  |
| Capital Reserve Fund Balance          | \$55,970  | \$22,970  | \$39,970  | \$56,970  | \$23,970  | \$40,970  | \$57,970  | \$24,960  | \$41,970  | \$58,970  |
| Annual Appropriation                  | \$17,000  | \$17,000  | \$17,000  | \$17,000  | \$17,000  | \$17,000  | \$17,000  | \$17,000  | \$17,000  | \$17,000  |
| Balance                               | \$22,970  | \$39,970  | \$56,970  | \$23,970  | \$40,970  | \$57,970  | \$24,970  | \$41,970  | \$58,970  | \$25,970  |
| <b>Fire Department</b>                |           |           |           |           |           |           |           |           |           |           |
| <b>Replace Rescue Vehicle</b>         |           |           | \$75,000  |           |           |           |           |           |           |           |
| <b>Replace Engine 2</b>               |           |           |           |           |           |           | \$600,000 |           |           |           |
| Capital Reserve Fund Balance          | \$96,000  | \$171,000 | \$246,000 | \$246,000 | \$396,000 | \$471,000 | \$546,000 | \$21,000  | \$96,000  | \$171,000 |
| Grants                                | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       |
| Annual Appropriation                  | \$75,000  | \$75,000  | \$75,000  | \$75,000  | \$75,000  | \$75,000  | \$75,000  | \$75,000  | \$75,000  | \$75,000  |
| Balance                               | \$171,000 | \$246,000 | \$246,000 | \$346,000 | \$471,000 | \$546,000 | \$21,000  | \$96,000  | \$171,000 | \$246,000 |
| To Be Funded                          |           |           |           |           |           |           |           |           |           |           |
| <b>Transfer Station</b>               |           |           |           |           |           |           |           |           |           |           |
| <b>Build Waste Oil Station</b>        | \$5,000   | \$2,500   | \$2,500   |           |           |           |           |           |           |           |
| <b>Build dumpster roof covering</b>   |           |           |           | \$20,000  |           |           |           |           |           |           |
| <b>New Storage Shed; Backhoe</b>      |           |           | \$32,000* |           |           |           |           |           |           |           |
| <b>Concrete pads and walls</b>        |           |           |           | \$42,000  |           |           |           |           |           |           |
| <b>Scale</b>                          |           |           |           |           |           |           |           | \$87,000  |           |           |
| <b>Replace Compactors</b>             |           |           |           |           |           |           |           |           |           | \$21,000  |
| Capital Reserve Fund Balance          | \$64,000  | \$63,500  | \$65,500  | \$65,500  | \$47,500  | \$49,500  | \$51,500  | \$53,500  | \$55,500  | \$57,500  |
| Grants                                | \$2,500   | \$2,500   | \$2,500   | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       | TBD       |
| Annual Appropriation                  | \$2,000   | \$2,000   | \$2,000   | \$2,000   | \$2,000   | \$2,000   | \$2,000   | \$2,000   | \$2,000   | \$2,000   |
| Balance                               | \$63,500  | \$65,500  | \$65,500  | \$47,500  | \$49,500  | \$51,500  | \$53,500  | \$55,500  | \$57,500  | \$59,500  |
| Special Revenue Fund Balance          | \$20,000  | \$40,000  | \$30,000  | \$8,000   | \$28,000  | \$48,000  | \$68,000  | \$1,000   | \$21,000  | \$0       |
| <b>Annual Funding</b>                 | \$419,000 | \$464,000 | \$464,000 | \$499,000 | \$606,500 | \$606,500 | \$606,500 | \$606,500 | \$606,500 | \$606,500 |

Notes: expenditures by category are either listed on the same highlighted line as the category name, in blue ink, or by specific project name; the annual funding costs are in red ink.

Annual appropriations that are not spent in the year appropriated are carried over to the following year to the Capital Reserve Fund

\*Transfer Station 2022 expenditures:

Storage Shed: \$2,000 from Cap Reserve Fund

Used Backhoe: \$30,000 from Special Revenue Fund

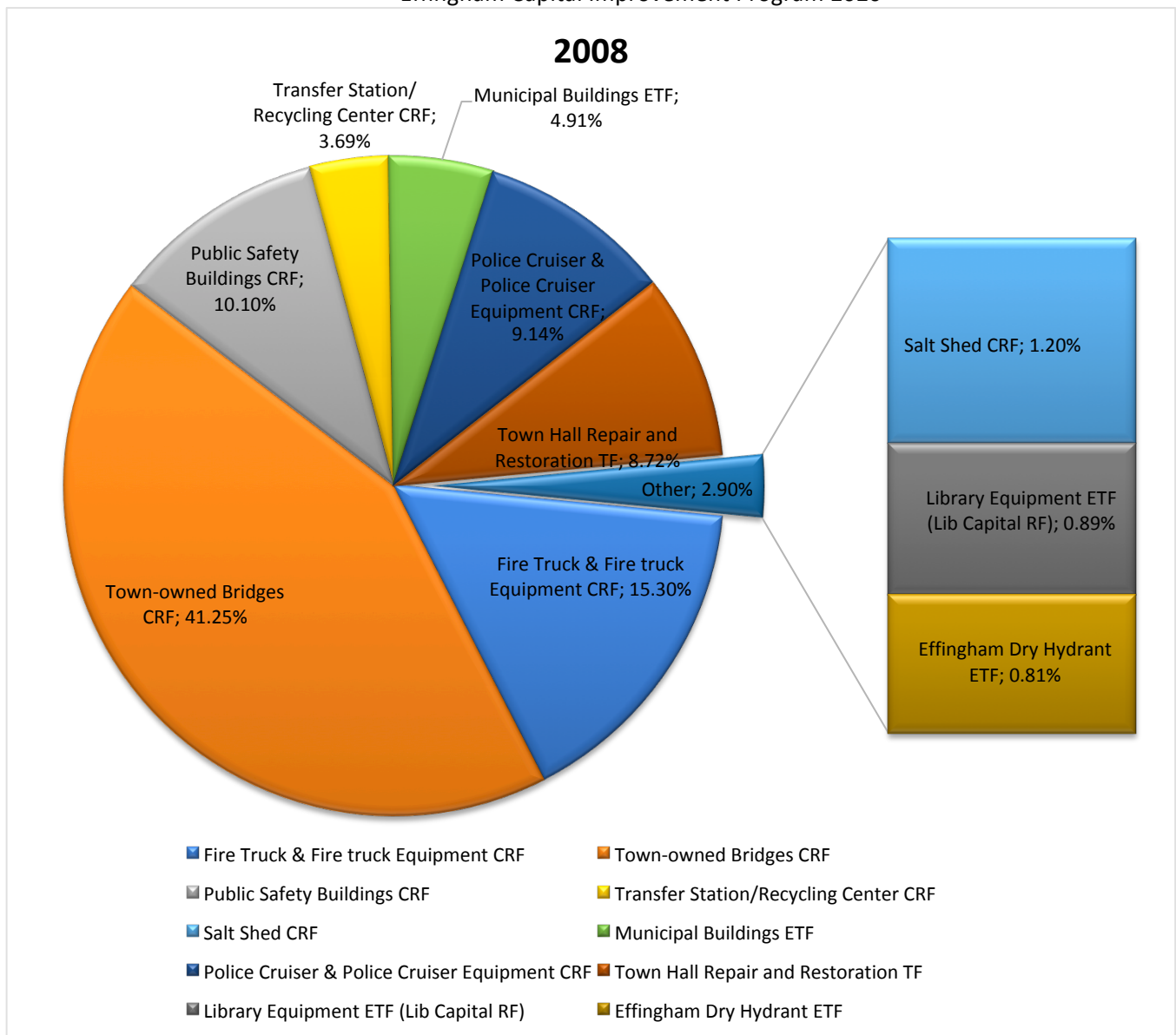
# APPENDIX B – HISTORY OF RESERVE AND TRUST FUND APPROPRIATIONS

The following pie charts indicate the percentage of total appropriations into the town’s various CRFs and ETFs over the past 10 years:

## Capital Reserve and Expendable Trust Fund Appropriations – 2008

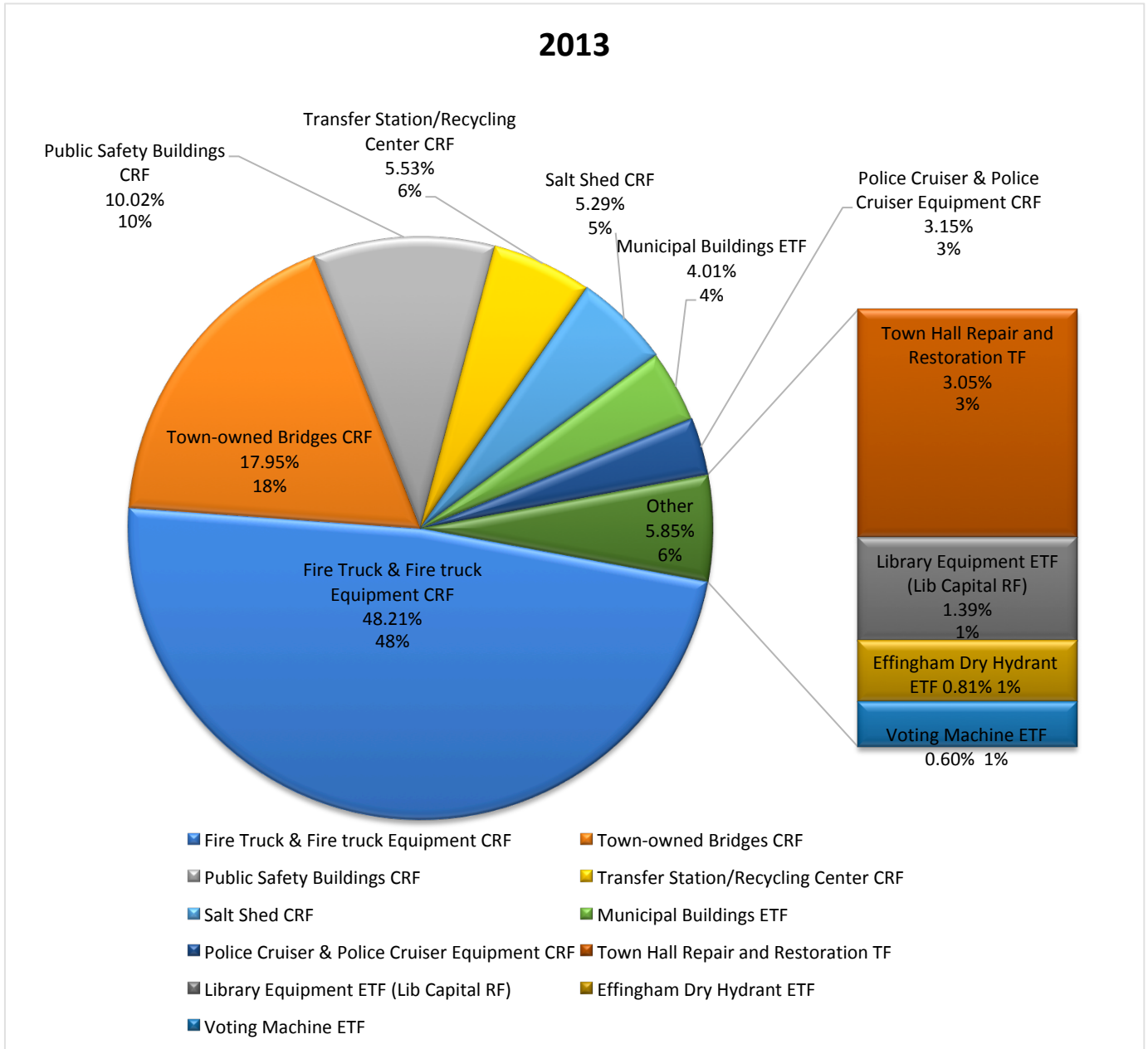
Appropriations into the Town-Owned Bridges Capital Reserve Fund totaled slightly more than 41% of all capital reserve and trust fund appropriations in 2008.

Effingham Capital Improvement Program 2020

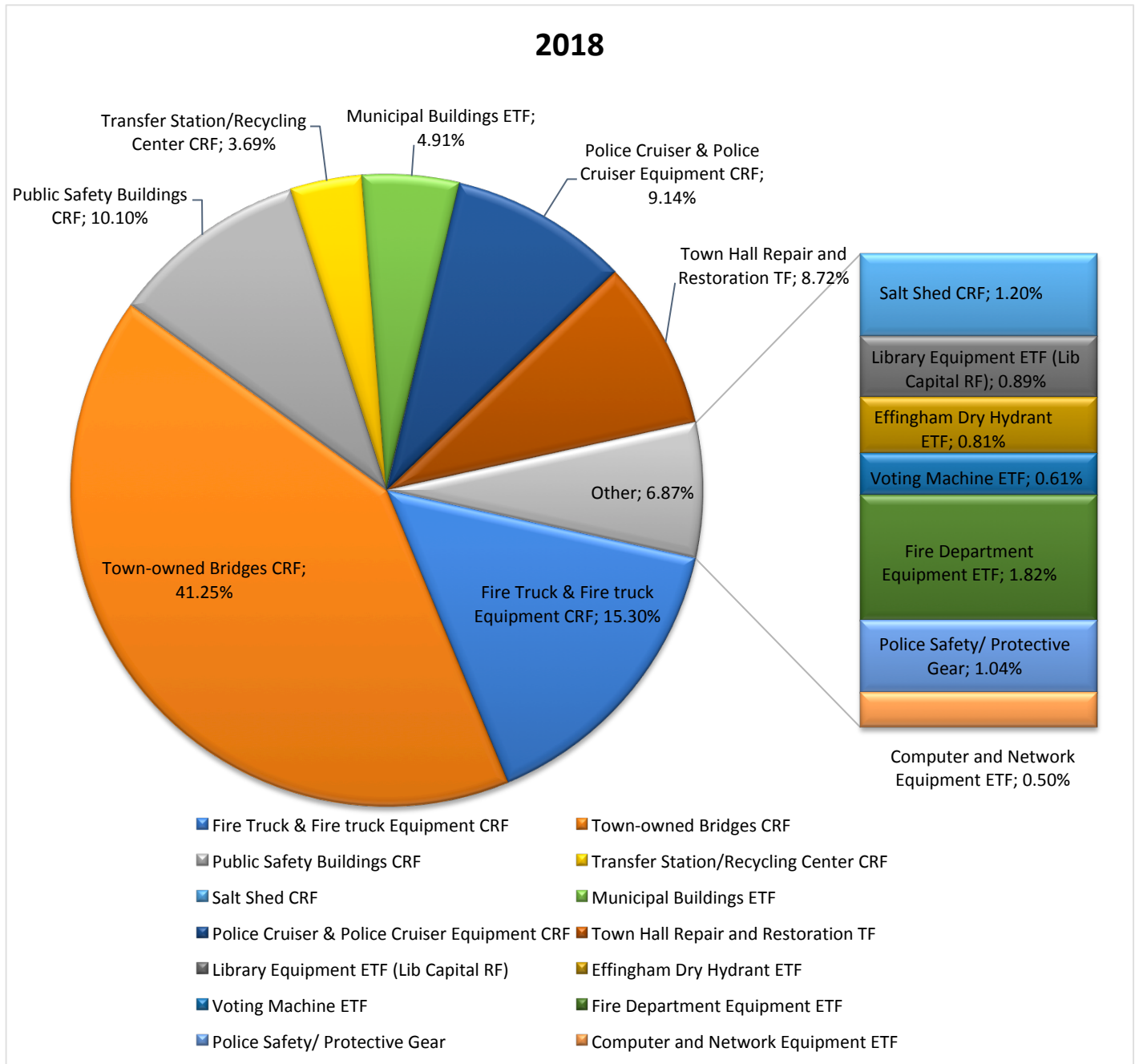


### Capital Reserve and Expendable Trust Fund Appropriations – 2013

Appropriations into the Fire Truck & Fire Truck Equipment Capital Reserve Fund totaled almost 50% of all capital reserve and trust fund appropriations in 2013, while it was slightly more than 15% in 2008.



## Capital Reserve and Expendable Trust Fund Appropriations – 2018



Appropriations into the Town-Owned Bridges CRF totaled slightly more than 41% of all capital reserve and trust fund appropriations in 2018, again topping the list of funds to receive money that year, while appropriations into the Fire Truck & Fire Truck Equipment CFR, which topped the list in 2013, only received slightly more than 15% of all fund appropriations. These swings in reserve and trust fund appropriations are intended to level out over the next several years as appropriations are correlated with the prioritized list of capital improvements. For example, if the CIP recommends purchasing a \$50,000 police cruiser every 6 years, the town can appropriate \$15,000 per year into the Police Cruiser Capital Reserve Fund, instead of different amounts each year with a large amount in the 6<sup>th</sup> year.

# APPENDIX C – PAVED ROADS ASSESSMENTS JULY 2019

| Paved Road          | Road Length | Alligator Cracks 1/8" |          | Edge Cracking 12/24" |          | Longitudinal Transverse Cracking 1/4" |         | Patching/Pothole                    | Roughness        | Drainage | Rutting          | Comments  | Priority |
|---------------------|-------------|-----------------------|----------|----------------------|----------|---------------------------------------|---------|-------------------------------------|------------------|----------|------------------|---|----------|
|                     |             | Severity              | Extent   | Severity             | Extent   | Severity                              | Extent  |                                     |                  |          |                  |   |          |
| Bailey Road         | 4247        | None                  | None     | None                 | None     | None                                  | None    |                                     | 1-Smooth         | 1-Good   | 1-Smooth         | Reconstructed in 2010, this road has the best base materials of any existing town road.   | Low      |
| Champion Hill       | 3883        | High Sev              | High Ext | Med Sev              | Med Ext  | Low Sev                               | Low Ext | 2 - Medium (10-30% /<10 per 100 ft) | 2-Somewhat Rough | 3-Poor   | 2-Somewhat Rough | Center line on latest improved section of Champion Hill needs final pavement to prevent cracking. Needs ditching along all sections of road. 2 sections of Champion Hill Road were reconstructed in 2016; the remaining section above the hill portion in need of complete reconstruction. Considerable boulders/ledge to be removed in hill section. Estimate for reconstruction of the hill very high. *Combine Champion Hill, Jones and Drake Roads as one project. **Highest priority for repair based on Safety Concerns | High     |
| Comer Road          | 413         | Med Sev               | Med Ext  | Med Sev              | Med Ext  | None                                  | None    | 2 - Medium (10-30% /<10 per 100 ft) | 2-Somewhat Rough | 2- Fair  | 2-Somewhat Rough | Needs ditching  | Medium   |
| Drake Road          | 4739        | High Sev              | High Ext | Med Sev              | Med Ext  | None                                  | None    | 2 - Medium (10-30% /<10 per 100 ft) | 3-Rough          | 3-Poor   | 3-Rough          | Revert back to gravel road or reclaim and repave (will require subsurface work). Subsurface extraction and new base materials required, will result in higher reconstruction cost. Lots of cracking, dipping, edge potholes. Old ditching with sand seeping onto road surface. Crack down center of road. Drake, Jones and Champion Hill should be combined as one project. One of roads with worst condition in town; high traffic and heavy truck usage.  | High     |
| Elm Street          | 6384        | Med Sev               | Med Ext  | High Sev             | Med Ext  | Low Sev                               | Low Ext | 2 - Medium (10-30% /<10 per 100 ft) | 2-Somewhat Rough | 2- Fair  | 2-Somewhat Rough | Reclaim and repave. Subsurface issues will result in higher reconstruction cost. Sealed in section near bridge and then no new sealing completed. Lot of cracks and edge cracking. Significant patching; irregular. Along with Pine River Road, Elm St should be considered of the highest priority for reconstruction. Consider paving when the bridge is repaired.  | High     |
| Green Mountain Road | 27198       |                       | Low Ext  | Low Sev              | Low Ext  | Low Sev                               | Low Ext | 2 - Medium (10-30% /<10 per 100 ft) | 2-Somewhat Rough | 2- Fair  | 2-Somewhat Rough | Presently in Yr 2of 6 of reconstruction project. Reclaim and repave, replace culverts as necessary and address base material stabilization.   | N/A      |
| High Watch          | 6942        | Med Sev               | High Ext | Med Sev              | High Ext | Low Sev                               | Low Ext | 3 - High (30+% /1-+ per 100 ft)     | 2-Somewhat Rough | 2- Fair  | 2-Somewhat Rough | 75% road reconstruction completed in mid-2000s (2006-2007) with the upper 25% paved over without being reconstructed. Cracks with sealing in some sections, not all. Culvert washout; chunks of surface missing; frost heave bumps. Needs ditching  | Medium   |
| Huntress Bridge     | 418         | High Sev              | High Ext | Med Sev              | Med Ext  | Low Sev                               | Low Ext | 3 - High (30+% /1-+ per 100 ft)     | 3-Rough          | 3-Poor   | 2-Somewhat Rough | Pavement scheduled to be removed 2019/2020. Return this section back to gravel with no plans to repave. (Completed 8/2019)  | N/A      |
| Huntress Bridge     | 3969        | Low Sev               | Low Ext  | Low Sev              | Low Ext  | None                                  | None    | 1 - Low (<10% /5 per 100 ft)        | 2-Somewhat Rough | 2- Fair  | 2-Somewhat Rough | Reconstructed in early 2000s (2002-2003) as reclamation project. Overall condition of road is still Good.   | Low      |
| Iron Works          | 3092        | Low Sev               | Low Ext  | Low Sev              | Low Ext  | Med Sev                               | Med Ext | 1 - Low (<10% /5 per 100 ft)        | 2-Somewhat Rough | 2- Fair  | 1-Smooth         | Reclaim and repave. Poor condition after Stillings.   | Low      |

Effingham Capital Improvement Program 2020 - 2029

|                 |       |          |          |          |          |          |          |                                     |                  |         |                  |  |        |
|-----------------|-------|----------|----------|----------|----------|----------|----------|-------------------------------------|------------------|---------|------------------|--|--------|
| Jones Road      | 4074  | High Sev | High Ext | Med Sev  | Med Ext  | Med Sev  | Med Ext  | 0 - None                            | 3-Rough          | 2- Fair | 3-Rough          | Revert back to gravel road or reclaim and repave. Should be in the project with Jones, Drake and Champion Hill. Worst alligator cracks are on west side of road. Cracks are wide; has shifting road base. Old sealing not holding. Needs ditching.   | High   |
| Leavitt Road    | 647   | Low Sev  | Med Ext  | High Sev | Med Ext  | Low Sev  | Low Ext  | 1 - Low (<10% /5 per 100 ft)        | 2-Somewhat Rough | 2- Fair | 2-Somewhat Rough |  | Low    |
| Nutter Road     | 246   | Med Sev  | Med Ext  | Med Sev  | Med Ext  | None     | None     | 1 - Low (<10% /5 per 100 ft)        | 1-Smooth         | 2- Fair | 2-Somewhat Rough | Large pothole at junction of road  | Low    |
| Old Pound Road  | 3629  | Med Sev  | High Ext | Med Sev  | Med Ext  | Low Sev  | Low Ext  | 1 - Low (<10% /5 per 100 ft)        | 2-Somewhat Rough | 3-Poor  | 2-Somewhat Rough | Drainage and rutting issues  | Medium |
| Pine River Road | 12225 | High Sev | High Ext | High Sev | High Ext | Med Sev  | Med Ext  | 3 - High (30+% /1-+ per 100 ft)     | 3-Rough          | 2- Fair | 3-Rough          | Reclaim and repave. No sealing. Considerable potholes and tire wear ruts. Intermittant repair. Many issues to be considered in reconstructing: wet areas, low grades, poor base/subsurface materials. Along with Elm Street, Pine River Road should be considered of highest priority for reconstruction.                                | High   |
| Ryefield Road   | 3151  | High Sev | High Ext | Med Sev  | Med Ext  | High Sev | High Ext | 2 - Medium (10-30% /<10 per 100 ft) | 3-Rough          | 3-Poor  | 3-Rough          | Reclaim and repave. Additional concerns with considerable wet areas; connects to Rte 25 via short section owned by Town Of Ossipee. Ryefield and School Street would be a good combination project. Road condition "Poor".   | High   |
| School Street   | 4178  | Low Sev  | Low Ext  | High Sev | High Ext | High Sev | High Ext | 3 - High (30+% /1-+ per 100 ft)     | 3-Rough          | 2- Fair | 1-Smooth         | Considerable cracking and potholes. Reclaim and repave.  | High   |
| Snow Road       | 1906  | High Sev | High Ext | Med Sev  | Med Ext  | Med Sev  | High Ext | 1 - Low (<10% /5 per 100 ft)        | 2-Somewhat Rough | 2- Fair | 2-Somewhat Rough | High cracking. High traffic. Consider repaving at time when brodge is replaced.  | Medium |
| Stillings Lane  | 298   | None     | Low Ext  | None     | None     | None     | None     | 0 - None                            | 1-Smooth         | 3-Poor  | 1-Smooth         | Return to gravel. Road conditions will dictate timeline to return to gravel. This road services one home. Repaving is not recommended.   | Low    |
| Storage Road    | 496   | Low Sev  | Low Ext  | Low Sev  | Low Ext  | None     | None     | 1 - Low (<10% /5 per 100 ft)        | 2-Somewhat Rough | 2- Fair | 2-Somewhat Rough | Revert to gravel at some point. Road conditions will dictate timeline to return to gravel. Repaving is not recommended.  | Low    |
| Town House Road | 17261 | Low Sev  | Low Ext  | Med Sev  | Low Ext  | None     | None     | 0 - None                            | 1-Smooth         | 1-Good  | 1-Smooth         | Road was reclaimed and repaved in 2011-2014 with the surface or top coat of asphalt applied in 2014. The road is starting to show signs of distress; could be addressed with overlay. Crack sealing in some sections. Minimal ditching with possible impact to edging. 1st section near Library needs center line sealing (substantial). |        |
| Winter Road     | 951   | None     | None     | None     | None     | None     | None     | 2 - Medium (10-30% /<10 per 100 ft) | 1-Smooth         | 1-Good  | 1-Smooth         | Very Good condition, although substantial patches missing  | Low    |